



COLLEGE OF LAW AND MANAGEMENT STUDIES
School of Accounting, Economics and Finance

**Accounting and finance professionals' perception on the
current state of the accountancy profession in South
Africa**

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of Accountancy degree at the University of KwaZulu-Natal**

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The pen is mightier than the sword

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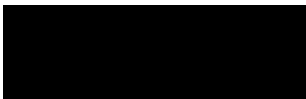
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ABSTRACT

Background: Accountants, auditors, and other finance professionals have traditionally been well respected and held in high regard by the public. They are regarded as financial reporting overseers because they are responsible for ensuring that organisations follow relevant regulations and financial laws. Globally, accounting and finance professions have been tarnished by scandals involving intentional manipulation of financial information. The professional ethics of finance professionals are under scrutiny by the concerned public at large. The importance of ethics to accounting professionals stems from the need to make ethical decisions on a regular basis. This study is informed by the repercussions of these scandals and how they have influenced the public view of the profession.

Purpose and method: The study investigates how South African accounting and finance professionals perceive their ethical knowledge, compatriots' ethical responsibility and the role of the professional bodies in maintaining ethical responsibility. The study adopted a quantitative approach using systematic sampling. The population of the study comprises 165 accounting and finance professionals at government, corporate institutions and audit firms. An anonymous online questionnaire was the instrument used for the collection of data.

Main Finding: The study found that the majority of accountants and finance professionals agree in general that they perceive themselves to have a strong knowledge of ethics. They also perceive their fellow accounting and finance professionals to be ethically responsible. It also found that being a member of professional accounting bodies also influences on the ethical behaviour and professional conduct of accounting and finance professionals. The majority of accountants and finance professionals agree in general that they face a considerable amount of pressure to compromise on ethics

Conclusion: The current level of ethical knowledge of accounting and finance professionals must be maintained and improved upon via training programmes such as the continuous professional development programme. Improved knowledge of ethics can reduce perceived pressures to compromise on ethics among accounting

and finance professionals. Based on this contribution, this study further concluded that accounting and finance professionals should improve their ethical knowledge in order to reduce their perceived pressures to compromise on ethics.

Key words: *Accounting scandals, perceptions, creative accounting, ethics*

LIST OF ABBREVIATIONS

- South African Institute of Chartered Accountants (SAICA)
- South African Institute of Professional Accountants (SAIPA)
- Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Management Accountants (CIMA)
- South African Institute of Business Accountants (SAIBA)
- The Independent Regulatory Board for Auditors (IRBA)

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CHAPTER ONE: INTRODUCTION TO THE RESEARCH PROBLEM

1.1 INTRODUCTION

This chapter will introduce and outline the background to the study, the research problem statement, the purpose of the study, research questions, assumptions of the study, significance and contribution of the study, limitations and outline of the study.

1.2 BACKGROUND

Finance professionals, for example, accountants and auditors have always been well respected and held in high esteem by the public. They have been regarded as overseers of financial reporting, as they have to ensure that organisations comply with relevant regulations and financial laws. A finance profession has been a well-paying, recognised and confidence-boosting profession, at least in the researcher's mind. The survival of any organisation relies mostly on the services of financial professionals, which explains the importance of the profession. This study seeks to investigate the perceptions of finance and accounting professionals amidst all the reported accounting scandals in South Africa.

The bodies that govern the finance profession in South Africa include, amongst others, SAICA, SAIPA, ACCA, CIMA and SAIBA. These bodies are there to safeguard and defend the public interests by managing the performance of organisations. This is what legitimises their existence. Qualification and registration as a finance professional through these bodies entail a vigorous process, which includes more examinations after completing a bachelor's degree in finance or accounting. This qualification process ensures that adequate training is provided before assuming an important role as a financial professional.

However, in recent times, financial scandals and creative accounting have taken the financial world by storm, not just in South Africa but cross the globe. Trautman and Ford (2018) suggest that these scandals are the cause of many pains; hundreds of thousands

of employees lose their jobs and millions of individuals lose millions of rands in investments and retirement funds.

The spate of accounting scandals in recent times is enough to cause sleepless nights for finance and accounting professionals (Awolowo et al., 2018). In 2017, the World Economic Forum released its global competitiveness report and South Africa became the headline as the country lost its number one ranking spot to number 30, amongst 138 countries, for the quality of auditing standards (WorldEconomicForum, 2017). South Africa had held this ranking for seven conservative years prior to 2017. "It is a fall from grace," explained Lindie Engelbrecht, EXCO Member at the South African Institute of Chartered Accountants.

This drop was perception-driven; it draws a picture of a confidence drop in the country, as South Africa is no longer perceived as good investment-friendly country. Confidence, unfortunately, is directly linked to the performance of the markets; if confidence suffers, the market's reaction follows suit.

However, not all is lost; these scandals have propelled the ethical issues and role of the finance profession into the spotlight, which has given academics and authoritative bodies the opportunity to research and dig deeper into the topic, which has brought relevant changes to the standards (Petra and Spieler, 2020).

The Independent Regulatory Board for Auditors (IRBA) recently updated its disciplinary rules, which now gives it the authority to seize evidence from registered auditors' offices and homes. The Auditing Profession Act has finally been granted the long-awaited victory it deserves. The amendment restores confidence in the regulation of the profession by holding professionals accountable for improper conduct

1.3 RESEARCH PROBLEM STATEMENT

The accounting profession has suffered a blow because of corporate scandals. This is because a few individuals in the profession failed to protect the integrity of the profession (Brooks and Dunn, 2020). Adekoya et al. (2020) point out that academics continue to

debate whether these corporate scandal crises are a result of a moralistic understanding of ethics or whether they should be portrayed as isolated events or indicators of larger problems. In an interview with Power FM in December 2017, Dr Terrence Nombembe, the former SAICA CEO, alluded that the accounting profession has been a symbol of integrity and a beacon of trust and inspiration for years. However, an instant reliance and confidence deficit swept all that away (Ndlovu et al., 2020b). The accounting and finance professionals' core responsibility, amongst others, is to protect the economy from corruption and poor governance, and they failed. This has led to a loss of confidence and trust in the profession.

South African-German-Dutch international retail holding company the Steinhoff Group's audit report contained an unqualified audit opinion; however, its annual financial statements revealed that it had overstated profits by \$7.4 billion between 2009 and 2017. This accounting fraud involved top executives. The scandal wiped out shareholders' equity and led to several resignations, including that of chief executive Markus Jooste (Reuters, 2019, March 15).

The Steinhoff and Tongaat Hulett financial irregularities had a major impact on the accounting profession, and once again, the credibility of the accounting profession was questioned. In the last few years, several cases of accounting scandals have embarrassed the profession.

The problem addressed by this study is that the majority of financial information users are hesitant to place reliance on financial data offered by accounting and finance professionals to make financial and investment decisions. What makes conditions worse is the engagement of accounting professionals, as auditors, in creative accounting, colluding with management, which is completely contrary to accountants' professional standards. This collaboration taints the accountant's independence and obligation to render a fair opinion on financial reports. As a result, these collaborations are a source of accounting scandals affecting South African businesses. If this was not the case, why did Deloitte fail to reveal the misrepresentation of Steinhoff Holdings' financial information?

VBS Bank would not have collapsed if KPMG, as the bank's auditors, had taken absolute responsibility to report its misstatements (AccountancyAge, 2018, October 14).

Perception is acquired through content (Bellucci et al., 2021). The accounting and finance professionals are quite aware of the accounting scandals and to some extent, the content and context that surround these scandals. Witt (2018) further argues that perception and action are linked hence perceiving is taking an action.

The consciousness and understanding of the perceptions that the professionals themselves have will provide a guide on how to improve and address concerns that cloud the accounting profession.

1.4 THE PURPOSE OF THE STUDY

Mbaka and Isiramen (2021) state that the main purpose of the study is to provide eligible evidence that supports the objective(s) and research question(s). The research objective and questions should correlate with the study. The success of the study lies in this fact (Yeomans, 2017).

The primary objective of the study

1. To determine the level of ethical knowledge among accounting and finance professionals in South Africa.
2. To evaluate the level of ethical pressures faced by accounting and finance professionals in South Africa.
3. To evaluate the perceptions of accounting and finance professionals on the responsibility of professional members regarding ethics in the South African accountancy profession.
4. To evaluate the perceptions of accounting and finance professionals on the role of accountancy bodies regarding ethics in the South African accountancy profession.
5. To determine if knowledge of ethics of accounting and finance professionals influences their pressures to compromise on ethics.

6. To determine if the performance of accounting bodies influences perceptions of compatriots.

1.5 RESEARCH QUESTIONS

This study seeks to answer the following questions:

- What is the level of ethical knowledge among accounting and finance professionals in South Africa?
- What is the level of ethical pressures faced by accounting and finance professionals in South Africa?
- What is the perception of accounting and finance professionals on the responsibility of professional members regarding ethics in the South African accountancy profession?
- What are the accounting and finance professional' perceptions on the role of accountancy bodies regarding ethics in the South African accountancy profession?
- Is knowledge of ethics a factor in the pressure accountants face to compromise?
- Does the performance of accounting bodies influence the perceptions of compatriots?

1.6 ASSUMPTIONS OF THE STUDY

Assumptions drive this entire research, without them the research is immaterial (Flick, 2018). He further states that an assumption is an unverified fact that the researcher assumes to be true. This study assumes that

- The finance and accounting professionals will cooperate and provide honest responses to each question, as the questionnaire is anonymous and confidential.
- The finance and accounting professionals are aware of the recent accounting scandals as the media and the accounting bodies have openly publicised these scandals.
- The responses provided are a true reflection of the perceptions of the majority of finance and accounting professionals in South Africa.

1.7 SIGNIFICANCE AND CONTRIBUTION OF THE STUDY

The findings of the study may be useful in providing valuable input to accounting regulatory bodies, allowing them to engage effectively and create substantial changes. Accounting bodies' task is to effectively manage perceptions within the profession by improving governance to prevent business failures through appropriate and effective controls (Ndlovu et al., 2020b). It is vital that the accountancy profession portrays an intact professional image for both the public and the members of the profession. To avoid scandals, they should have preventative measures and not only react after the fact. Without a proper image of the profession, it will be difficult to attract talented people to join the profession or retain talented people in the profession (Lassou et al., 2021).

In addition, the findings may contribute to the ongoing conversation on the legitimacy of the accounting profession. It may also give more insight into the calibre of accounting and finance professionals, which may assist organisations to recruit quality professionals who are able to maintain the ethics, accountability and transparency that the profession is known for and provide insight into the future development of the profession.

1.8 THE OUTLINE OF THE STUDY

Chapter 1: Introduction

This chapter introduced the background of the study and presented the research problem statement, the purpose of the study, research questions, assumptions of the study, significance and contribution of the study, limitations and an outline of the study.

Chapter 2: Literature Review

This chapter presents the literature review, which (Hart, 2018) argues that knowing what has already been said or done on a similar topic will benefit the researcher in understanding the shortcomings and issues that still require attention. This chapter will review and evaluate prior literature on a similar topic. This includes areas such as pressures faced by finance professionals to risk their independence; theory of ethics of

finance professionals and their perceptions; accounting scandals; creative accounting, and the role of accounting bodies on ethics and their response to the scandals.

Chapter 3: Research Methodology

The methodology chapter outlines the design and approach, research tool, participants, pilot study, data analysis and interpretation, statistical methodology for analysing and interpreting the data and ethical considerations.

Chapter 4: Research findings

This chapter presents the analysis and interpretation of the results of the data collected. The Statistical Package for Social Sciences (SPSS) is used for the analysis and interpretation of data.

Chapter 5: Discussion of research results

This chapter reflects on and interprets the material findings and limitations of the study. It further discusses the suggestions and recommendations for further research.

1.9 CHAPTER SUMMARY

Accounting scandals hinder the accounting profession from regaining its position as the world's leading corporate reporting profession (Anderson-Gough et al., 2018). This chapter has outlined the background, the purpose of this study and the problem statement. The following chapter will deal with the literature review on the finance professionals' perceptions of the scandals surrounding the accountancy profession.

CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

Machi and McEvoy (2021) explain that a literature review is a written document that makes a logically reasoned case based on a thorough comprehension of the current state of knowledge on a particular subject in order to answer the study's question. According to Fink (2019) a literature review is a systematic, explicit, and repeatable approach to locating existing and recorded work by scholars and researchers based on their previous research. For high-quality review results, the researcher has to focus on original research and not base the review on interpretations (Fink, 2019). The researcher carefully picked the relevant literature for this review in order to give high-quality evidence that strengthens the review's validity and authority (Ndlovu et al., 2020b).

The relevant literature is summarised in Section 2.2, which defines South African finance and accounting professionals. Section 2.3 introduces the study's theoretical foundation, perceptions, perpetual control theory (PCT) and theory of ethics. The empirical theory review is detailed in section 2.4 where the accounting scandals, creative accounting, professional ethics and the role of accounting bodies on ethics are discussed. To end this chapter, section 2.4 will detail the conclusion.

2.2 FINANCE AND ACCOUNTING PROFESSIONALS

2.2.1 South African Finance and accounting professionals

To preserve the integrity of financial reports, accounting and finance professionals must insist upon absolute independence of judgement and action (Duska et al., 2018). Unethical behaviour does not only degrade the accountancy profession's reputation and credibility but that of the individual as well (Jaijairam, 2017a). Accountants are seen as brand advocates for the accounting profession (IESBA, 2018). However, despite the existence of the code of conduct for the profession, accounting bodies are still

flooded by complaints about finance professionals, for example, accountants and auditors, who are not adhering to the profession's rules and conduct.

According to the SAICA (2020), Quarter 1 disciplinary report, 29 misconduct cases, which ranged from integrity breaches, professional conduct breaches, objectivity breaches and more, were tabled. SAICA's CEO, Freeman Nomvalo, stated that SAICA treats all allegations of members without fear or favour and that they take all instances of members' alleged contraventions of the SAICA's Code of Professional Conduct seriously and investigates all matters, regardless of the nature of the assignment or the individual member concerned (SAICA, 2020).

One of the recent cases from the South African state capture inquiry saw the former Transnet chief financial officer (CFO), Mr Anoj Singh, being excluded from SAICA membership in July 2020 (SAICA, 2020). The SAICA disciplinary committee found him guilty of misconduct. Singh was accused of failing to comply with relevant rules and regulations, as well as failing to avoid behaviour that he knew or should have known would bring the accountancy profession into disrepute (SAICA.org.za., 2021, May 21).

To comply with the core principles of ethics, all financial professionals must be independent and apply the code (International Code of Ethics for Professional Accountants, 2019). The most important principles and values vital to the accounting profession, and crucial in avoiding most scandals, are that all accounting and finance professionals must first speak the truth, and then commit to telling the truth (Shaub and Fisher, 2008).

Finance professionals arguably play an important part in effective corporate governance and ethical, long-term business practices (Low et al., 2008). According to the previous findings, professional accounting associations and accounting firms play critical roles in shaping individual accountants' identities as well as the image of the accounting profession as a whole (Espinosa-Pike et al., 2021). For any financial scandal to occur, unethical behaviour must exist in one way or the other (Toms, 2019); hence, there are growing requests for more transparency and corporate governance, as well as for corporations to embrace more professional and ethical procedures. However, given our

essentially materialistic approach to wealth accumulation the question whether this is even conceivable remains (Low et al., 2008). The reputation of the profession is "our most priceless asset" according to the President and CEO of the American Institute of Certified Public Accountants (Pors, 2018), which leads to the conclusion that ethics is not an option for a finance professional, but rather the profession's essence. Finance professionals must go through a rigorous professional competency-training programme. According to Borgonovo et al. (2019), professional competence in accounting refers to the capacity to display sufficient levels of technical and professional skills, values, ethics, and attitudes to fulfil the position of a professional accountant.

2.3 THEORETICAL LITERATURE REVIEW

This section of the literature review will focus on the foundational review of critical theories using pivotal themes and sub-themes as discussed below.

2.3.1 Perceptions

Perception is the awareness of certain items that are offered to the senses (Angell, 1908). It is all about a personal perspective on how one views the world. Understanding the psychology of perception is essential for improved personnel management (Pickens, 2005). Perception, according to Zarra (2016), is the process by which creatures interpret and arrange sensations to form a meaningful experience of the world. Perceptions are formed as a result of how information about diverse occurrences is processed. Perceptions can also be thought of as learned tendencies (Cherry, 2018), as accounting and finance experts do while assessing their environment. These assessments are frequently positive or negative, and they might be ambiguous at times. The two sorts of perceptions are explicit and implicit perceptions. Explicit perceptions are those that accounting and finance professionals are aware of, while implicit perceptions are those that they are not aware of (Cherry, 2018), however, what a person perceives may differ significantly from reality.

According to Pickens (2005), stimulation, registration, organisation and interpretation are the four steps of perception. In the perception process, a person's awareness of

information is crucial. Brock and Balloun (1967) further state that information receptivity is very selective, and one's beliefs, attitude, motivation, and personality may limit one's ability to receive or perceive the information. Depending on one's opinions, beliefs, feelings, and attitudes toward the subject, finance professionals' perceptions could be negative, positive, or neutral (Chaiklin, 2011). Positive perceptions are optimistic mental states that are constructive and typically have favourable impacts and results on finance professionals, whereas neutral perceptions are neither positive nor negative (Hagood, 2018). Finance professionals with a negative perception display gloomy mental states when they disagree, withdraw, or have a hostile viewpoint (Ndlovu et al., 2020b). Negative perceptions will then yield unfavourable results. Agreeableness is one of the factors that contribute to negative perceptions (Sliter et al., 2015). The ability to be courteous, flexible, trusting, good-natured, cooperative, forgiving, soft-hearted and tolerant is referred to as agreeableness. People with low agreeableness may sense divisiveness where it is not present because of this mistrust and scepticism (Barrick and Mount, 1991). In general, agreeableness has a negative relationship with primary stressor evaluation. As a result, those who are agreeable are more likely to give others the benefit of the doubt when they encounter potentially uncivil behaviour. Sliter et al. (2015) conclude that agreeability would have a detrimental impact on perception.

Prior research has discovered that the challenges and warnings that are now affecting finance professionals' perceptions of the accounting profession happened during a time when media coverage was limited (Jackson, 2004). These instances would receive a lot more media attention nowadays, bringing these sad scandals to the attention of financial professionals. According to Ferreira and Santoso (2008), perceptions may be the result of combining the dynamic factors that finance professionals encounter in their surroundings with what is at their disposal. The question remains: how can perception lead us to believe what we believe about reality? Even after the empirical world is completed, it appears that this question will remain unanswered (Crane, 2005). Some argue that if perception is to perform the role of providing us with reasons, we must think of it as a 'direct' or unfiltered perception of the surroundings.

Finance professionals' perceptions are likely to be influenced by their personal experiences, expectations of the profession, and the environment in which they interpret the profession's controversies.

