Factors Influencing Ethical Decision-Making of Professional Accountants in Malaysia

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Abstract
Numerous incidences of unethical behaviours of accountant has been reported globally in the recent years have left significant impact to the accounting profession. These incidences raised concern of accountants’ ethical decision making. In the accounting profession, ethical decision making is a complex process partly due to accountants’ fiduciary obligations to their clients, as well as protecting public interests. The objective of this study is to examine the effect of demographic factors (gender, age, professional qualification) and ethical ideology, on ethical decision making of accounting practitioners. A survey questionnaire comprises of Ethical Position Questionnaire and two ethical dilemma vignettes was distributed and 125 respondents were analysed. Statistical analyses found that age and professional qualifications have significant positive influence on ethical decision making of practitioner accountants, suggesting that these two factors influence accountants to be stricter when confronting with ethical issues. Furthermore, this study also found that idealism as significantly influence ethical decision making of practitioner accountant in Malaysia. As a conclusion, age, professional qualification and idealism have influence on an accountant’s ethical decision-making in Malaysia.

Keywords: Ethics; Decision making; Demographic characteristic; Ethical ideology; Malaysia.

1. Introduction
Ethics is described as the norms and values in a society that are reflected in the individual self of that society (Rawls, 1975). In other words, ethics serves as guidance on how an individual should live and determine the right and wrong. Ethics deals with individuals’ action, analysis and behaviour. It includes the aspects of normalisation, imperativeness and positivism. Issues concerning ethics have attracted significant interest among the practitioners and the academics due to the increasing number of accounting scandal as highlighted in the PricewaterhouseCoopers (2016). They reported continuous increasing trend of accounting scandals involving accounting manipulation committed in Malaysia.

Also, one of the public listed company namely, the Silver Bird Group was removed from Bursa Malaysia due to its accounting scandal that was committed in 2011, where three employees including the general manager for accounts and finance was charged in court. Another case of Megan Media Holdings in 2007, when the company default payment of to their bondholders, the financial position was misstated with fictitious deposits causing substantial irregularities were amongst the reported reasons. The case of Technology Resources Industries (TRI) Berhad in 2006 when the company was reported to have issued fictitious invoices totalling nearly RM260 million in its financial statement. Another accounting scandal was Transmile Group Berhad that was reported to have overstated the revenue in 2004. These events were examples of ethical issues has caused the accounting profession in Malaysia.

The accounting professional bodies are not only concerned with their members adhering to the rules, standards and general procedure but they are also concerned in ensuring that the accountants perform their duties diligently, truthfully, fairly and in the best possible manner so that their clients are protected and safeguarded. The professional accounting bodies such as the Malaysian Accounting standards Board (MASB) and Malaysian Insitutte of Accountants (MIA) have taken several measures for ethical behaviours. They are actively combating unethical behaviour among the accountants to ensure that public confidence on this professional remains high and dependable. Also, the International Federation of Accountants (IFAC) proposed the issuance of the International Education Standards 4 (IES 4) on Professional Values, Ethics and Attitudes in 2011; and the American Institute of Certified Public Accountant (AICPA) has also outlined guideline of accounting ethics in all accounting associations. However, these initiatives cannot totally mitigate or reduce the accountants’ unethical behaviour and could tarnish the image of the profession if not dealt with.

The findings of this study contributions to the existing knowledge in numerous ways. First, the scope of this study extends the ethical framework by examining simultaneously the effects of accountants’ ethical ideology,
gender, age and professional qualification on accountants’ ethical decision-making. Secondly, given that the audit profession requires the accountants to act in an ethical manner, understanding the importance of these variables (accountants’ ethical ideology, gender, age, and professional qualification) may enhance the process of recruiting and training of accountants and elevating the level of accountants’ ethical concern. Finally, the current study provides understanding that personal qualities of the accountants are drivers of the accountants’ quality.

The current study are beneficial to the professional bodies such as MIA or, the accounting firms themselves accountants to recognise ethical situations, thus they are able to design ethical-specific training programs common for the firms and industry. In delivering their duties, accountants are exposed to deal with many types of ethical dilemmas. Most of the duties require the accountants to work independently, with minimum supervision. Hence, the knowledge of the ethical orientation of accountants could play a significant role in determining whether the accountants are ethically committed to doing their duties. Clarifying inappropriate behaviours may enhance perceptions of moral intensity and enhance compliance with the profession’s ethical code of ethics (By-laws). This study would be useful for the accounting profession in the context of the Malaysian environment.

2. Literature Review
2.1. Ethical Decision-Making

Ethical decision making is an important aspect for accountant in carrying their duties towards public. The dilemmas issues can be curb if accountant make ethical decision making in daily life activities. Over the years, scholars had analysed the factors that influence ethical decision making of accountant. For instance, Zarei et al. (2016) discovered that the ethical decision making increases when the accountants and auditors have a widely job experience in accounting profession. In other words, ethical decision making increase when the accountant or auditors had longer job experience in the accountant field than individual without any job experiences. These findings also supported by Castleberry (2007) study where senior worker are more ethical in decision making.

Other than that, ethical decision level may be affected by others factor such as place of growth and religion. This findings by Zarei et al. (2016) claimed these new factors can contributed to the more ethical decision making of accountants. He stated that student with accounting background are more ethical in decision making due to receiving ethical education in their study rather than normal student. And accountants are more ethical when they being more religious. Zarei et al. (2016), Hartikainen and Torstila (2004), Ismail (2011) also found that older accountants are stricter in making ethical decision when facing ethical dilemmas. Ismail (2013), found several factors such as age, corporate ethics position, professional involvement, and understanding code of conduct strongly influenced the ethical decision making of accountants.