2.3.2 Theory of Perceptual Control Theory (PCT)

Research theory is a method of establishing connections between or among constructs that describe or explain a phenomenon by looking beyond the immediate occurrence and attempting to link it to similar events (Mertens, 2019).

This study is based on two theories, the first being the theory of perceptual control (PCT), founded by William T. Powers in the 1950s, who suggests that an individual's behaviour is organised around the control of his/her own perceptions, perceptions that correspond to features of the environment described by their perceptual input function (Mansell, 2020). PCT is predicated on the assumption that when a reference point exists, behaviour is purposeful and are more likely to change (Ferguson et al., 2018). Carver and Scheier (1982) explain the perceptual control theory as a theory to explain psychological change. PCT can be utilised as a framework for understanding what is causing a certain behaviour that requires influence or change (Pfau, 2017). This understanding can then be the tool to change this behaviour.

Higginson et al. (2011) describe perceptual control theory as an integrative theoretical account of human behaviour that is built on a self-regulatory framework based on a control system. Furthermore, he says, PCT is founded on four concepts, namely, that individuals are conscious that they are losing control over important parts of their lives (which increases the possibility of error). Secondly, individuals become more conscious of the contradictory goal systems that lead to a loss of control. Thirdly, over time, the systems reorganise themselves in a way that lowers conflict and individuals gain a better sense of overall control over their lives. Lastly, the higher-level systems are reorganised through trial and error.

Powers et al. (2011) observed that humans control the perception of the environment through their actions and that PCT focuses on the concept of control, with observable behaviour as a supporting role. PCT theory is therefore critical in detecting and analysing

the perceptions of accounting and finance professionals on the current state of the accounting profession (Ndlovu et al., 2020b). The study put the perceptual control theory (PCT) to the test by observing finance professionals' impressions of the profession during the period of the accounting scandals.

2.3.3 Theory of Ethics

Accountants are in charge of the company's financial details and assets. Accounting professionals are obliged to follow ethical guidelines to maintain public trust and demonstrate honesty and fairness. Regrettably, not everyone in the accounting sector possesses a high level of ethical values. This is evident in the daily breaches of public and private trust. Akenbor and Tennyson (2014) investigated the ethics of the accounting profession in Nigeria, and the study revealed that accounting ethics are not widely practised. The study pointed out greediness, pressures from employers and clients, and lack of ethical behaviour as the main contributing factors to this finding.

This study will also be based on theories of ethics. The word ethics comes from the Greek word *ethos*, which means "custom" or "common practice" (Amstutz, 2013). According to Chonko (2012), ethical theories describe the viewpoints from which individuals seek direction as they make decisions; they form part of the decision-making foundation. Ethical theories represent the points of view from which people seek advice when making judgements. In the absence of a theory, it is impossible to articulate what is right or wrong, justified, allowed, and unjustified. It is not sufficient to just state an opinion as right or wrong. Since laws clash and faiths differ, a rigorous philosophical investigation of core ethical concerns is necessary (MacKinnon and Fiala, 2014).

Ethics are referred to as the study of people's diverse sets of values. Every field is built on the foundation of ethics. The goal of ethics is to find the element of obligation in behaviour, and evaluate what gives worth to the behaviour. Dewey (1891) argued that the term moral in ethics does not refer to any specific kind of conduct but rather to practice and action. Moral theories define how we should interact with the world and the people we meet; they also provide the foundation for the ideas that guide our decision-making as professionals and individuals. Moral principles play a vital role when people are faced with ethical dilemmas; they provide guidance in determining the best course of action. ,

As Ojo (2008) further argues, when determining whether an action is ethical or unethical, one's intention to act in accordance with moral standards, as well as the consequences of that conduct, must be taken into account.

According to Rae and Wong (2009), the terms morality and ethics are frequently and loosely used interchangeably. Morality relates to the content of what is right and wrong, whereas ethics refers to the method of establishing what is right and wrong. Therefore, morality is concerned with moral knowledge, while ethics is concerned with moral reasoning. Moreover, Rae and Wong (2009) further suggest that ethics is a process that is both art and science. Normative ethics, therefore, is a study of understanding what is right from wrong, leading to understanding and determining ethical behaviour. Below are three philosophical approaches to ethical reasoning science to assist in determining this.

2.3.3.1 Utilitarianism

In the history of philosophy, utilitarianism has been one of the most forceful and appealing approaches to normative ethics (Driver, 2009). Utilitarianism is the belief that the ethically right action is the one that creates the greatest amount of good. Utilitarianism states that the ethical and moral justness of an action is solely determined by its consequence (CFI, 2020, May 5). Furthermore, utilitarianism suggests that a morally and ethically just action is one that raises everyone's happiness and wellbeing, whereas a morally and ethically unjust action is one that reduces the said utilities. This theory is based on consequentialism, which dictates that the appropriate action is defined solely by outcome (Posner, 1979). Blackorby et al. (2002) show that the principle of utilitarianism ranks social alternatives based on their goodness. Barrow (2015), in his review, concludes that utilitarianism is the most logical and effective ethical philosophy.

2.3.3.2 Virtue Ethics

Virtue ethics theory is defined as the approach that stresses virtues or moral character, as opposed to approaches that emphasise obligations, laws or the consequences of actions (Das, 2003). Bhuyan (2007) suggests that virtue ethics places the foundation of morality on the character of the individual and not on the obligations, rights and duties as utilitarians and deontologists do. He further states that moral principles lie in the kind of

person we ought to be rather than the kind of actions we should pursue. According to the greatest Greek philosopher, Aristotle, authentic virtuous behaviour originates from a stable and unwavering character (Broadie, 1991). Shanahan and Hyman (2003) are of the view that in virtue ethics, the decision-maker should first identify which qualities are ideal and then make decisions based on those virtues. For example, if the decision maker values fairness above all else, then all decisions should be made ethically to ensure that fairness is maintained.

Gardiner (2003) argues that virtue ethics theory recognises the crucial aspect of human moral experience. He is of the view that humans can learn and develop good character. Humans are complex creatures with reasoning abilities that are influenced by emotional responses. These responses are an important element of how we see and evaluate the world around us. These responses, therefore, have an impact on our decisions.

2.3.3.3 Deontological Ethics

German philosopher Immanuel Kant developed the deontological ethical theory (Alexander and Moore, 2007). When examining the moral quality of an action, Kant's deontology asserts that outcomes are irrelevant. The deontological theory is an obligation or duty-based theory. Originally, from a Greek word, deontology, meaning duty. The theory maintains that actions are ethically obligated regardless of the consequences for the human state of being. The theory further suggests that rules bind individuals to their duties and is concerned with behaviour that is defined by responsibilities and constraints (Gregor, 1997). It regards morality as an obligation (Van Staveren, 2007). It is a morality based on principles rather than consequences.

Deontological ethics' emphasis is on whether or not actions are correct or incorrect rather than whether or not the consequences of those actions are correct or incorrect. Micewski and Troy (2007) suggest that the moral dilemma is regarded as a rational problem. In deontological theory, deontological ethics entails determining the appropriate moral rule. Unlike utilitarianism theory, deontological theory judges the morality of choices based on factors other than the outcomes of those actions (Alexander and Moore, 2007)

2.4 EMPIRICAL REVIEW OF RELEVANT LITERATURE

This section of the literature review will focus on the empirical review of the relevant literature using pivotal themes and sub-themes as discussed below.

2.4.1 The rise in Accounting scandals and Creative accounting

Accounting scandals

An accounting scandal occurs whenever a financial statement deception or fraud is discovered (Awolowo et al., 2018). Accounting scandals are corporate scandals that result from the intentional manipulation of financial accounts combined with the disclosure of financial wrongdoings (Sanad and Al-Sartawi, 2021). Accounting scandals in big corporate entities have called into question the professional ethics of those practising the accounting profession. The importance of accountants is regularly underlined in the aftermath of major corporate failures. The accounting profession is said to have reached a new low following the recent company scandal. However, according to the study done by Cooper et al. (2005), North American accounting academics suggest that scandals are a demonstration that the system works and that 'exceptional' occurrences are dealt with appropriately. The second intellectual response has been to call for a "rebirth of ethics" (Neimark, 1995). It is, however, evident that accounting scandals are growing in prevalence, which suggests that in the fight against financial dishonesty, we need to look beyond corporate governance (Awolowo et al., 2018).

Klimek and Wenell (2011) describe how the unethical earning manipulations unveiled at corporations such as Enron and WorldCom in the early 2000s coerced the accounting profession to re-examine ethics and its implications for the profession as corporate scandals have negatively affected the accounting profession (Low et al., 2008). However, the concern is that enclosing controls that downplay the need for professional skill could inadvertently encourage a shallow compliance-focused approach in which the focus is on avoiding sanctions rather than on making audits more efficient and effective (McMillan, 2004).

Steinhoff, Tongaat Hulett, VBS bank, and Gupta-owned companies are the latest South African companies guilty of these scandals (Geldenhuys, 2020). These companies'

financial statements were fully audited and awarded unqualified reports, but massive crimes went undetected. When these crises occur, it is fascinating to note that the investors and public's primary concern is who the auditors are, rather than the CEO or board of directors. As a result, independent financial professionals are relied upon exclusively by investors and the general public for financial advice. McMillan (2004) argues that revenue received through other consulting services provided by auditors to their clients has been identified as a strong motivator for auditors to be more receptive to management's concerns and judgements about the financial statements. Nevertheless, an audit firm that is willing to compromise its principles to keep its consulting fees could be just as cowardly.

The public's perception of accountants is shaped by the verbal and visual representations of accountants in the media and by accountants themselves (Carnegie [and Napier](#), 2010). Accounting scandals have been around for decades. However, media coverage was not as extensive as it is now, and therefore, the public was not aware of these scandals. These scandals are receiving much more media coverage, currently (Jackson, 2004).

Failure to issue proper and adequate audit opinions has cost the profession far more than it can be measured, with far-reaching consequences (Ndlovu et al., 2020b). Despite the auditors' nonqualified opinion given on companies' financial statements, the number of corporates that are shutting down is escalating, "Independence" appears to be a mere word, but it is no longer the culture and practice of the majority of accountants (Brewster, 2003). Unqualified reports are no longer an indicator of an organisation's proper operations.

The largest sugar producer in South Africa, Tongaat Hulett, stated in January 2019 that its certified financial documents had been distorted. According to Villiers (2019), the company's 2018 financial reports were false and unreliable. Deloitte South Africa, one of the top five accounting firms in South Africa, has been auditing their financial reports for the past 15 years. The South African retailer, the Steinhoff Group obtained an unqualified audit opinion (Reuters, 2019). It was reported that an independent investigation by PricewaterhouseCoopers (PWC) revealed that Tongaat Hulett overstated profits by \$7.4 billion between 2009 and 2017. This accounting fraud involved top executives. Several

resignations, including chief executive Markus Jooste's, were a result of an enormous reduction in shareholders' equity.

The financial problems at Steinhoff and Tongaat Hulett had a detrimental impact on the accounting profession, and its integrity was once again questioned. In the last few years, the cases of accounting scandals have been very embarrassing to the profession. Omoregie and Ebhodaghe (2012) argue that these financial scandals increase the cost of living. Investors are losing confidence in the financial reports, which are causing them to retreat.

The late South African Auditor-General, Kimi Makwetu, voiced displeasure with the accounting scandals at worldwide retailer Steinhoff and sugar producer Tongaat Hulett (Mkentane, 2019). He asserted that they had damaged SA's standing as a reliable investment location for both domestic and foreign investors; the accounting profession should be more concerned about the tsunami of accounting scandals that have occurred in the last two decades. It is concerning that the public continues to suffer from corporate accounting scandals even though people are now educated (Agrawal et al., 2005). Jones (2010) argues that accounting scandals are somewhat interesting because they indicate extreme abuse of financial reporting. Accounting scandals are, by definition, severe cases. Finance professionals seem to be well aware of corporate accounting scandals. This implies that they are well aware that fraud and the manipulation of accounting numbers are intended to deceive and defraud the clients (Jones, 2010).

Li et al. (2014) assert that the quality of financial data produced by companies validates the reliance on corporate transactions. Financial information offered by corporations has frequently been questioned for its authenticity due to institutional and historical contexts. The dramatic rise and fall of large corporations exemplify how businesses can utilise legal forms of transactions to conceal the economic substance of those transactions (Baker and Hayes, 2004). Financial statement fraud is frequently challenging to detect due to the diverse objectives that underlie the actions taken (Rengganis et al., 2019). This kind of behaviour undermines the integrity of the profession.

During the time when executives engaged in illicit behaviour, the management team at Tongaat Hulett and its external auditors played a significant role. According to the company's board representation, one of the governance issues found was a culture of deference and a lack of challenge, which caused employees to obey orders without questioning the accounting procedures (EWN, 2019). Ndlovu et al. (2020b) assert that accountants who act unethically undermine the legitimacy of the industry. This ought to be viewed as a crime. Society has granted accountants the sole privilege and responsibility of reporting on the truthfulness and legitimacy of financials. Accounting firm partners are required to preserve the truth since they are leaders in their communities (Brewster, 2003). Nevertheless, Becker and Messner (2005) contend that some academics continue to argue that following the law does not constitute ethical behaviour. As a result, laws and regulations, in this perspective, cannot incite ethical behaviour.

Creative accounting

Although the phrase 'creative accounting' is often used, scholars cannot agree on a clear meaning. However, it is stated that creative accounting is a result of businesses' need to establish a positive reputation in an increasingly competitive and difficult economic climate (Balaciu et al., 2009). According to Otusanya and Uadiale (2014), many corporate failures are brought on by the adoption of inventive and deceptive accounting techniques to inflate reported profitability and debt. Finance professionals aim to either make figures look enticing or the opposite.

Yucel and Adiloglu (2017) consider creative accounting to including fraud, citing the fraudulent reporting of Imar bank in Turkey. It was referred to as the greatest fraud case in the history of banking; other scholars see creative accounting as utilising the regulatory system's flexibility but excluding fraud. Nonetheless, creative accounting reduces the usefulness of the financial data offered (Ismael, 2017).

Jameson (1988) acknowledges that accounting procedures essentially require diversity in their execution; manipulation and falsification result from this diversity and unpredictability. Amat et al. (1999) define creative accounting as a strategy in which

finance professionals use their understanding of accounting principles to alter data recorded in a company's financial statements. In almost the same manner, Ali Shah et al. (2011) cite creative accounting as the wilful manipulation of financial reporting to reflect management's perceptions of stakeholders' interest in the organisation. Creative accounting is motivated by self-interests and it therefore exacerbates the accounting profession's scandals (Adetoso and Ajiga, 2017). Tassadaq and Malik (2015) state the obvious and claim that creative accounting is a skill that involves inventing or manipulating the balance sheet.

According to Firescu (2014), creative accounting is a tool to assist managers in promoting and supporting the company's image; however, managers utilise the information to further their own interests. Adeosun et al. (2021) acknowledge that inventive accounting has resulted in numerous accounting scandals. It denotes the manipulation of financial data in order to satisfy managerial needs while utilising existing accounting standards and/or ignoring portions of them

Financial accounting reports' main objective is to convey the actual and fair state of an entity's financial accounts so that decision-makers can make informed decisions. However, Bachtijeva and Tamulevičienė (2021) argue that accounting guidelines and procedures permit finance professionals to exercise professional judgement when choosing measuring techniques, which can result in innovative accounting. Finance professionals modify the financial reports using their understanding of accounting regulations; they use regulatory flexibility to manage financial statement presentation so that the preparers' interests are prioritised over the users' (Jones, 2010). They use the loopholes in the present regulatory framework to benefit preparers and beautify financial reports (Balaciu, 2009). Balaciu goes on to say that the majority of academics understand that creative accounting is financial engineering used to paint the desired picture.

During times of crisis, organisations' cash flow is impacted, which raises risks. Managers are therefore tempted to utilise creative, and frequently questionable, techniques to enhance account presentation (Kliestik et al., 2021). Rabin (2005) attests that financial

professionals should exercise caution when determining the financial statements' actual representation in these situations since they are likely to be aware of the reasons financial statement preparers use aggressive accounting procedures. When earnings fluctuate unjustifiably due to economic realities and the necessity to present the organisation's financials in a particular light, creative accounting becomes more common.

Creative accounting has grown in popularity around the world and is a hotly discussed topic. Creative accounting is also referred to in the literature as either earning smoothing or income smoothing, depending on your location. The majority of studies confirm that the practice of creative accounting has tarnished the accounting profession, notwithstanding confusion over the correct definition of creative accounting. They agree that creative accounting projects have two features: first, the involvement and the application of accounting professionals' imagination and expertise to apply and interpret accounting laws; and second, financial engineering is a result of concerns about the organisation's balance sheet and results (Adeosun et al., 2021). Recent accounting scandals, including those involving VBS Bank, Tongaat Hulett, and Steinhoff, demonstrate that creative accounting can take place within the legal framework and actually does (Rabin, 2005). Although the facts themselves may be accurate, Heminway (2006) contends that they can nevertheless be misrepresented.

Companies would rather show a constant pattern of profit growth than fluctuating profits with a series of sudden highs and lows (Amat et al., 1999). Investors are unfortunately being deceived by doing this. Fraudulent reporting is typically committed at management levels above those for which internal control mechanisms are supposed to be effective (Ismael, 2017). Financial statement fraud is the deliberate use of financial statements to deceive or to create the impression that the company is healthier and richer than it actually is (Rezaee, 2005). This deception is sometimes accomplished by the deliberate misuse of accounting concepts, in which finance professionals play a significant role, to conceal economic realities (Okoye and Ndah, 2019).

A corporation must adhere to all applicable financial reporting requirements in terms of format and content when providing financial statements to anyone for any reason. These financial statements must accurately reflect the company's state of affairs and operations, as well as clarify transactions and financial conditions (Companies Act 71 of 2008 | South African Government, 2021). Therefore, the accountant's duties also include confirming the accuracy of the financial statements and disclosing any violations of the norms.

According to Alexander and Archer (2003), accounting professionals must decide whether to produce an unqualified audit report when management or directors have knowingly lied by using creative accounting to exploit loopholes in the standards. Being an accountant and refusing to participate in creative accounting is a brave choice because individuals who do so are often subject to the same penalties as other whistle-blowers (Bouville, 2008). He added that peer reporting or whistleblowing is frequently viewed through the lens of professional ethics. Knowingly choosing not to act in known creative accounting cases could have a negative impact on one's career. Although it makes sense to be concerned about losing one's job, the penalties for acting unethically are much more severe (Trevino and Victor, 1992).

2.4.2 The role and responsibility of Professional ethics

The accounting profession faces increased ethical expectations as a result of all of the financial scandals that have occurred around the world (Oboh et al., 2020a), while Low et al. (2008) reveal that, despite the fact that news of these scandals first surfaced in the 1970s, unethical business and accounting practices are nothing new, dating back decades. According to Adekoya et al. (2020), the continuing erosion of ethical standards in organisations has heightened the need for ethics research. The distinctive feature of the accountancy profession is the acknowledgement that accountants have the duty to act ethically for the entire public's interest, not just for the organisation or employer (Lee, 1995).

Ethics as explained by Wylie (2003) is a collection of guidelines for action, as well as societal conventions that regulate or prohibit particular types of behaviour. Yasemin et al. (2009) describe ethics as a set of moral standards that govern what is right and what is

wrong in society's eyes. Without a frame of reference, it can be difficult to discern what is good or wrong in some situations, hence the need for formalised guidelines on how individuals and professionals should behave (Miao et al., 2020).

According to Smith (2001), professional ethics sets a higher standard of behaviour on the part of the professional than the regulations that govern that profession. Although accounting principles govern the profession, ethical standards are crucial. Akenbor and Tennyson (2014), like many scholars, are of the view that competence, independence, objectivity, integrity, fairness and confidentiality encompass the accounting profession's ethics.

Ethics are the foundation for meaningful and sustainable growth in every responsible society (Turpen and Witmer, 1997); they are ongoing attempts to ensure that people, as well as organisations, adhere to reasonable and well-founded standards (Ahinful et al., 2017). Without ethical values, civilisation will crumble and collapse. All professional codes of conduct are founded on ethical principles (Smith et al., 2005). Accountants are required by their profession to follow an ethical code and defend the public interest in economic and financial affairs. They are supposed to promote financial transparency, accountability, and honesty. Kirtley and Choudhury (2016) argue that ethics is an acquired discipline; human beings are not born ethical, while Malone's (2006) study suggests that moral reasoning and ethics are learned early in life and steadily improve as people grow into adulthood. Koumbiadis and Okpara (2008), however, believe that participation in an accounting ethics course will help accounting professionals to think more ethically. There have been various outcries in South Africa regarding the rising incidences of corruption revealed through accounting scandals and unethical accounting procedures (Enofe, 2010). This is despite the existence of governance and professional ethics codes, unethical behaviour clearly persists. Parfet (2000) suggests that the pressure on finance professionals, accountants, auditors, and upper management to show profitability may be the cause of this issue. Only a few corporate titans have taken formal ethics training seriously, (Abdullah and Valentine, 2009) because ethics are often treated as a supplementary component in accounting education (Boyce, 2008). However, it is often in really financially challenging times that business ethics are tested.

Perceptions of ethical knowledge

Barac (2009) inquired about the perceptions of training officers on the ethical knowledge and skills of trainee accountants in South Africa. The study that was done to aid SAICA to improve its competency framework noted that the trainee accountants have adequate ethical knowledge. The study further advocated for an expanded set of competencies. Whilst questioning the necessity for ethical training for accounting students and professionals, Taylor (2013) found that the business ethics course training was indeed effective in improving the ethical sensitivity and knowledge of accounting students in South Africa. Espinosa-Pike and Barrainkua (2016) noted that more knowledgeable and experienced auditors are less likely to yield pressures to compromise on their ethical stance as compared to less knowledgeable and experienced auditors

However, findings from a recent study conducted in Ukraine noted that the current level of ethics among accounting and finance professionals was low despite their understanding of the code of ethics (Zhatkin et al., 2017). This is not the current case for South Africa, as a more recent survey by Mbanjwa (2019) highlighted that South African accountants and finance professionals perceive themselves as being ethically knowledgeable and compliant.

Pressure to Compromise on Ethics

Using the four-component model of moral sensitivity, Jaijairam (2017b) considered how the personal ethics of accounting and finance professionals are influenced by organisational ethics in the United States of America. The findings of the study suggest that the personal ethics of accountants and finance professionals are strongly influenced by the ethics and culture of the organisation they work for. Likewise, Barrainkua and Espinosa-Pike (2018) observed that firms' ethical culture strongly influences professional auditors' ethical public interest, commitment and decision-making. This empirical observation was made based on data acquired from a survey of 122 Spanish auditors, which was quantitatively analysed using a structural equation modelling technique. Arowoshegbe et al. (2017) found that ethical culture can be better instilled in students if ethics and ethical knowledge are taught as an independent course in schools to future accountants. Likewise, Aifuwa et al. (2018) noted that there is a significant relationship

between accounting ethics and financial reporting quality as accountants who uphold high ethical standards are less likely to face pressure to compromise on their ethical stance. Further, inquiring into the pressures faced by South African accountants and finance professionals, Mbanjwa (2019) confirmed that several accountants perceive that they are faced with constant pressure to compromise on their ethical stance and responsibility. In a bid to improve ethical independence among professional accountants via continuous development education training, Cote and Latham (2019) found that accountants who underwent action-oriented training are significantly less likely to be pressured to compromise on their ethical stance when faced with questionable ethical dilemmas whilst dealing with clients.

Perception of Compatriots' ethical responsibility

Hammami and Hossain (2010) sought to decipher the perceptions of accountants held by business students and professionals in Qatar. The findings of the inquiry evidenced that accountants have a positive perception within the business community in Qatar. Likewise, Caglio and Cameran (2017) observed that the accounting profession has a multifaceted perception among millennial students and young professionals. The study further found that this generation does not perceive the accounting profession as having a strong positive reputation. Also, Odar et al. (2017) observed that there is a significant difference between ethical responsibility and compliance among internal and external accountants, as well as accountants working in small firms who tend to be more ethically lenient in their engagements. In addition to this, Pusti (2017) suggested that accounting education and training on ethics should be improved and mandated for accounting learners, teachers and professionals. From the South African perspective, while Mbanjwa (2019) noted that accounting and finance professionals have a positive perception of their compatriots in adherence to ethical standards, this was not the case with trainee accountants. A more recent study by Ndlovu et al. (2020a) found that the majority of trainee accountants in South Africa have developed a negative perception of the accounting and finance professions due to an uptick in recent scandals involving their compatriots.

2.4.3 The role of accounting bodies on ethical responsibility and compliance

The shocking and depressing number of accounting scandals that have occurred around the world has prompted accounting bodies to improve the ethical behaviour of professional accountants. Hence, the efforts to include ethics in all business and professional accounting programmes (Ahinful et al., 2017). Despite the fact that each organisation has its own set of ethical guidelines, most accounting bodies, such as CIMA, SAICA, SAIPA and IRBA share similar ethical stances.

They are all agree on that the role of professional accounting bodies is to help boost ethics in the accounting profession globally. Ethical guidelines are the base that strengthens and enhance the accounting profession.

Despite the accounting bodies' efforts, financial scandals have been exacerbated by some finance professionals. Bazerman et al. (2002) argue that some of the scandals are due to unconscious bias and not conscious corruption. He further notes that aside from threats of jail time, accounting bodies will have to adopt policies and legislation that acknowledge bias and mitigate its negative effects in order to uproot the source of these scandals. Jaijairam (2017a) suggested that accounting ethics orientation is crucial for accounting bodies to improve an organisation's reputation while reducing criminal activity and fraud. He further argues that the role of finance professionals responds to the intensity or lack of emphasis on the ethical culture of the organisation. This makes it crucial for accounting bodies to promote and develop strong ethical precepts to be enforced in organisations.

Jaijairam (2017b) considered the role of accounting bodies in the promotion and enhancement of ethics in the United States of America. The findings of the research inquiry suggested that advocacy for the promotion and enhancement of ethics is dependent on accounting and finance professionals, further reiterating the necessity for professional bodies and regulatory agencies for the accounting and finance professions. Yasseen et al. (2020) assert that self-regulation of the accountancy profession in South Africa poses a significant risk to public interest, increases the liability of professional accountants and results in confusion of defined roles and responsibilities. Likewise, Oboh et al. (2020b) found that the type of professional membership a professional accountant

belongs to in Nigeria has a critical influence on their ethical decision-making process. In a study conducted among professional accounting bodies in the United Kingdom, Adelopo and Meier (2022) found that ethical misconduct and criminal conviction are the leading bases for membership expulsion and exclusion of accounting and finance professionals in the United Kingdom.

2.5 CONCLUSION

The literature review chapter revealed that the accounting scandals and ethical blunders by professional accountants have necessitated the revision of disciplinary rules by the accounting bodies. There has been a fair amount of research and investigation into the effects and causes of the accounting scandals and the failures of the accountancy profession. Hence, additional study in this area will contribute to the current conversation. Nevertheless, there is limited literature on the perceptions and opinions of the accounting and finance professionals themselves about the accounting industry, given the scandals by their peers.

The review of the literature has revealed how the profession's perceived value has expanded to include other services that are provided by accounting professionals. Finance professionals are well aware that fraud and the manipulation of accounting numbers are intended to deceive and defraud clients (Jones, 2010). Even when we strive to be neutral and impartial, our wants have a strong influence on how we understand information, according to psychological research by Bazerman et al. (2002). We are more likely to reach a specific conclusion when we are driven to do so.

The review acknowledges that some scholars consider scandals as including fraud, while others view them as utilising the regulatory system's flexibility but excluding fraud. The review also reveals that the pressure on finance professionals, accountants, auditors, and upper management to show profitability is the main cause of unethical behaviour issues.

The next chapter will detail the research methodology adopted to conduct this study.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The third chapter of this research study focuses on the research methodology of the research study. This is a critical chapter of the research inquiry where the researcher highlights, clarifies and justifies the adopted research paradigms, techniques, and methods of the research study. Herein, the researcher further succinctly discusses the adopted population and sampling techniques, sample size, data collection procedure, data analytical methods, validity and reliability, as well as the limitation of the study.

3.2 RESEARCH DESIGN AND PARADIGM

Research is a thoughtful and organised way of solving problems and acquiring new knowledge (Asenahabi, 2019). Research design provides the glue that holds the entire research together. Dannels (2018) defines research design as a plan that provides the underlying structure to integrate all elements of a quantitative study so that the results are credible.

This paper is not an experimental study but a survey of the opinions of accounting and finance professionals on the current state of the accounting profession due to the accounting scandals. Data was collected from willing finance and accounting professionals by way of a cross-sectional survey questionnaire design. A quantitative methodology was used in this research because it is considered to be the most appropriate way of discovering or uncovering the perceptions of accounting and finance professionals on the current state of the accountancy profession amidst the accounting scandals.

The interest of the study is in understanding the causes of their behaviour and opinions based on various issues affecting the accountancy industry. Conducting surveys is an

approach to finding out the intentions, thoughts, and purposes of a large number of individuals (Nardi, 2018).

This study is, therefore, established within the positivist paradigm. The positivist paradigm is based on the assumption that factual knowledge is understood, identified, and measured since it stems from human experiences (Park et al., 2020). Positivism relies on descriptive, deductive and quantitative methods to test hypotheses and places greater emphasis on objectivity in measuring and describing the collected data (Al-Ababneh, 2020).

3.3 POPULATION AND SAMPLING

Systematic sampling was employed for this study. Systematic sampling is the systematic selection of subjects from a particular population list instead of random selection (Pandey and Pandey, 2021). In this study, the targets are corporate accounting and finance professionals. Accounting and finance professionals are explained as the total number of professional accountants and experienced and in-training finance professionals employed at government entities and audit firms in South Africa. A trainee accountant (TA) is required to complete a period of training before qualifying as a qualified accountant in South Africa (Van Pletzen, 2019). Although TAs are not yet professionals, they possess an understanding of the profession and have adequate accounting knowledge to understand the effect of scandals (Ndlovu et al., 2020a).

It would be impractical to study the entire population. Sampling is a method that enables the researcher to gather information about the population based on results from a sample of the population (Pandey and Pandey, 2021). Formulas are widely used by researchers as a means to determine the sample size. Formulas leave no room for guesswork and eliminate biases (Creswell and Hirose, 2019).

In order to ensure that the selected sample of accounting and finance professionals is representative of the population, a sample of accounting and finance professionals who

possess between 5 and 15 years of work experience employed by government entities and different sized audit firms located in South Africa will be selected.

3.4 SAMPLE SIZE

The study applied a formula developed by Israel (1992) in order to determine an appropriate sample size of the population as follows:

$$n = \frac{N}{1 + N(e)^2} = \frac{500}{1 + 500(0.05)^2} = \frac{500}{2.25} = 222.22 = 222$$

Where n = sample size, N = population sample, and e = sampling error or level of precision.

The sample size will be 222 accounting and finance professionals.

3.5 DATA COLLECTION METHOD AND PROCEDURE

Data was collected through closed-ended questionnaires to gather all information and facts directly from the respondents. Nayak and Narayan (2019) define a questionnaire as a cost-effective method of data collection from a large population. Respondents in this study will be the accounting and finance professionals employed in government, corporate, and audit and accounting firms in South Africa. Parallel-worded versions of the questionnaire were used to collect data from accounting and finance professionals

Data collection was done through a fully automated web-based questionnaire. The bipolar Likert-type question scale in which the respondent agreed or disagreed was used. The scale had five-point anchors ranging between (1) strongly disagree and (5) strongly agree. The Likert-type approach is widely used and consists of asking subjects to indicate the extent to which they agree or disagree with each statement related to the focus of the desired attitude (Willits et al., 2016).

A letter detailing the purpose of the questionnaire accompanied the questionnaire. Each section entailed a short introduction clarifying the purpose of the section.

The questionnaire is divided into two sections as follows:

Section A: Biographical information to ascertain the background of the participants. Closed-ended questions were asked in this section.

Section B: Likert scale questions for accounting and finance professionals. Likert-type questions assess the level at which a respondent agrees or disagrees with a statement.

3.6 PILOT TEST

The questionnaire was pilot tested with ten (10) friends and co-workers who were not included in the study's sample. A pilot study is a preliminary, quantitative sample study conducted as a forerunner to a larger-scale study (Mora et al., 2019). It is conducted to discern weaknesses, test the adequacy of the design of the research instruments, and test the feasibility of the intervention.

3.7 DATA ANALYSIS AND PRESENTATION OF RESULTS

Data analysis is the process of establishing content and interpreting the collected data (Pandey and Pandey, 2021). Descriptive analysis is a common method used to analyse data (Creswell and Hirose, 2019). This study will use Statistical Package for Social Sciences (SPSS) version 27.0 to analyse data

According to Creswell and Hirose (2019), the preparation process includes assigning numerical scores to the data, selecting the statistical programme to use and importing data to the programme. For the purposes of this study, data was automatically captured in Excel form through the web-based link; the excel information was then coded. All the responses were coded and assigned scores as follows:

5 = strongly disagree, 4 = agree, 3 = neutral, 2 = disagree, and 1 = strongly agree.

The data was then grouped into logical summaries based on similarity, each of the questions within Section B of the questionnaire, for example, all “5 = strongly agree” responses were grouped together.

The primary independent variables below (biographical information, which is contained in Section A of the questionnaire) were then used for further analysis:

- Age (0-22, 23-29, 30-39, 40-49, ≥60);
- Gender (Male, Female);
- Race (African, White, Indian, Coloured, other);
- Chartered Accountant/Trainee Accountant, and
- Career stage (0-5, 6-10, 11-15, >20).

The final step in data analysis is then to interpret the results (Creswell and Hirose, 2019). The researcher puts the collected data into context in this stage.(Pandey and Pandey, 2021).

3.7.1 DESCRIPTIVE ANALYSIS

Table 1: Key research question – unit of analysis, data, analysis method and instrument

RQ	Units of analysis	Data	Method of analysis	Instrument
RQ 1	Accounting & Finance Professionals	Closed-ended questions Likert-type survey responses	Descriptive and inferential statistics	Questionnaire
RQ 2	Accounting & Finance Professionals	Closed-ended questions Likert-type survey responses	Descriptive and inferential statistics	Questionnaire
RQ 3	Accounting & Finance Professionals	Closed-ended questions Likert-type survey responses	Descriptive and inferential statistics	Questionnaire
RQ 4	Accounting & Finance Professionals	Closed-ended questions Likert-type survey responses	Descriptive and inferential statistics	Questionnaire
RQ 5	Accounting & Finance Professionals	Closed-ended questions Likert-type survey responses	Regression and correlation analysis	Questionnaire
RQ 6	Accounting & Finance Professionals	Closed-ended questions Likert-type survey responses	Regression and correlation analysis	Questionnaire

Research Objectives one to four

To effectively achieve the first four objectives of the research study, the researcher utilised descriptive statistical techniques to measure the central tendencies and dispersion within the variables. These computed averages were then visualised using key graphs and tables. Thereafter, the researcher adopted the use of crosstabulation techniques to depict and visualise empirical and subsisting relationships among socio-demographic variables and the means of the independent variables. Lastly, inferential tests of differences such as the chi-square test were further deployed to test for statistical significance among the mean responses for each statement.

Research Objectives five and six

To effectively achieve objectives five and six of the research study, the researcher utilised inferential statistical techniques such as ordinal regression and correlation analysis techniques to determine the causal relationships between variables and to evaluate the degree of association, probability, and the nature of relationships amongst variables in the defined objectives.

The researcher used the Statistical Package for Social Sciences version 27.0 for all data analysis needs to perform and implement these research actions and processes.

3.8 VALIDITY AND RELIABILITY

Cronbach's alpha coefficient was computed for both accounting and finance professionals to determine reliability. A reliability coefficient of less than 0.5 will be unacceptable. A coefficient between 0.5 and 0.60 will be regarded as significant, and a coefficient above 0.70 will be regarded as acceptable. The reliability coefficient indicates a very close representation and is a better indication of whether to accept or reject the factor solution. Coefficient alpha is almost universally applied to assess the reliability of scales (Dannels, 2018). For this study, the computed Cronbach's alpha from the pilot study was 0.62. This alpha is deemed moderately appropriate and sufficient for the research study.

3.9 LIMITATIONS OF THE STUDY

The delimiting factor is that the questionnaire survey will only be distributed to accounting and finance professionals in corporate entities and audit firms. A generalisation of the findings of the proposed study is limited to selected corporate entities and auditing firms only.

3.10 SUMMARY

The third chapter of this research study focused on the research methodology of the research study. As a critical chapter in the research inquiry, the researcher highlighted, clarified and justified the adopted research paradigm, techniques, and methods of the research study. Furthermore, the researcher succinctly discussed the adopted population and sampling techniques, sample size, data collection procedure, data analytical methods, validity and reliability, as well as the limitation of the study.

The next chapter of the research study will consider the data analysis and presentation of research results.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF RESEARCH RESULTS

4.1 INTRODUCTION

The fourth chapter of this research inquiry covers the analysis of the collected data, interpretation of the data analysis results and the discussion of the study findings. In this chapter, the researcher utilised a simple and methodical approach to analyse and present the outcome of the data analysis. The chapter provides an overview of the data analysis process, descriptive analysis, inferential analysis, interpretation of results and discussion of the research findings vis-à-vis the relevant empirical literature.

4.1 OVERVIEW OF THE DATA ANALYSIS PROCESS

This chapter presents the analysis and interpretation of the collected data. A questionnaire was employed as the source of data collection. Thereafter, the researcher used the SPSS software (Version 27.0) to capture, clean, organise, and ultimately analyse the collated data. The researcher used both descriptive regression and inferential statistical matrices to demonstrate the findings from this study.

The descriptive statistical techniques were used to measure the central tendencies and dispersion within the variables, and the regression and inferential statistical techniques were used to demonstrate the relationships between variables and to evaluate the degree of association, probability, and the nature of relationships amongst variables in the dataset. As a result, the researcher used the traditional p-value of <0.05 for all inferential tests computed in this study.

4.2 DESCRIPTIVE STATISTICS

4.2.1 Respondents' Biodata

The biodata of this study covered respondents' age, gender, race/ethnic group and academic qualification from all sources.

4.2.2 Respondents' age

The descriptive computation of this study suggested that 40.6% (n =67) of the respondents were from the age group 30 to 39 years, while 29.1% (n =48) were within the age group of 22 to 29. The study findings further revealed that 22.4% (n = 37) of the respondents were within the age group of 40 to 49. The least age group represented in the study were respondents between the ages of 50 and above. This age group constituted 7.9% (n = 13) of the respondents who took part in the study. These findings were supported by a mean value of 2.09 (M) and a standard deviation (SD) of 0.909. See the Figure below for a detailed presentation of the result.

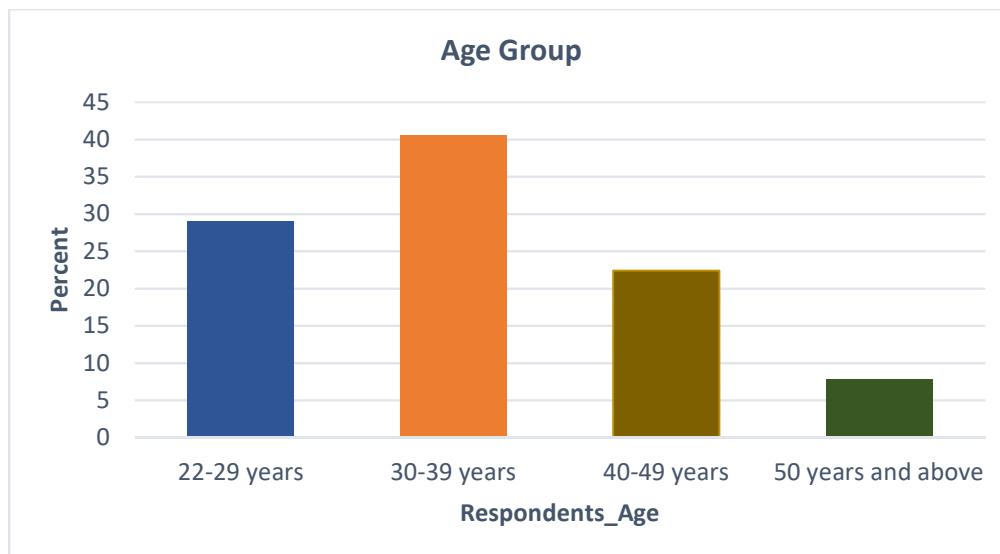


Figure 1- Respondents age

4.2.3 Respondents' Gender

With a mean (M) value of 1.48 and a standard deviation (SD) of 0.501, the findings from this study revealed that most of the respondents (n=86, 52.1%) were females compared to males who constituted 47.9% (n=79) of the respondents in the study.

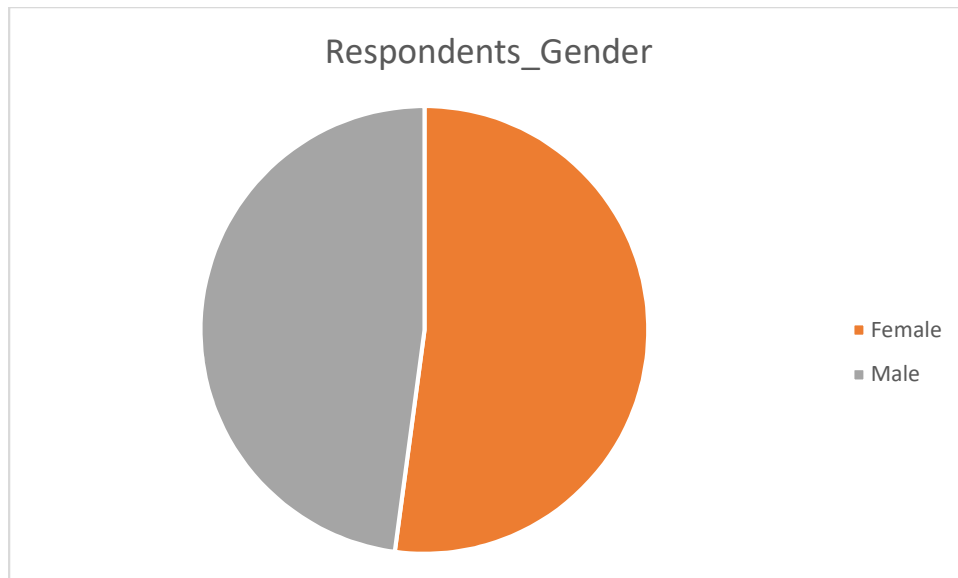


Figure 2- Respondents' Gender

4.2.4 Respondents' Ethnic Group

With a mean score of 1.52 and a standard deviation of 0.985, more than half of the respondents (n = 126, 76.4%) were black Africans while 13.9% (n = 23) were Indians. 7.3% (n = 12) were whites and the least ethnic group represented in the study was coloured (2.4%, n = 4).

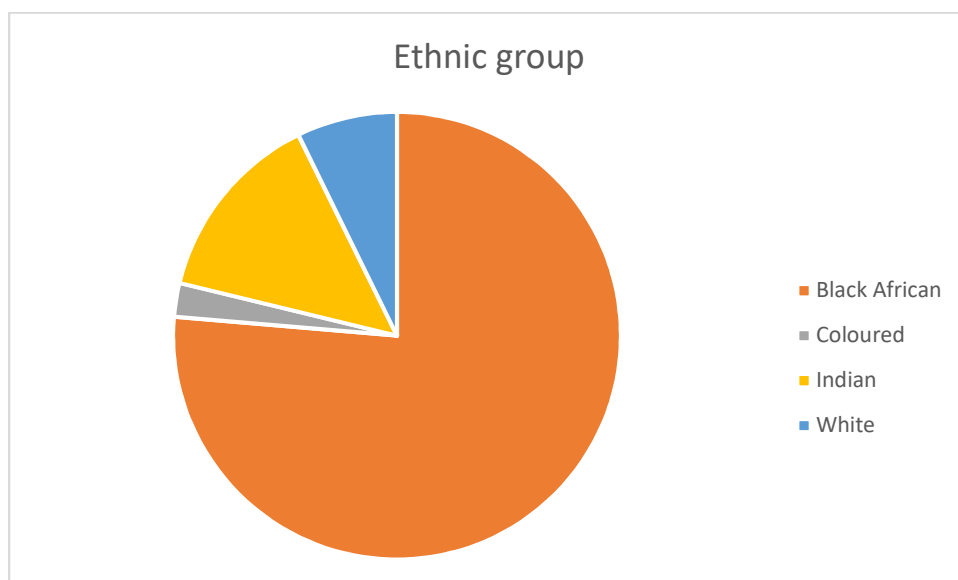


Figure 3- Respondents' Ethnic Group

4.2.5 Respondents' Highest Academic Qualification

The descriptive results of this study suggested that most of the respondents (n= 97; 58.8%) reported having an honours degree as their highest qualification. More so, about (n=29; 17.6%) of the respondents reported that they have a degree as their highest qualification. While about (n=24; 14.5%) of the respondents reported having a Master's degree as their highest qualification, only about (n=15; 9.1%) of the respondents reported that they have "other" as their highest qualification but did not specify. (M= 2.38; SD= 0.652).

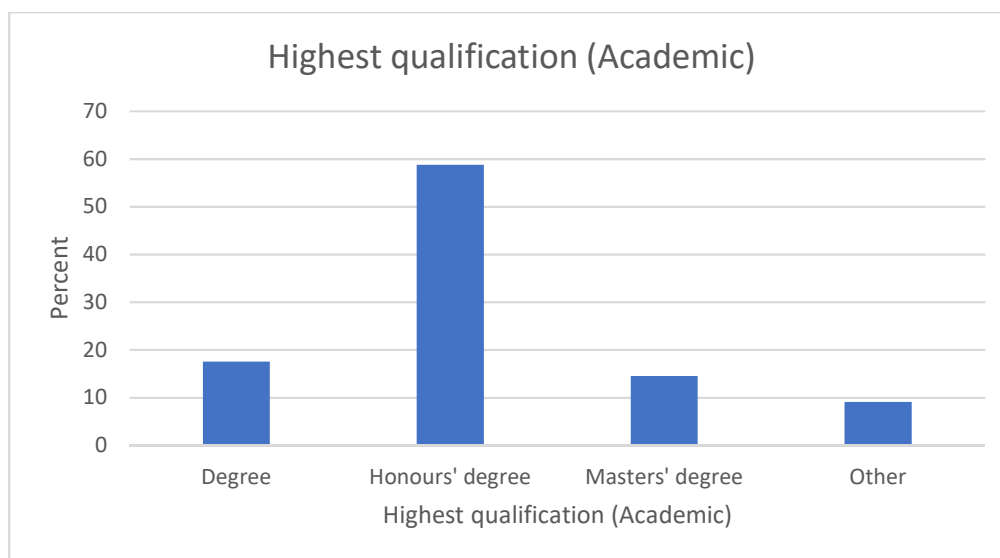


Figure 4- Respondents' Highest Academic Qualification

4.2.6 Respondents' Socio-Demographic Characteristics

Socio-demographic data of this study includes respondents' professional qualifications, years of experience, current roles, and affiliation with a professional body from all sources.

4.2.7 Respondents' Professional Qualifications

The descriptive results of this study suggested that most of the respondents (n= 54; 32.7%) reported that they were chartered accountants while (n=34; 20.6%) of the respondents stated that they were trainee accountants. More so, about (n=25; 15.2%) of

the respondents reported that they were professional accountants and (n = 3; 1.8%) of the respondent stated that they were chartered management accountants. While about (n=36; 21.8%) of the respondents stated “other” but did not specify and (n = 13; 7.9%) reported that they do not have any professional qualification. (M= 3.47; SD= 1.952).

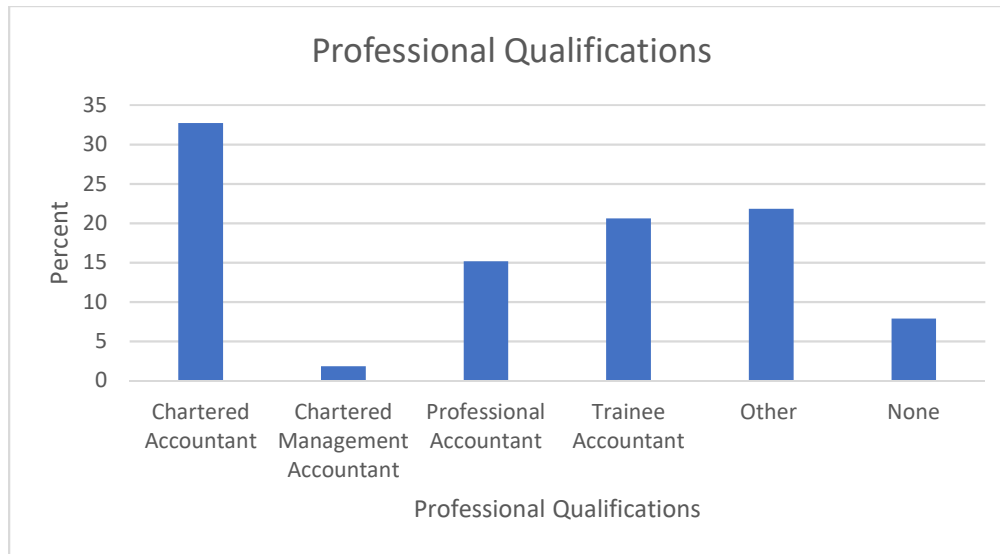


Figure 5- Respondents' Professional Qualifications

Table 2- Number of respondents per professional qualification

Professional Qualifications		Frequency	Percent	Valid Percent
Valid	Chartered Accountant	54	32.7	32.7
	Chartered Management Accountant	3	1.8	1.8
	Professional Accountant	25	15.2	15.2
	Trainee Accountant	34	20.6	20.6
	Other	36	21.8	21.8
	None	13	7.9	7.9
	Total	165	100.0	100.0

4.2.8 Respondents' Years of Experience in Finance

With a mean score of 2.42 and a standard deviation of 1.221; the findings from this study revealed that about (n=56; 33.9%) of the respondents reported having between 0 to 5

years of experience in finance while 27.9% (n = 46) of the respondents reported having more than 15 years of experience in finance. The study also revealed that about (n=34; 20.6%) of the respondents reported that they have 6 to 10 years of work experience in finance, while about (n=29; 17.6%) of the respondents reported that they have between 11 to 15 years of working experience in finance. See Figure below for a detailed representation of the results.

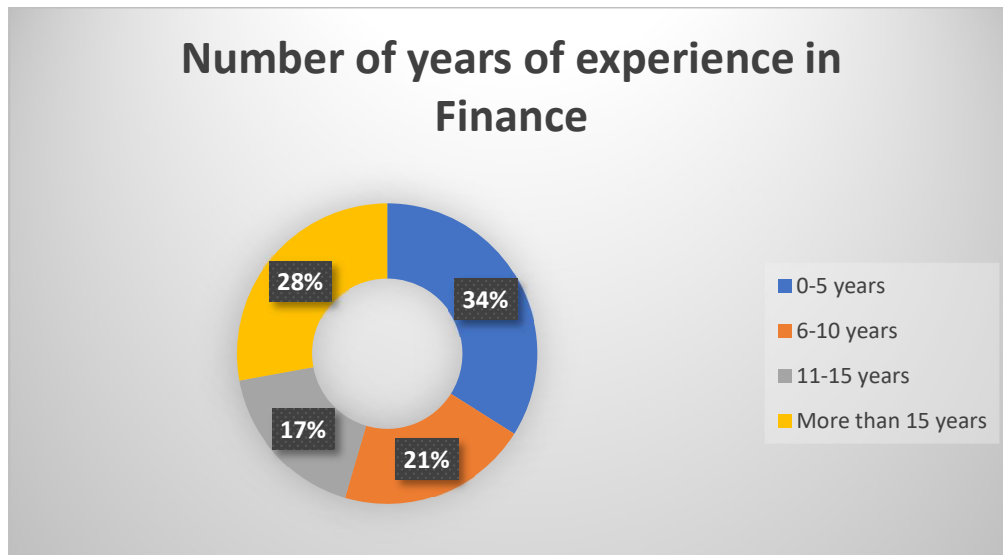


Figure 6- Respondents' years of experience in finance

Table 3- Number of respondents' per years of experience in finance

Number of years of experience in Finance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5 years	56	33.9	33.9	33.9
	6-10 years	34	20.6	20.6	72.1
	11-15 years	29	17.6	17.6	51.5
	More than 15 years	46	27.9	27.9	100.0
	Total	165	100.0	100.0	

4.2.9 Respondents' Current Role

The study further ascertained respondents' experiences in finance, by assessing their current roles and with a mean score of 1.41 and standard deviation of 0.833, it was

discovered that more than half of the respondents (n= 126; 76.4%) were experienced accounting/finance professionals while the rest of the respondents were first year (n = 20; 12.1%), second year (n = 10; 6.1%), and third year (n = 9; 5.5%) trainee accountants.

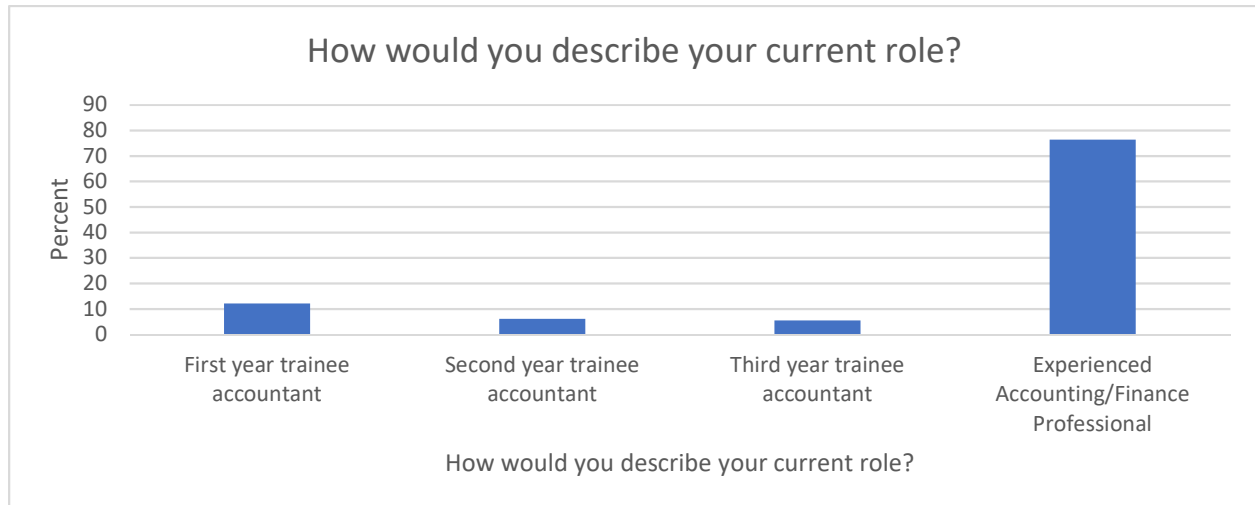


Figure 7- Respondents' current role

Table 4- Number of respondents' per current role

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First-year trainee accountant	20	12.1	12.1	88.5
	Second-year trainee accountant	10	6.1	6.1	94.5
	Third-year trainee accountant	9	5.5	5.5	100.0
	Experienced Accounting/Finance Professional	126	76.4	76.4	76.4
	Total	165	100.0	100.0	

4.2.10 Respondents' Affiliation with Professional Body

With a mean of 1.68 and a standard deviation of 0.468, the study revealed that 112 (67.9%) of the respondents were affiliated with a professional body, while (n= 53; 32.1%) of the respondents disclosed that they were not affiliated with any professional body.



Figure 8- Affiliation with professional body

Table 5- Number of respondents' professional body affiliation

Are you affiliated with any Professional Body?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	53	32.1	32.1	32.1
	Yes	112	67.9	67.9	100.0
	Total	165	100.0	100.0	

Objective 1: Knowledge of Ethics (KE)

Table 6 : Descriptive Statistics on Knowledge of Ethics KE

	N	Minimum	Maximum	Mean	Std. Deviation
Full knowledge and understanding of your organisation or Professional body's code of ethics	165	1	5	4.38	.749
Annually, you attend training sessions on ethics.	165	1	5	4.10	1.068
Demonstrated that you are well able to identify any potential threats to compliance	165	1	5	4.29	.690
That you are well able to implement appropriate safeguards to potential threats identified.	165	1	5	4.21	.731
You are always alert to ethical dilemmas during the performance of your work.	165	1	5	4.35	.688
Appropriate level of professional scepticism in environments prone to unethical conduct.	165	1	5	4.37	.719
Valid N (listwise)	165				

Note: 5 = Strongly agree, 4 = agree, 3 = Neutral, 2 = Disagree, 1 = Strongly disagree

The five-point Likert scale is considered an interval scale. The mean is very significant as it will be used to interpret the above data. From 1 to 1.8 means to strongly disagree; from

1.81 to 2.60 disagree; from 2.61 to 3.40 to be neutral; from 3.41 to 4.20 means to agree, and from 4.21 to 5 strongly agree (Erol Sözen & Ufuk Güven, 2019).

In the first statement above, the mean is 4.38. Hence, it means that the majority of respondents strongly agree that they have full knowledge and understanding of your organisation or professional body's code of ethics and professional responsibility. Similarly, the mean of the second statement is 4.10, which means that most of the respondents agree that annually they attend training sessions on ethics. The mean of the third statement is 4.29 which means that the majority of the respondents strongly agreed that they have frequently demonstrated that they were well able to identify any potential threats to compliance with their organisation or professional body's code of conduct.

With a mean of 4.21, the study further revealed that respondents strongly agreed that they have demonstrated frequently that they were well able to implement appropriate safeguards against potential threats identified. Most of the respondents (Mean = 4.35) strongly agreed that they were always alert to ethical dilemmas during the performance of their work. Finally, the majority of the respondents strongly agreed that they exercise the appropriate level of professional scepticism in environments prone to unethical conduct (with a mean score of 4.37).

Crosstab

Count

		How would you describe your current role?				Total
		Experienced Accounting/Finance Professional	First year trainee accountant	Second year trainee accountant	Third year trainee accountant	
KNOWLEDGE OF ETHICS	Strongly Disagree	0	0	1	0	1
	Disagree	1	0	0	0	1
	Neutral	3	1	0	1	5
	Agree	58	11	8	2	79

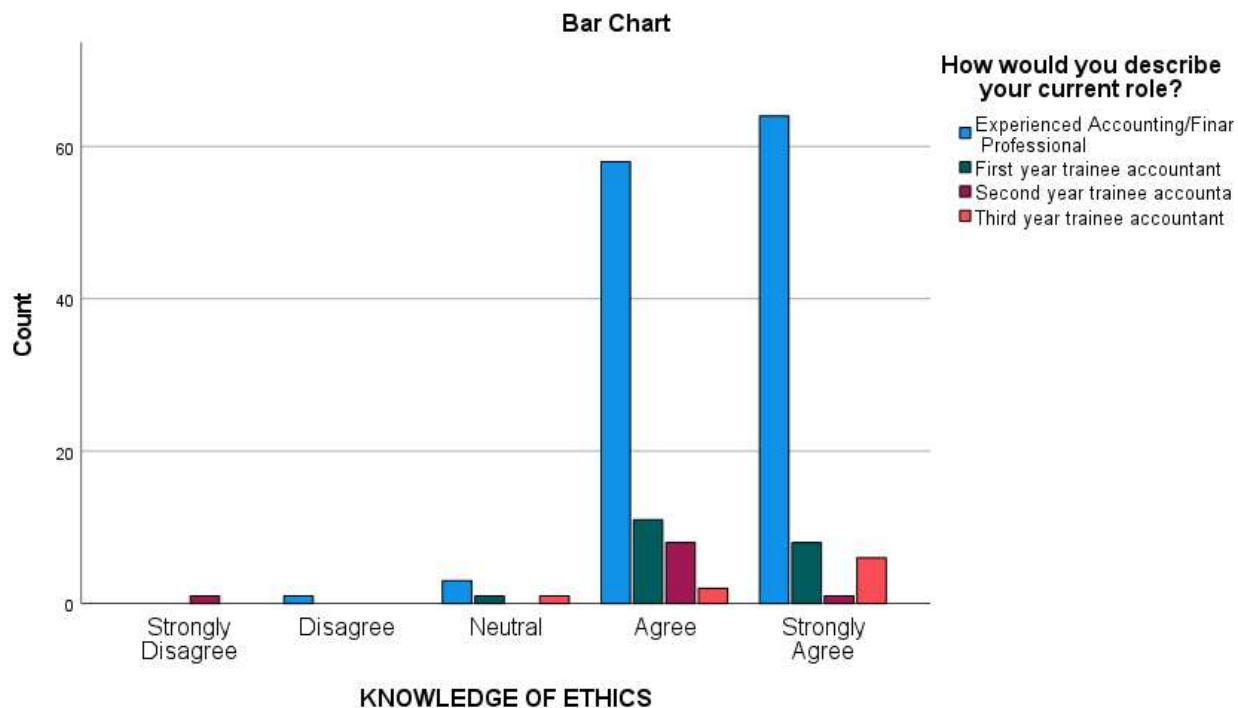
Strongly Agree	64	8	1	6	79
Total	126	20	10	9	165

This shows that most of the respondents irrespective of the role responded agree or strongly agreed to the statements under knowledge of ethics.

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	26.320 ^a	12	.010
Likelihood Ratio	17.458	12	.133
Linear-by-Linear Association	2.123	1	.145
N of Valid Cases	165		

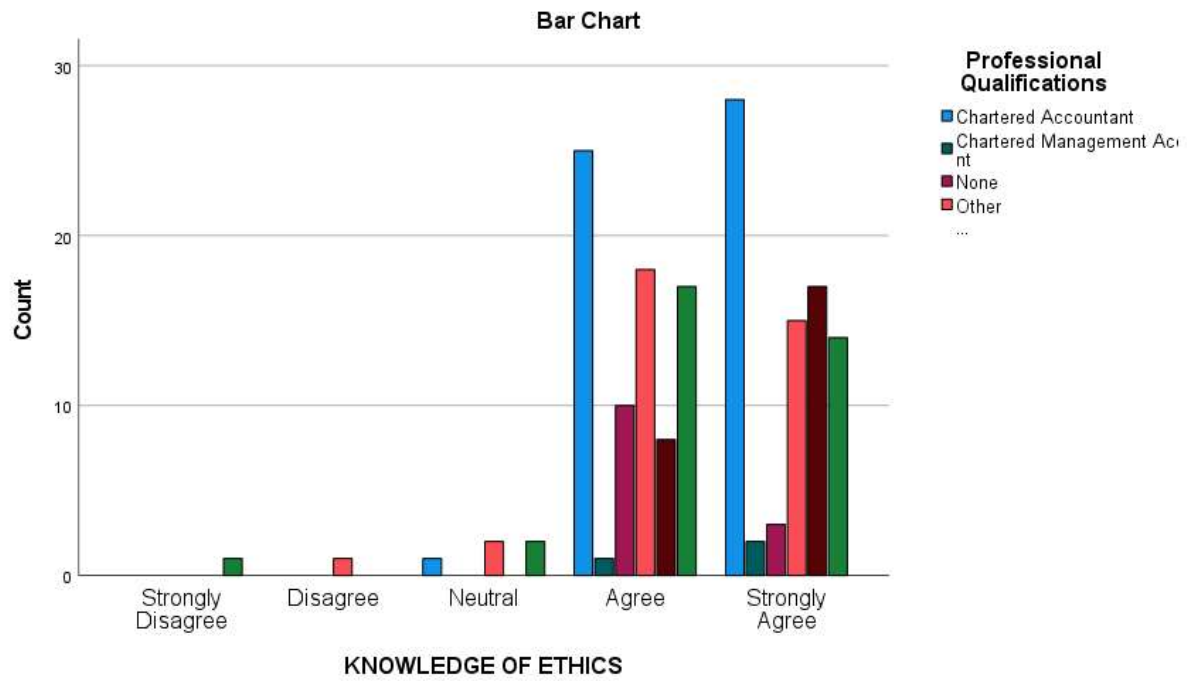
a. 16 cells (80.0%) have expected count less than 5. The minimum expected count is .05.



		Crosstab							
Count		Professional Qualifications							
		Chartered Accountant	Chartered Management Accountant	None	Other	Professional Accountant	Trainee Accountant	Total	
KNOWLEDGE OF ETHICS	Strongly Disagree	0	0	0	0	0	1	1	
	Disagree	0	0	0	1	0	0	1	
	Neutral	1	0	0	2	0	2	5	
	Agree	25	1	10	18	8	17	79	
	Strongly Agree	28	2	3	15	17	14	79	
Total		54	3	13	36	25	34	165	

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.223 ^a	20	.507
Likelihood Ratio	18.908	20	.528
Linear-by-Linear Association	1.010	1	.315
N of Valid Cases	165		

a. 20 cells (66.7%) have expected count less than 5. The minimum expected count is .02.



Objective 2: Pressure to Compromise on Ethics (PCE)

Table 7: Descriptive Statistics on Pressure to Compromise on Ethics (PCE)

	N	Minimum	Maximum	Mean	Std. Deviation
The evolving global economic system and the generally weak global economic conditions are forcing accountants to lax the eth	165	1	5	3.10	1.117
Professionals are under pressure to meet financial business goals	165	1	5	3.36	1.147
The pressure to meet financial business goals usually results in Finance Professionals exercising lower professional	165	1	5	3.35	1.103
Conducting professional services with the requisite ethical behaviour normally results in high-quality work	165	1	5	4.33	.709
Valid N (listwise)	165				

Note: 5 = Strongly agree, 4 = agree, 3 = Neutral, 2 = Disagree, 1 = Strongly disagree

The five-point Likert scale is considered an interval scale. The mean is very significant, as it will be used to interpret the above data. From 1 to 1.8 means strongly disagree; from 1.81 to 2.60 disagree; from 2.61 to 3.40 to be neutral; from 3.41 to 4.20 means to agree, and from 4.21 to 5 strongly agree.

In the first statement above, the mean is 3.10. Hence, it means that the majority of respondents were neutral about the fact that the rapidly evolving global economic system and the generally weak global economic conditions are forcing accountants to relax the

ethical standards of their profession. Similarly, the mean of the second statement is 3.36, which means that most of the respondents were also neutral about the statement that auditors, finance and accounting professionals were under pressure to meet financial business goals, such that these goals take precedence over their ethical standards. The mean of the third statement is 3.35, which means that the majority of the respondents were neutral about the idea that the pressure to meet financial business goals usually results in finance professionals exercising lower professional scepticism. However, with a mean score of 4.33, the majority of the respondents strongly agreed that conducting professional services with the requisite ethical behaviour normally results in high-quality work.

Crosstab

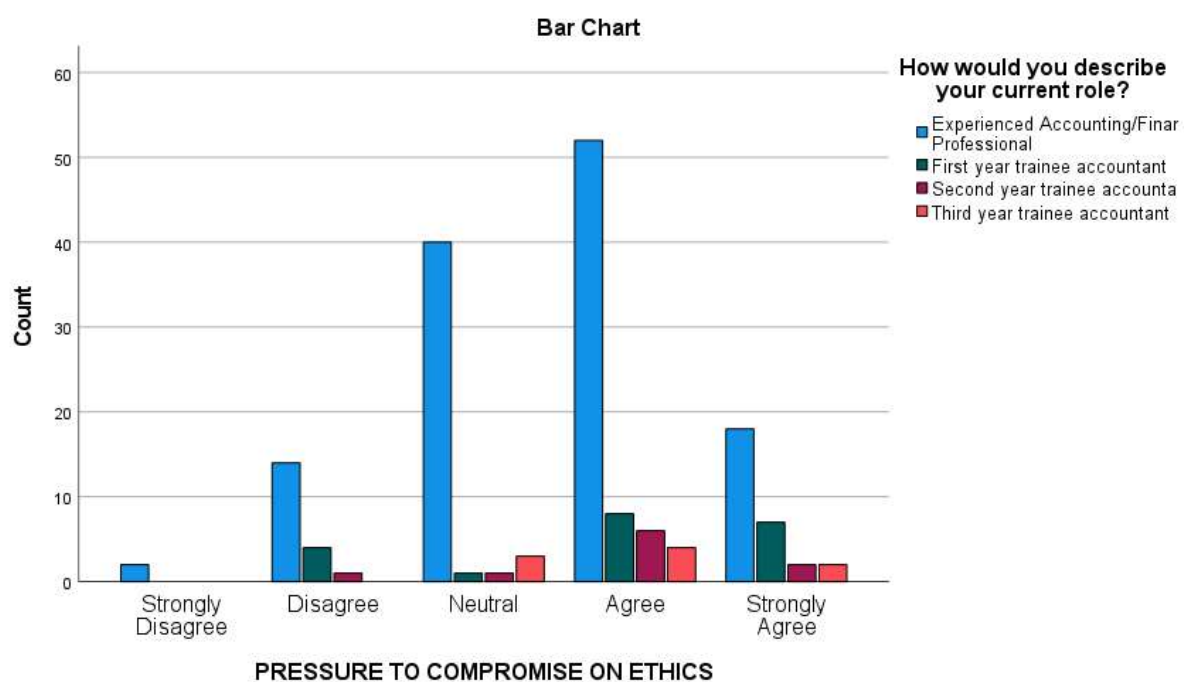
Count

		How would you describe your current role?				Total
		Experienced Accounting/Finance Professional	First-year trainee accountant	Second-year trainee accountant	Third-year trainee accountant	
PRESSURE TO COMPROMISE ON ETHICS	Strongly Disagree	2	0	0	0	2
	Disagree	14	4	1	0	19
	Neutral	40	1	1	3	45
	Agree	52	8	6	4	70
	Strongly Agree	18	7	2	2	29
Total		126	20	10	9	165

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	13.900 ^a	12	.307
Likelihood Ratio	16.526	12	.168
Linear-by-Linear Association	2.972	1	.085
N of Valid Cases	165		

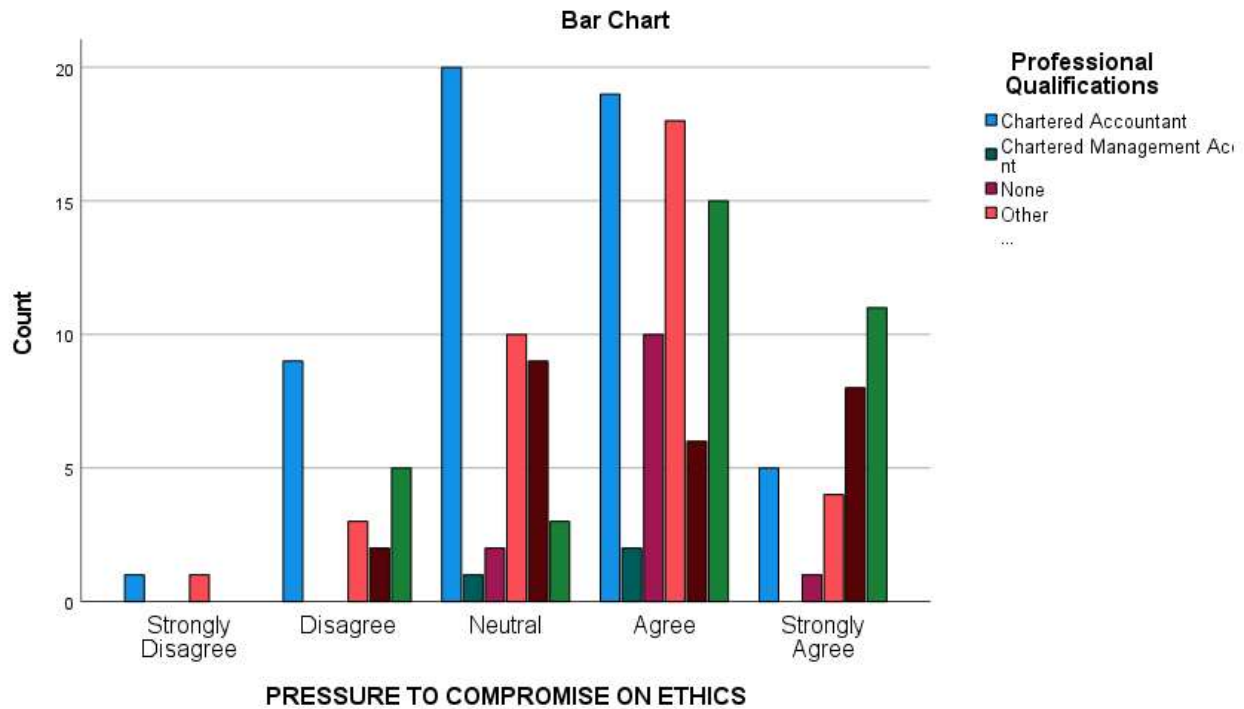
a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .11.



		Crosstab							
Count		Professional Qualifications							
		Chartered Accountant	Chartered Management Accountant	None	Other	Professional Accountant	Trainee Accountant	Total	
PRESSURE TO COMPROMISE ON ETHICS	Strongly Disagree	1	0	0	1	0	0	2	
	Disagree	9	0	0	3	2	5	19	
	Neutral	20	1	2	10	9	3	45	
	Agree	19	2	10	18	6	15	70	
	Strongly Agree	5	0	1	4	8	11	29	
	Total	54	3	13	36	25	34	165	

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	31.993 ^a	20	.043
Likelihood Ratio	35.291	20	.019
Linear-by-Linear Association	8.795	1	.003
N of Valid Cases	165		

a. 17 cells (56.7%) have expected count less than 5. The minimum expected count is .04.



Objective 3: Perception of Compatriots (PC)

Table 8: Descriptive Statistics on Perception of Compatriots PC

	N	Minimum	Maximum	Mean	Std. Deviation
Accountants who are preparers of financial statements comply with the Code of Professional Conduct in performing their professional duties of compiling financial statements	165	1	5	4.05	.857

Registered Auditors and their professional staff have a sound understanding of their professional bodies' Code of Professional Conduct.	165	1	5	4.12	.817
Accounting and Finance Professionals frequently demonstrate that they are well able to identify any potential threats to compliance with their professional bodies' Code of Professional Conduct.	165	1	5	3.93	.849
Auditors, Accounting & Finance Professionals demonstrate frequently that they are well able to implement appropriate safeguards to potential threats identified.	165	1	5	3.73	.955
I am always alert to ethical dilemmas during the performance of their work.	165	1	5	4.32	.757
I exercise the appropriate level of professional scepticism in environments prone to unethical conduct.	165	1	5	4.39	.755

Certain firms continue to provide the services of both preparing the financial statements and auditing them, for the same client.	165	1	5	3.53	1.102
Valid N (listwise)	165				

Note: 5 = Strongly agree, 4 = agree, 3 = Neutral, 2 = Disagree, 1 = Strongly disagree

The five-point Likert scale is considered an interval scale. The mean is very significant as it will be used to interpret the above data. From 1 to 1.8 means strongly disagree; from 1.81 to 2.60 disagree; from 2.61 to 3.40 to be neutral; from 3.41 to 4.20 means to agree, and from 4.21 to 5 strongly agree.

In the first statement above, the mean is 4.05. Hence, it means that the majority of respondents agree that accountants who are preparers of financial statements comply with the Code of Professional Conduct in performing their professional duties of compiling financial statements. Similarly, the mean of the second statement is 4.12, which means that most of the respondents agree that registered auditors and their professional staff have a sound understanding of their professional bodies' Code of Professional Conduct. The mean of the third statement is 3.93, which means that the majority of the respondents agreed that accounting and finance professionals frequently demonstrate that they are well able to identify any potential threats to compliance with their professional bodies' Code of Professional Conduct.

According to the study, a mean of 3.73 indicates that respondents agreed that auditors, accounting and finance professionals demonstrate frequently that they are well able to implement appropriate safeguards to potential threats identified. Furthermore, the majority of the respondents strongly agreed that they are always alert to ethical dilemmas during the performance of their work, with a mean score of 4.32. Most of the respondents (mean = 4.39) strongly agreed that they exercise the appropriate level of professional scepticism in environments prone to unethical conduct. Finally, the majority of the

respondents agreed that certain firms continue to provide the services of both preparing the financial statements and auditing them for the same client (with a mean score of 3.52).

Crosstab

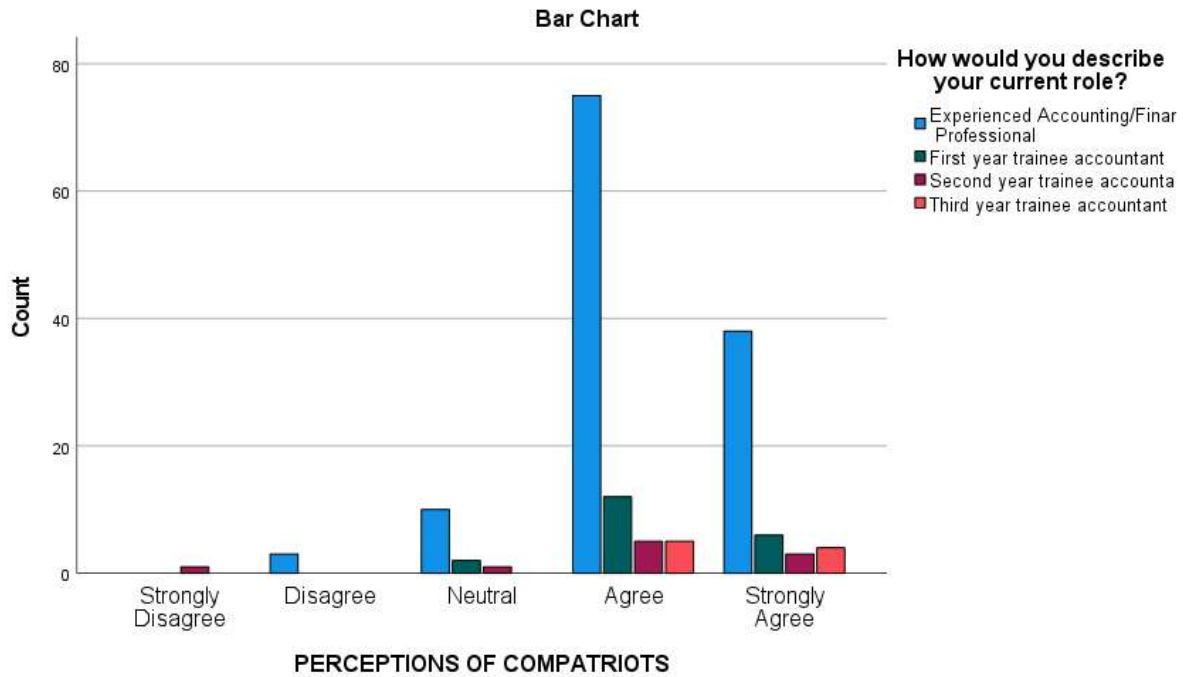
Count

		How would you describe your current role?				
		Experienced Accounting/Finance Professional	First-year trainee accountant	Second-year trainee accountant	Third-year trainee accountant	Total
PERCEPTIONS OF COMPARTMENTS	Strongly Disagree	0	0	1	0	1
	Disagree	3	0	0	0	3
	Neutral	10	2	1	0	13
	Agree	75	12	5	5	97
	Strongly Agree	38	6	3	4	51
Total		126	20	10	9	165

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.038 ^a	12	.115
Likelihood Ratio	9.473	12	.662
Linear-by-Linear Association	.089	1	.765
N of Valid Cases	165		

a. 13 cells (65.0%) have an expected count of less than 5. The minimum expected count is .05.



Crosstab

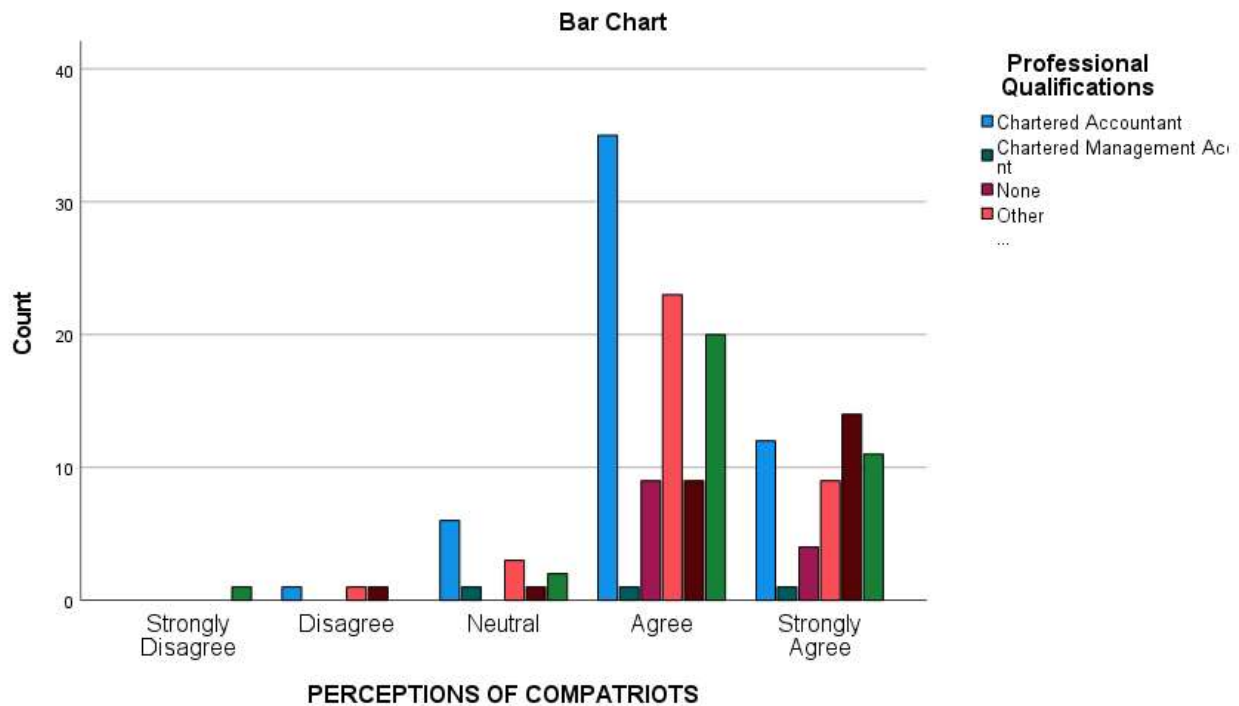
Count

		Professional Qualifications						Total
		Chartered Accountant	Chartered Management Accountant	None	Other	Professional Accountant	Trainee Accountant	
PERCEPTIONS OF COMPATRIOTS	Strongly Disagree	0	0	0	0	0	1	1
	Disagree	1	0	0	1	1	0	3
	Neutral	6	1	0	3	1	2	13
	Agree	35	1	9	23	9	20	97
	Strongly Agree	12	1	4	9	14	11	51
Total		54	3	13	36	25	34	165

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	20.584 ^a	20	.422
Likelihood Ratio	20.129	20	.450
Linear-by-Linear Association	1.657	1	.198
N of Valid Cases	165		

a. 21 cells (70.0%) have an expected count of less than 5. The minimum expected count is .02.



Objective 4: Accountancy Bodies (AB)

Table 9: Descriptive Statistics on Accountancy Bodies (AB)

	N	Minimum	Maximum	Mean	Std. Deviation
They maintain the prestige and standing of the profession and its members.	165	1	5	3.94	.704
They insist upon a high standard of professional behaviour amongst their members.	165	1	5	4.02	.761
They provide the opportunity for members of the profession to voice their views and opinions.	165	1	5	3.72	.909
Accountancy bodies responded appropriately to the scandals	165	1	5	3.32	1.092
responded in a reasonable time from the time the scandals became public knowledge	165	1	5	3.15	1.140
The accountancy profession is in a state of crisis because of these scandals	165	1	5	3.66	1.015
From what you understand, can the accountancy profession be saved	165	1	5	4.27	.734
Valid N (listwise)	165				

Note: 5 = Strongly agree, 4 = agree, 3 = Neutral, 2 = Disagree, 1 = Strongly disagree

The five-point Likert scale is considered an interval scale. The mean is very significant as it will be used to interpret the above data. From 1 to 1.8 means strongly disagree; from 1.81 to 2.60 disagree; from 2.61 to 3.40 to be neutral; from 3.41 to 4.20 means to agree, and from 4.21 to 5 strongly agree.

In the first statement above, the mean is 3.94. Hence, it means that the majority of respondents agree that the accountancy body maintains the prestige and standing of the profession and its members. Similarly, the mean of the second statement is 4.02, which means that most of the respondents agree that the accountancy body insists upon a high standard of professional behaviour amongst its members. The mean of the third statement is 3.72, which means that the majority of the respondents agreed that the accountancy body provides the opportunity for members of the profession to voice their views and opinions. The mean of the fourth sentence is 3.32, which means that the majority of the respondents were neutral to the statement that accountancy bodies responded appropriately to the scandals. The study further revealed that a mean of 3.15 indicates that the respondents were neutral about the statement that accountancy bodies responded within a reasonable time frame from the time the scandals became public knowledge. However, the majority of the respondents agreed that the accountancy profession is in a state of crisis because of these scandals, with a mean score of 3.66. Finally, the majority of the respondents strongly agreed, that from their understanding, the accountancy profession could be saved (with a mean score of 4.27).

Crosstab

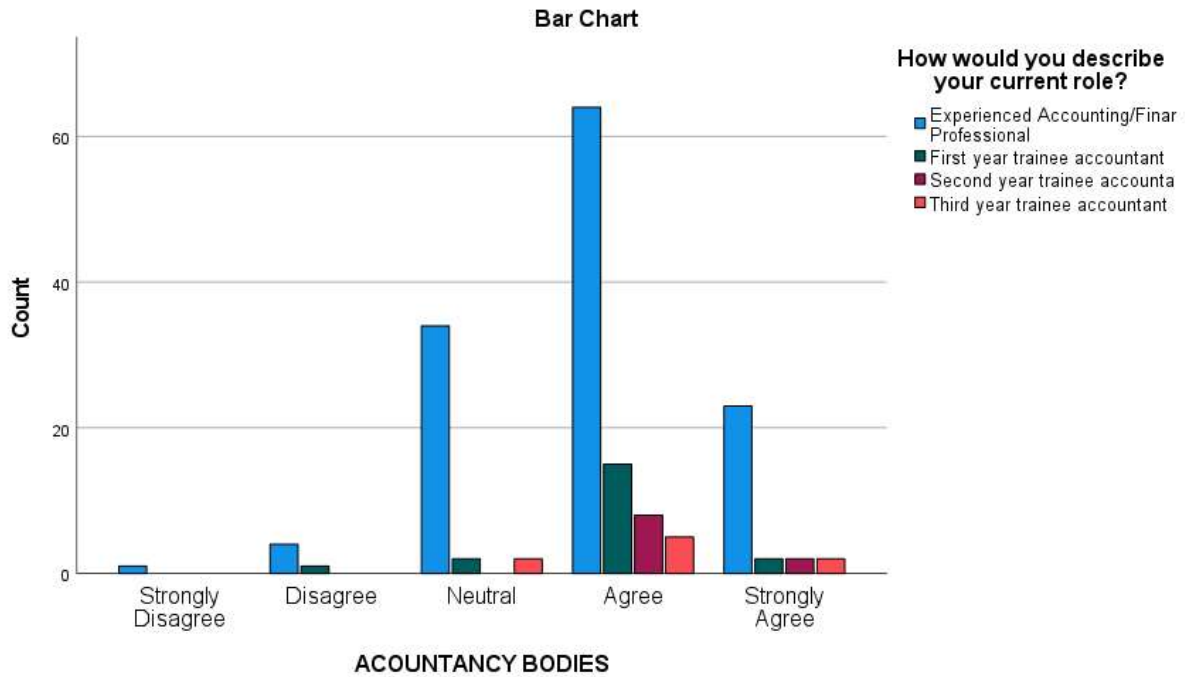
Count

		How would you describe your current role?				
		Experienced Accounting/Finance Professional	First year trainee accountant	Second year trainee accountant	Third year trainee accountant	Total
ACCOUNTANCY BODIES	Strongly Disagree	1	0	0	0	1
	Disagree	4	1	0	0	5
	Neutral	34	2	0	2	38
	Agree	64	15	8	5	92
	Strongly Agree	23	2	2	2	29
Total		126	20	10	9	165

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.554 ^a	12	.655
Likelihood Ratio	12.847	12	.380
Linear-by-Linear Association	1.851	1	.174
N of Valid Cases	165		

a. 14 cells (70.0%) have an expected count of less than 5. The minimum expected count is .05.



Crosstab

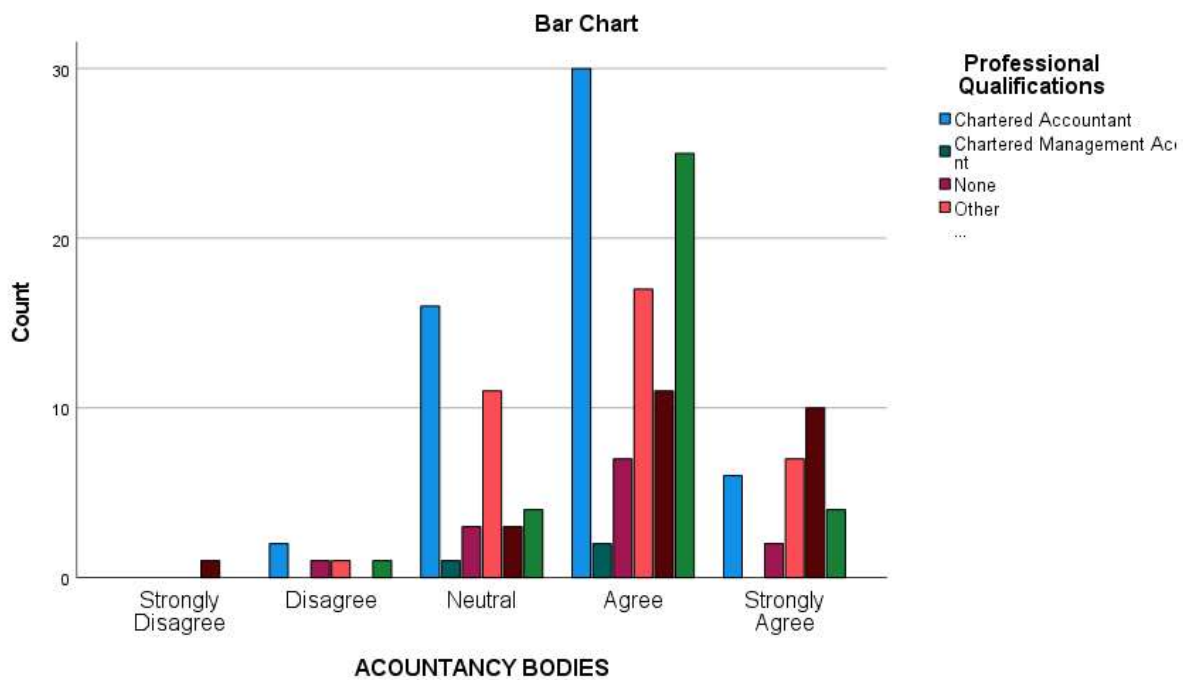
Count

		Professional Qualifications						Trainee Accountant	Total
		Chartered Accountant	Chartered Management Accountant	None	Other	Professional Accountant			
ACOUNTANCY BODIES	Strongly Disagree	0	0	0	0	1	0	1	
	Disagree	2	0	1	1	0	1	5	
	Neutral	16	1	3	11	3	4	38	
	Agree	30	2	7	17	11	25	92	
	Strongly Agree	6	0	2	7	10	4	29	
Total		54	3	13	36	25	34	165	

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	25.522 ^a	20	.182
Likelihood Ratio	23.554	20	.262
Linear-by-Linear Association	3.506	1	.061
N of Valid Cases	165		

a. 18 cells (60.0%) have expected count less than 5. The minimum expected count is .02.



Objectives 5 and 6: Regression and Correlation analysis

The hypothesis is based on the assumption that knowledge of ethics (KE) should influence the pressure to compromise on ethics (PCE). Secondly, it is also assumed that accountancy bodies (AB) should influence the Code of Professional Conduct (PC) among compatriots. Thus, PCE and PC will be analysed as the dependent variables, while PCE and PC will be analysed as independent variables.

This section will first test the distribution of the Likert scale data. If the data is normally distributed, then the parametric method will be applied. This means that linear regression and Pearson correlation tests will be performed to justify the hypothesis. However, if the Likert scale data is not normally distributed, then we will apply a non-parametric method, which means that ordinal regression and Spearman rank correlation will be used to analyse the data to see if KE influences the PCE and if AB has any impact on the PC.

Test of Normality

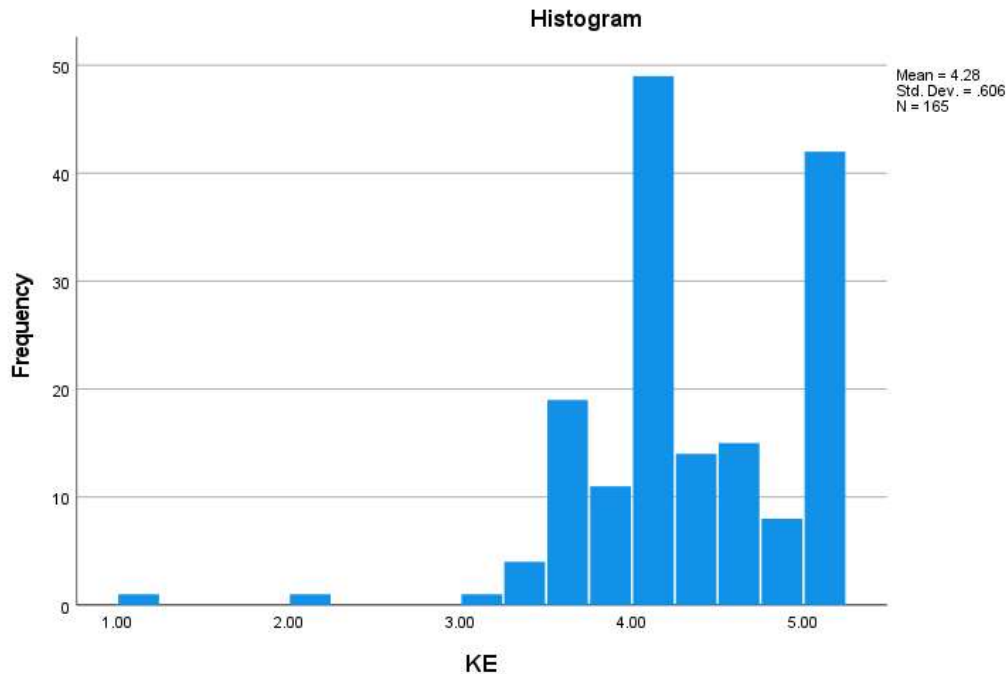
Table 10: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
PC	.125	165	.000	.931	165	.000
KE	.137	165	.000	.866	165	.000
AB	.097	165	.001	.967	165	.001
PCE	.129	165	.000	.974	165	.003

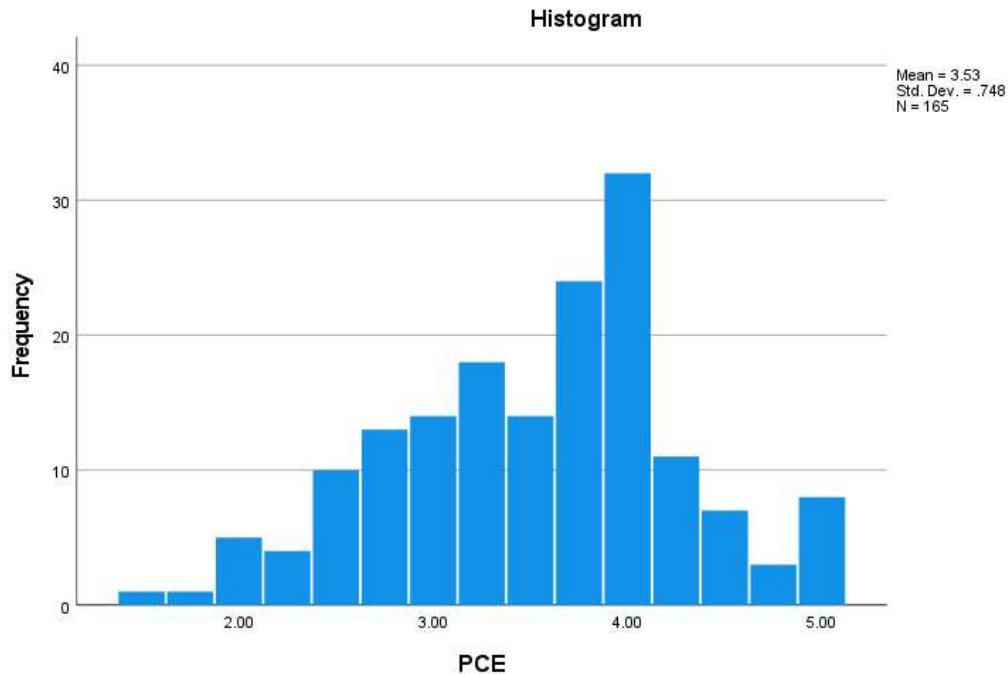
95% confidence interval

The test of normality revealed that all the data is not normally distributed.

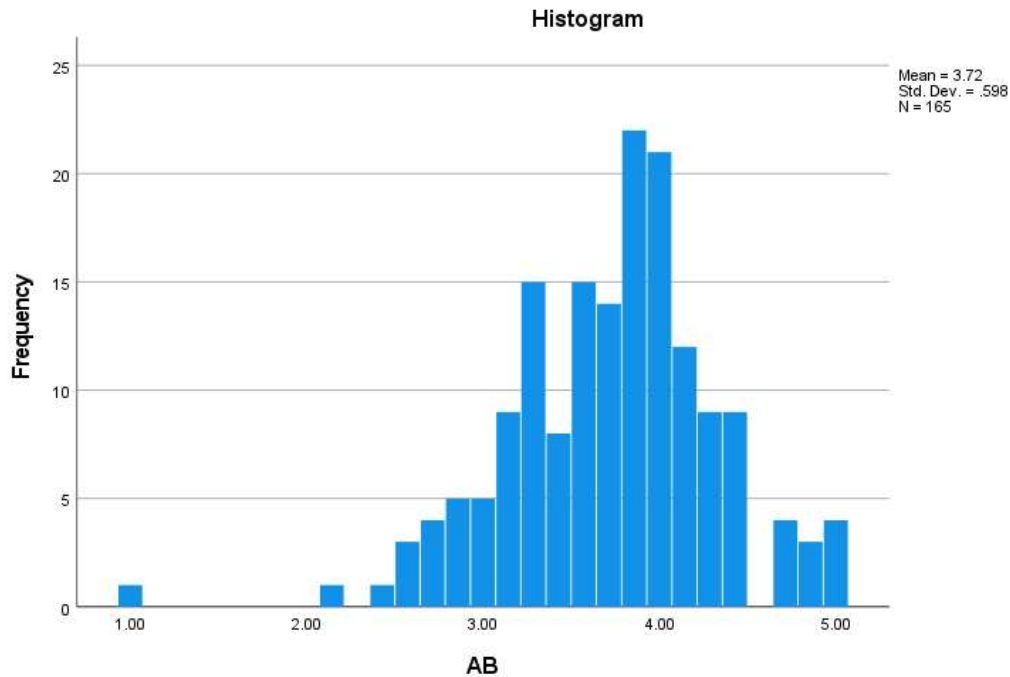
Knowledge of Ethics (KE) - With the skewness of -1.180 (statistic); 0.189 (standard error) and kurtosis of 4.667 (statistic); 0.376 (standard error). Furthermore, the Kolmogorov-Smirnov (KS) and Shapiro-Wilk test of normality shows that there is statistical significance at 0.00. Thus, as the test of normality is less than 0.05, the hypothesis that the KE data is normally distributed will be rejected.



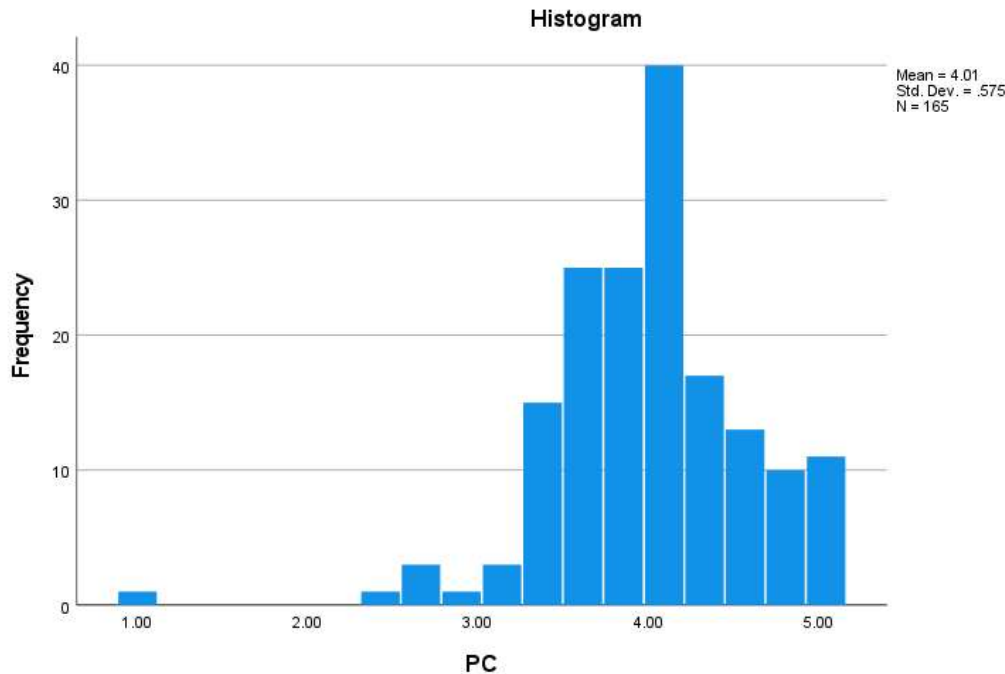
Pressure to compromise on ethics (PCE) – Similarly, with the skewness of -0.234 (statistic); 0.189 (standard error) and kurtosis of -0.275 (statistic); 0.376 (standard error) the data was not normally distributed. Furthermore, the Kolmogorov-Smirnov (KS) (0.000) and Shapiro-Wilk (0.003) test of normality shows that there is statistical significance. Thus, as the test of normality is less than 0.05, the hypothesis that the PCE data is normally distributed will be rejected.



Accountancy Bodies (AB) – the test of normality for this variable shows that the data is not normally distributed with the skewness of -0.599 (statistic); 0.189 (standard error) and kurtosis of 2.001 (statistic); 0.376 (standard error). Furthermore, the Kolmogorov-Smirnov (KS) (0.001) and Shapiro-Wilk (0.001) test of normality shows that there is statistical significance. Thus, as the test of normality is less than 0.05, the hypothesis that the AB data is normally distributed will be rejected.



Perception of compatriots (PC) - With the skewness of -0.954 (statistic); 0.189 (standard error) and kurtosis of 4.025 (statistic); 0.376 (standard error), it revealed that the data is not normally distributed. Furthermore, the Kolmogorov-Smirnov (KS) and Shapiro-Wilk test of normality shows that there is statistical significance at 0.000. Thus, as the test of normality is less than 0.05, the hypothesis that the KE data is normally distributed will be rejected.



Thus, as the Likert scale data is not normally distributed, we applied a non-parametric method which means that ordinal regression and Spearman rank correlation were used to analyse the data to see if KE influences the PCE and if AB has any impact on the PC. The results are presented below.

Regression analysis for Objective 5

Table 11: Parameter Estimates Regression analysis - *Relationship between knowledge of ethics and pressure to compromise on ethics*

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Thresh old	[PCE = 1.50]	-6.607	1.405	22.124	1	.000	-9.360	-3.854
	[PCE = 1.75]	-5.906	1.214	23.651	1	.000	-8.287	-3.526

	[PCE = 2.00]	-4.621	1.058	19.091	1	.000	-6.694	-2.548
	[PCE = 2.25]	-4.144	1.032	16.110	1	.000	-6.167	-2.120
	[PCE = 2.50]	-3.428	1.010	11.528	1	.001	-5.407	-1.449
	[PCE = 2.75]	-2.849	.998	8.144	1	.004	-4.806	-.892
	[PCE = 3.00]	-2.391	.992	5.812	1	.016	-4.335	-.447
	[PCE = 3.25]	-1.902	.986	3.721	1	.054	-3.834	.031
	[PCE = 3.50]	-1.551	.982	2.492	1	.114	-3.477	.375
	[PCE = 3.75]	-.948	.978	.939	1	.333	-2.864	.969
	[PCE = 4.00]	.071	.978	.005	1	.942	-1.845	1.987
	[PCE = 4.25]	.629	.985	.408	1	.523	-1.301	2.559
	[PCE = 4.50]	1.171	1.000	1.371	1	.242	-.790	3.132
	[PCE = 4.75]	1.510	1.016	2.208	1	.137	-.482	3.502
Location	KE	-.349	.226	2.373	1	.123	-.792	.095

The above test of parameter estimates shows the ordinal regression coefficient. This is interpreted as the estimated change in log odds of being in a higher (as opposed to a

lower) group/category on the dependent variable (controlling for the remaining independent variables) per unit increase on the independent variable.

The above result, which is negative, means that as the values of the independent variable increase, there is a decreased probability of falling at a higher level on the dependent variable. Thus, knowledge of ethics was a negative significant predictor of pressure to compromise on ethics. The negative coefficient (value -0.349) shows that for every one unit increase in knowledge of ethics, there is an estimated decrease of 0.349 in the long odds of it influencing the pressure to compromise on ethics. This means that there is no statistical correlation between knowledge of ethics and pressure to compromise on ethics, as further expressed by the regression analysis.

Regression analysis for Objective 6

Table 12: Parameter Estimates- *Relationship between accountancy bodies and professional conduct of compatriots*

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[PC = 1.00]	.631	1.303	.235	1	.628	-1.923	3.186
	[PC = 2.43]	1.328	1.105	1.444	1	.229	-.838	3.494
	[PC = 2.57]	2.152	.983	4.792	1	.029	.225	4.079
	[PC = 2.71]	2.449	.958	6.529	1	.011	.570	4.327

	[PC = 3.00]	2.678	.944	8.051	1	.005	.828	4.528
	[PC = 3.14]	3.175	.924	11.800	1	.001	1.363	4.986
	[PC = 3.29]	3.969	.915	18.803	1	.000	2.175	5.763
	[PC = 3.43]	4.439	.919	23.351	1	.000	2.638	6.239
	[PC = 3.57]	4.662	.922	25.578	1	.000	2.855	6.468
	[PC = 3.67]	4.713	.923	26.093	1	.000	2.905	6.521
	[PC = 3.71]	5.514	.941	34.297	1	.000	3.668	7.359
	[PC = 3.86]	6.269	.964	42.242	1	.000	4.378	8.159
	[PC = 4.00]	6.802	.982	47.977	1	.000	4.877	8.726
	[PC = 4.14]	7.461	1.004	55.180	1	.000	5.492	9.429
	[PC = 4.29]	7.760	1.015	58.499	1	.000	5.771	9.748
	[PC = 4.43]	8.144	1.028	62.771	1	.000	6.129	10.159
	[PC = 4.57]	8.767	1.051	69.610	1	.000	6.708	10.827
	[PC = 4.67]	8.827	1.053	70.257	1	.000	6.763	10.891
	[PC = 4.71]	9.092	1.064	73.067	1	.000	7.007	11.176

	[PC = 4.86]	9.613	1.087	78.161	1	.000	7.482	11.744
Location	AB	1.757	.257	46.788	1	.000	1.253	2.260

However, there was a positive ordinal regression coefficient test between accountancy bodies and the perception of compatriots. Accountancy bodies was a significant positive predictor of perception of compatriots. For every one unit increase in the performance of the accountancy bodies, there is an estimated increase of 1.757 in the log odds of influencing the positive perception of compatriots.

Correlation Analysis for Objectives 5 and 6

Table 13: Correlations *between knowledge of ethics and pressure to compromise on ethics and accountancy bodies and professional conduct of compatriots*

			PC	KE	AB	PCE
Spearman's rho	PC	Correlation Coefficient	1.000	.415**	.483**	-.077
		Sig. (2-tailed)	.	.000	.000	.323
		N	165	165	165	165
	KE	Correlation Coefficient	.415**	1.000	.276**	-.041
		Sig. (2-tailed)	.000	.	.000	.603
		N	165	165	165	165
	AB	Correlation Coefficient	.483**	.276**	1.000	.025
		Sig. (2-tailed)	.000	.000	.	.747
		N	165	165	165	165
	PCE	Correlation Coefficient	-.077	-.041	.025	1.000
		Sig. (2-tailed)	.323	.603	.747	.
		N	165	165	165	165

****.** Correlation is significant at the 0.01 level (2-tailed).

The above correlation test shows that there is a moderate correlation between perception of compatriots, knowledge of ethics and accountancy bodies at a statistically significant $p < 0.01$. However, there was no correlation between pressure to compromise on ethics and all other variables.

Discussion of findings

Objective One: Perceptions of accounting and finance professionals on ethical knowledge

The first objective of this research study sought to determine the level of ethical knowledge among accounting and finance professionals in South Africa. Upon analysis, it was found that the average of the aggregate responses was 4.28. This implies that the majority of accountants and finance professionals agree in general that they perceive themselves to have a strong knowledge of ethics.

The finding of Objective One of this study is consistent with findings from similar studies by Barac (2009), Taylor (2013) and Mbanjwa (2019), who noted that accounting and finance professionals have a strong positive perception of their ethical knowledge. However, a study by Zhatkin et al. (2017) noted that there is currently a perceived low level of ethical knowledge in Ukraine regardless of the understanding of the code of ethics among accountants.

Objective Two: Perceptions of accounting and finance professionals on pressure to compromise on ethics

The second objective of this research study sought to evaluate the level of ethical pressures faced by accounting and finance professionals in South Africa. Upon analysis, it was found that the average of the aggregate responses was 3.53, which implies that the majority of the respondents agree in general that they face a considerable amount of pressure to compromise on ethics.

The finding of Objective Two of this study is consistent with findings from similar studies by Jaijairam (2017b), Barrainkua and Espinosa-Pike (2018) and Mbanjwa (2019) that

evidenced that accountants perceive that they are faced with pressure to compromise on their ethics in the course of their work and client engagements. However, a study by Cote and Latham (2019) noted that accountants who underwent action-oriented training were significantly less likely to be pressured to compromise on their ethical stance when faced with questionable ethical dilemmas whilst dealing with clients.

Objective Three: Perceptions of accounting and finance professionals on the responsibility of professional members regarding ethics

The third objective of this research study sought to evaluate the perceptions of accounting and finance professionals on the responsibility of professional members regarding ethics in the South African accountancy profession. Upon analysis, it was found that the average of the aggregate responses was 4.01. This implies that the majority of accountants agree in general that they perceive their fellow accounting and finance professionals to be ethically responsible.

The finding of Objective Three of this study is consistent with findings from similar studies by Hammami and Hossain (2010) and Mbanjwa (2019) that noted that accounting and finance professionals have a positive perception of their compatriots as being ethically compliant and responsible. However, studies by Caglio and Cameran (2017), Odar et al. (2017) and Ndlovu et al. (2020a) noted otherwise in their perceptions of accounting and finance professional compatriots as being ethically responsible and compliant. Odar et al. (2017) observed that there is a significant difference between ethical responsibility and compliance among internal and external accountants, as well as accountants working in small firms who tend to be more ethically lenient in their engagements. In addition to this, Pusti (2017) suggests that accounting education and training on ethics should be improved and mandated for accounting learners, teachers and professionals.

Objective Four: Perceptions of accounting and finance professionals on the role of accountancy bodies regarding ethics.

The fourth objective of this research study sought to evaluate the perceptions of accounting and finance professionals on the role of accountancy bodies regarding ethics in the South African accountancy profession. Upon analysis, it was found that the average

of the aggregate responses was 3.72, which implies that the majority of the accountants and finance professionals agree in general that they perceive accounting bodies in a positive light in their stance and response towards ethical compliance and responsibility.

The finding of Objective Four of this study is consistent with findings from similar studies by Jaijairam (2017b), Oboh et al. (2020b), Yasseen et al. (2020) and Adelopo and Meier (2022) that evidenced that professional accounting bodies have a firm stance on ethical behaviour and conduct of their professional members. For instance, in the study conducted among professional accounting bodies in the United Kingdom, it was found that ethical misconduct and criminal conviction are the leading bases for membership expulsion and exclusion of accounting and finance professionals in the United Kingdom (Adelopo and Meier, 2022).

Objective Five: Relationship between knowledge of ethics and pressure to compromise on ethics

The fifth objective of this research study sought to determine if the knowledge of ethics of accounting and finance professionals influences their pressure to compromise on ethics.

Based on the results of the regression analysis, the research study found that there is a negative statistical relationship between knowledge of ethics and pressure to compromise on ethics, as further expressed by the regression analysis. Likewise, the correlation test further notes that there is no correlation between pressure to compromise on ethics and all other variables.

The finding of Objective Five of this study is consistent with findings from similar studies by Espinosa-Pike and Barrainkua (2016), Arowoshegbe et al. (2017) and Aifuwa et al. (2018) who noted that there is a negative relationship between knowledge of ethics and pressures to compromise among accounting and finance professionals. This implies that the more knowledgeable and experienced accounting and finance professionals are on ethics, the less they are pressurised to compromise on ethics. Espinosa-Pike and Barrainkua (2016) noted that more knowledgeable and experienced auditors are less likely to face pressures to compromise on their ethical stance as compared to less

knowledgeable and experienced auditors who are more likely to face pressures to compromise on their ethics.

Objective Six: Relationship between accountancy bodies and professional conduct of compatriots

The sixth objective of this research study sought to determine if the performance of accounting bodies influences perceptions of compatriots.

Based on the results of the regression analysis, the research study found that there is a positive ordinal relationship between accountancy bodies and perceptions of compatriots. This implies that the performance of accountancy bodies was a significant positive predictor of the perception of compatriots. Furthermore, the correlation test affirms that there is a statistically significant correlation between perception of compatriots, knowledge of ethics and accountancy bodies.

The finding of Objective Six of this study is consistent with findings from similar studies by Jaijairam (2017b), Ishola et al. (2018), Oboh et al. (2020b), Yasseen et al. (2020) and Adelopo and Meier (2022) who evidenced that being a member of a professional accounting body has an influence on the ethical behaviour and professional conduct of accounting and finance professionals. For instance, in the study conducted among professional accountants in Nigeria, it was found that accountants who are members of an accounting body were more professional and ethical than those that were not (Ishola et al., 2018).

4.3 CHAPTER SUMMARY

The fourth chapter of this research inquiry covered the analysis of the collected data, interpretation of the data analysis results and the discussion of the study findings. In this chapter, the researcher utilised a simple and methodical approach to analyse and present the outcome of the data analysis. The chapter provided an overview of the data analysis

process, descriptive analysis, inferential analysis, interpretation of results and discussion of the research findings vis-à-vis relevant empirical literature.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The fifth chapter of this research inquiry is the last chapter of the study that covers the summary, conclusion and recommendations of the research study. In this chapter, the researcher provides a summary of each chapter, the conclusions, main findings, implications, contributions and recommendations, limitations of the study and suggestions for future studies.

5.2 Summary of each chapter

The first chapter of this research study outlined the background, problem statement, purpose of the study, research objectives, research questions, assumptions of the study, significance and contribution of the study as well as the outline of the research study.

The second chapter of this research study covered the literature review consisting of the theoretical, conceptual and empirical review of literature. This literature review chapter considered thematic issues such as pressures faced by finance professionals to risk their independence, theory of ethics of finance professionals and their perceptions, accounting scandals, creative accounting, and the role of accounting bodies on ethics and their response to the scandals. This chapter delved into the foundational theories of perceptions and ethics such as the theory of perceptual control, utilitarianism theory of ethics, virtue ethics theory and the deontological ethical theory. Furthermore, relevant articles on accounting scandals and creative accounting, the role and responsibility of professional ethics among members and professional bodies were succinctly reviewed and discussed.

The third chapter of this research study focused on the research methodology of the research study. As a critical chapter in the research inquiry, the researcher highlighted, clarified and justified the adopted research paradigm, techniques, and methods of the research study. Furthermore, the researcher succinctly discussed the adopted population

and sampling techniques, sample size, data collection procedure, data analytical methods, validity and reliability as well as the limitation of the study.

The fourth chapter of this research inquiry covered the analysis of the collected data, interpretation of the data analysis results and the discussion of the study findings. In this chapter, the researcher utilised a simple and methodical approach to analyse and present the outcome of the data analysis. The chapter provided an overview of the data analysis process, descriptive analysis, inferential analysis, interpretation of results and discussion of the research findings vis-à-vis relevant empirical literature.

5.3 Limitation of the study

The limitation of this research inquiry can be linked to the perceived limitation relating to the sample size of the research study. Based on the calculation of the sample size, it was established that the ideal sample size for this study is 222. However, upon the commencement of the study and initiation of the data collection process, only 165 respondents responded to the open call to participate in the study via the online survey that was shared across several platforms such as respondents' emails, professional bodies directory etc. Of noteworthy, it is necessary to state that the researcher extended the data collection period by two weeks in a bid to get more responses from the universe of the respondents.

5.4 Conclusions, Main findings, Implications, Contributions and Recommendations

5.4.1 Research Objective One

The first objective of this research study sought to determine the level of ethical knowledge among accounting and finance professionals in South Africa.

The study finding concludes that the average of the aggregate responses was 4.28. This implies that the majority of accountants and finance professionals agree in general that they perceive themselves to have a strong knowledge of ethics. This objective further contributes to the understanding of the perception of ethical knowledge among South

African accountants and finance professionals in line with previous global and local studies such as Barac (2009), Taylor (2013), Zhatkin et al. (2017) and Mbanjwa (2019) which have evaluated the perception of ethical knowledge among accounting and finance professionals. Based on this contribution, this study further recommends that the current level of ethical knowledge of accounting and finance professionals be maintained and improved on via training programmes such as the continuous professional development programme.

5.4.2 Research Objective Two

The second objective of this research study sought to evaluate the level of ethical pressures faced by accounting and finance professionals in South Africa.

The study finding concludes that the average of the aggregate responses was 3.53. This implies that the majority of accountants and finance professionals agree in general that they face a considerable amount of pressure to compromise on ethics. The implication of the finding of this objective further contributes to the understanding of the perception of pressure to compromise on ethics faced by South African accountants and finance professionals in line with previous global and local studies such as Jajairam (2017b), Barrainkua and Espinosa-Pike (2018), Cote and Latham (2019) and Mbanjwa (2019) which have evidenced that accountants perceive that they are faced with pressure to compromise on their ethics in the course of their work and client engagements. Based on this contribution, this study further recommends that accountants and finance professionals should be encouraged to constantly participate in action-oriented training as a mechanism to improve this ethical stance and assertiveness in the course of their work and client engagements (Cote and Latham, 2019).

5.4.3 Research Objective Three

The third objective of this research study sought to evaluate the perceptions of accounting and finance professionals on the responsibility of professional members regarding ethics in the South African accountancy profession.

The study finding concludes that the average of the aggregate responses was 4.01. This implies that the majority of accountants agree in general that they perceive their fellow

accounting and finance professionals to be ethically responsible. The implication of the finding of this objective further contributes to the understanding of how South African accountants and finance professionals perceive their fellow accounting and finance professionals to be ethically responsible in line with previous global and local studies such as Hammami and Hossain (2010), Caglio and Cameran (2017), Odar et al. (2017), Mbanjwa (2019) and Ndlovu et al. (2020a) which have considered the being ethical responsibility and compliance of their fellow accounting and finance professionals compatriots. Based on this contribution, this study further recommends accounting education and training on ethics should be encouraged, improved and mandated for accounting learners, teachers and professionals to ensure a well-rounded ethical responsibility and compliance (Pusti, 2017).

5.4.4 Research Objective Four

The fourth objective of this research study sought to evaluate the perceptions of accounting and finance professionals on the role of accountancy bodies regarding ethics in the South African accountancy profession.

The study finding concludes that the average of the aggregate responses was 3.72, which implies that the majority of accountants and finance professionals agree in general that they perceive accounting bodies in a positive light in their stance and response towards ethical compliance and responsibility. The implication of the finding of this objective further contributes to the understanding of how South African accountants and finance professionals perceive professional bodies' role and responsibility for the ethical compliance of their professional members. This is further in line with global studies such as Jaijairam (2017b), Oboh et al. (2020b), Yasseen et al. (2020) and Adelopo and Meier (2022) which have asserted and evidenced the pivotal role and responsibility of professional accounting bodies. Based on this contribution, this study further recommends that professional accounting bodies should maintain a clear and firm stance on ethical behaviour and conduct of their professional members such as the expulsion and exclusion of members found liable for unethical behaviour and misconduct.

5.4.5. Research Objective Five

The fifth objective of this research study sought to determine if the knowledge of ethics of accounting and finance professionals influences their pressures to compromise on ethics.

Based on the results of the regression analysis, the research study found that there is a negative relationship between knowledge of ethics and the pressure to compromise on ethics as further expressed by the regression analysis. This implies that the more knowledgeable an accounting and finance professional is on ethics, the less they are pressurised to compromise on ethics.

The implication of the finding of this objective further contributes to the understanding of how the knowledge of ethics of South African accounting and finance professionals influences their pressures to compromise on ethics. This is further in line with global studies by Espinosa-Pike and Barrainkua (2016), Arowoshegbe et al. (2017) and Aifuwa et al. (2018), who asserted and evidenced that improved knowledge of ethics can reduce perceived pressures to compromise on ethics among accounting and finance professionals. Based on this contribution, this study further recommends that accounting and finance professionals improve their knowledge of ethics in order to reduce the perceived pressures to compromise on ethics.

5.4.6 Research Objective Six

The sixth objective of this research study sought to determine if the performance of accounting bodies influences the perceptions of compatriots.

Based on the results of the regression analysis, the research study found that there is a positive ordinal relationship between the performance of accountancy bodies and the perception of compatriots. This implies that the performance of accountancy bodies was a significant positive predictor of the perception of compatriots. The implication of the finding of this objective further contributes to the understanding of how the performance of accountancy bodies in South Africa influences the perceptions of accounting and finance compatriots.

This is further in line with global studies by Jaijairam (2017b), Ishola et al. (2018), Oboh et al. (2020b), Yasseen et al. (2020) and Adelopo and Meier (2022), who evidenced that being a member of a professional accounting body has an influence on the ethical behaviour and the perception of accounting and finance professionals. Based on this contribution, this study further recommends that accounting and finance professional bodies maintain and improve their positive image in South Africa by being firm and clear on the ethical and professional conduct they expect of their members.

5.7 SUGGESTIONS FOR FUTURE STUDIES

Although this research endeavour has made remarkable contributions and discoveries in the understanding of how South African accounting and finance professionals perceive their ethical knowledge, compatriots' ethical responsibility and also the role of the professional bodies in maintaining ethical responsibility. Nevertheless, these contributions have inspired potential future research within the spectrum of this research inquiry. Firstly, a potential inquiry in this research sphere would be to consider the perceptions of accounting and finance students on the current state of the accountancy profession in South Africa. Secondly, another interesting future research topic could consider the perceptions of non-accounting and finance professionals on the current state of the accountancy profession in South Africa. Lastly, a critical study on the influences on ethical responsibility, compliance and judgement of accounting and finance professionals in South Africa could also be explored.

5.8 CONCLUSION

The fifth chapter of this research inquiry entailed the summary, conclusion and recommendations of the study including a detailed discussion on the summary of each chapter, conclusions, main findings, implications, contributions and recommendations, limitation of the study and suggestions for future studies.

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Appendix A: Consent Letter and Form

University of KwaZulu-Natal

STRICTLY CONFIDENTIAL

Information Sheet and Consent to Participate in Research

Dear Finance Professional

You are invited to participate in a questionnaire survey, which is part of a research project facilitating in enhancing the professional development of the South African accountancy profession. It is also in fulfilment of the research requirements of the Masters in Accountancy degree at UKZN as carried out by me the researcher, Sithandiwe Mdhuli.

The title of the study is: Accounting and finance professionals' perceptions on the current state of the accountancy profession in South Africa.

The aim of the questionnaire survey is to determine accounting and finance professionals' perceptions of the profession on the current state of the accountancy profession in South Africa as potentially influenced by the recent accounting scandals.

Your participation in this study is voluntary and anonymous. There are no anticipated risks in completing this survey. Your responses will be kept completely confidential. Your response is vital to the success of this study.

The University of KwaZulu-Natal higher degrees' committee has approved the project. (Ethical clearance will be attached)

In the event of any problems or concerns/questions you may contact the researcher at (cell: 073 891 5833 or email: stha.mdhuli@gmail.com) or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

Humanities and Social Sciences Research Ethics Administration

Govan Mbeki Building

Private Bag X 54001

Durban
4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

DECLARATION FOR CONSENT

I (full names of respondent),

have read this consent form and understood its content and nature of the research project,

and I **agree**..... /**disagree** to participate in this study.

I understand that I am at liberty to withdraw from the project at any time, should I desire.

Signature

Date

Appendix B: Questionnaires

STRICTLY CONFIDENTIAL

QUESTIONNAIRE

For
Accounting and Finance Professionals

STUDY:

Accounting and finance professionals' perception on the current state of the
accountancy profession in South Africa

Instructions for the completion of the questionnaire:

- You are requested to answer all the questions carefully and honestly.
- Your responses will be treated confidentially and will be valuable to the study.
- Your name should not appear on the questionnaire.
- Findings of the research will be shared with participants.
- You are kindly requested to indicate your reply by placing a cross (X) in the appropriate box which best represents your view.
- You may write additional comments whenever you wish to do so.

Kindly return the completed questionnaire to stha.mdhluli@gmail.com

Thank you very much for your co-operation.

Researcher: Sithandiwe Mdhluli (073 891 5833) (Student number: 9801751)
Supervisors: Prof. M.V. Mkhize (031 260 2141) & Dr S Mqadi (031 260 7551)

Faculty: Management Studies (UKZN) Year study conducted: 2021

QUESTIONNAIRE FOR FINANCE PROFESSIONALS
SECTION A (Biographical information)

The purpose of this section is to obtain your demographics information, which serves as control variables for purposes of analysing the overall responses. This information will not be used to identify you in any way

1 Age:

Under 22 years	22-29 years	30-39 years	40-49 years	50 years and above
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2 Gender:

Male	Female	Other
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3 Ethnic group

Black African	Coloured	White	Indian	Other
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4 Highest qualification (Academic)

Honours' degree	Masters' degree	Doctorate degree	Other
-----------------	-----------------	------------------	-------

5 Professional Qualifications

Professional Accountant	Chartered Accountant
Chartered Management Accountant	Trainee Accountant
Other	None

6 Number of years of experience in Finance

0-5 years	6-10 years	11-15 years	More than 15 years
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7 How would you describe your current role?

Experienced Accounting/Finance Professional	First year trainee accountant	Second year trainee accountant	Third year trainee accountant
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8 Are you affiliated with any Professional Body

YES	NO
-----	----

SECTION B: LIKERT SCALE ANALYSIS FOR ACCOUNTING and FINANCE PROFESSIONALS

Instructions: You are required to respond to the statements below by ticking (X) the most appropriate column in your view. The following rating scale is used to respond to the questions:

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
KNOWLEDGE OF ETHICS					
9 You have full knowledge and understanding of your organisation or Professional body's Code of ethics and Professional Responsibility.					
10 Annually, you attend training sessions on Ethics.					
11 You have frequently demonstrated that you are well able to identify any potential threats to compliance with your organisation or Professional body's Code of conduct.					
12 You have demonstrated frequently that you are well able to implement appropriate safeguards to potential threats identified.					
13 You are always alert to ethical dilemmas during the performance of your work.					
14 You exercise the appropriate level of professional scepticism in environments prone to unethical conduct.					
PRESSURE TO COMPROMISE ON ETHICS					
15 The rapidly evolving global economic system and the generally weak global economic conditions are forcing accountants to lax the ethical standards of their profession.					
16 Auditors, Finance and Accounting Professionals are under pressure to meet financial business goals, such that these goals take precedence over their ethical standards.					
17 The pressure to meet financial business goals usually results in Finance Professionals exercising lower professional scepticism.					
18 Conducting professional services with the requisite ethical behaviour normally results in high quality work.					

PERCEPTIONS OF COMPATRIOTS						
19	Accountants who are preparers of financial statements comply with the Code of Professional Conduct in performing their professional duties of compiling financial statements					
20	Registered Auditors and their professional staff have a sound understanding of their professional bodies' Code of Professional Conduct.					
21	Accounting and Finance Professionals frequently demonstrate that they are well able to identify any potential threats to compliance with their professional bodies' Code of Professional Conduct.					
22	Auditors, Accounting and Finance Professionals demonstrate frequently that they are well able to implement appropriate safeguards to potential threats identified.					
23	I am always alert to ethical dilemmas during the performance of their work.					
24	I exercise the appropriate level of professional scepticism in environments prone to unethical conduct.					
25	Certain firms continue to provide the services of both preparing the financial statements and auditing them, for the same client.					

ACCOUNTANCY BODIES						
26	They maintain the prestige and standing of the profession and its members.					
27	They insist upon a high standard of professional behaviour amongst its members.					
28	They provide the opportunity for members of the profession to voice their views and opinions.					
29	Accountancy bodies responded appropriately to the scandals					
30	Accountancy bodies responded in a reasonable time from the time the scandals became public knowledge					

31	The accountancy profession is in a state of crisis because of these scandals					
32	From what you understand, can the accountancy profession be saved					

Appendix C: Ethical Clearance Letter



22 February 2022

Sthandiwe Charity Kholiwe Mdhuli (9801751)
School Of Acc Economics & Fin
Westville Campus

Dear SCK Mdhuli,

Protocol reference number: HSSREC/00003794/2022

Project title: Accounting and finance professionals perception on the current state of the accountancy profession in South Africa.

Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 19 January 2022 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 22 February 2023.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,



Professor Dipane Hlalele (Chair)

/dd

Humanities and Social Sciences Research Ethics Committee

Postal Address: Private Bag X54001, Durban, 4000, South Africa

Telephone: +27 (0)31 260 8350/4557/3587 Email: hssrec@ukzn.ac.za Website: <http://research.ukzn.ac.za/Research-Ethics>

Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville

INSPIRING GREATNESS

Appendix C: Turnitin Report

Accounting and finance professionals' perception on the current state of the accountancy profession in South Africa

ORIGINALITY REPORT

9%	9%	2%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	researchspace.ukzn.ac.za Internet Source	4%
2	Submitted to University of KwaZulu-Natal Student Paper	3%
3	www.igi-global.com Internet Source	1%
4	dj.univ-danubius.ro Internet Source	1%
5	Submitted to Bakersfield College Student Paper	1%

Exclude quotes On
Exclude bibliography On

Exclude matches < 1%