The gender plays a role in influence the ethical decision making. The higher ethical decision making depends on gender factors. Prior researcher claim that women are more ethical than men. This supported by several researchers (Cohen et al., 2001; Emerson et al., 2007; Landry et al., 2004; Zarei et al., 2016). However, some researcher found that ethical decision makings are not affected by gender Ismail (2013); Marques and Pereira (2009); Hartikainen and Torstila (2004); Shafer et al. (2001); and Radtke (2000). Greenfield et al. (2008), concluded that individual ethical ideology can influence the ethical decision making level of accountants. The accountants are more ethical when they perceived idealistic characteristic in themselves. But the ethical decision makings are less when the accountant are realistic person where they are more lenient in making a decision. Watley (2002), found that studies share a common idea in explaining the individual’s ethical decision making process. In general, the process starts with ethical sensitivity and then followed by ethical judgment, ethical intention and ethical behaviour.

Based on the above discussion, ethical decision making is important in management. Factors such as gender, age, professional qualification and ethical ideology can influence ethical decision making of accountants.

2.2. Demographic Characteristics
2.2.1. Gender

A large body of the ethics literature have investigated the influence of gender on ethical judgment. Most of these studies have shown that gender is an important factor that influences ethical ideology and ethical judgment. A number of studies reported that women have higher ethical attitudes compared to men (Cohen et al., 2001; Emerson et al., 2007; Landry et al., 2004).

Emerson et al. (2007), conducted a study on the ethical attitudes of accounting practitioners and students at two Southern United States universities from a private and public institute. They found that male respondents have a lower ethical attitude compared to the female respondents who are more ethically in dealing ethical dilemmas. Landry et al. (2004), examined ethical perceptions of Hispanic students. His 185 respondents were from the accounting and non-accounting business major. He found that the female students have a higher degree of ethical sophistication with regards to recognising the nuances of the moral issues presented by the cases as compared to the male students.

There are also studies that found no significant difference between gender and ethical judgment (Hartikainen and Torstila, 2004; Marques and Pereira, 2009; Radtke, 2000; Shafer et al., 2001). For example, Marques and Pereira (2009) conducted a study on accountants who were members of the Portuguese Chamber of Chartered Accountants, to examine the influence of ethical ideology and ethical judgement. They found no significant difference between gender and ethical ideology of the Portuguese accountants. Also, Hartikainen and Torstila (2004), conducted a study on ethical judgement in finance profession. They found that the male and female respondents’ judgement are similar and has no significant relationship with ethical decision making. Lastly, a study
by Radtke (2000) investigated the effect of gender and setting on accountants. They found no significant difference in the ethical decision making of women and men in the public accounting firms and private industry.

Based on the discussion, gender is considered as one of the factor that can influence the ethical decision making of accountant as supported by the findings of Emerson et al. (2007); Landry et al. (2004) and Cohen et al. (2001). Therefore, this study develops the following a hypothesis as below:

\( H_1 \): There is a significant relationship between gender and ethical decision-making of accountants.

### 2.2.2. Age

Several studies have suggested that age can influence individuals’ ethical judgment. According to Kohlberg (1969) theory of moral cognitive development, older individuals have a higher level of ethical judgment compared to the younger individuals. A number of prior studies including Emerson et al. (2007), Hartikainen and Torstila (2004), Swaidan et al. (2003), Allmon et al. (2000), Rawwas and Singhapakdi (1998) and Ruegger and King (1992) supported this idea in which age is positively related to ethical judgment.

Emerson et al. (2007), examined ethical attitudes of accounting practitioners and students. They found that age influence ethical decision-making, where younger respondents have a lower ethical attitude compared to the older respondents. Also, Hartikainen and Torstila (2004) examined job-related ethical judgement in the finance profession. They found that age has strong association with stricter attitudes. Other studies have also provided similar findings where age influence the ethical decision making of individual. Swaidan et al. (2003), examine the consumer ethics in determinants of ethical beliefs of African American. They found significant relationship between age and ethical judgement where the older respondent are strictly reject the illegal activities than younger Africans. Ruegger and King (1992), provided the same findings where older individuals were reported to have a higher level of ethical judgment than younger individuals. Thus, age have a significant affect upon on how students view business ethics.

On the other hand, several different studies found no significant relationship between age and ethical judgment. For example, a study by Aldrich and Kage (2003) whom examine critical investigation of moralism, age, effects, and difference in gender. They found females became more experience as they aged that led them to make stricter moral judgments as compared to the male respondents. The latter were more lenient on ethical judgments as they grew older. Lastly, Roozen et al. (2001) examined the ethical dimension of decision process of employees. They found that gender has no significant influence on ethical attitude or ethical decision.

Based on the above discussion, age is considered as one of the factor that can influence the ethical decision making of accountant as supported Emerson et al. (2007), Hartikainen and Torstila (2004), Swaidan et al. (2003), Allmon et al. (2000), Rawwas and Singhapakdi (1998), and Ruegger and King (1992). Age is also considered as one of the demographic factors in individual attribute that can influence the ethical decision making of individuals. Therefore, this study develops the following hypothesis:

\( H_2 \): There is a significant relationship between age and ethical decision-making of accountants.

### 2.2.3. Professional Qualification

Professional qualification is also an important factor for ethical judgment. There are studies that supported the idea that educated individuals that hold professional qualification are more ethical compared to less educated individuals (Castleberry, 2007; Razzaque and Hwee, 2002; Swaidan et al., 2003). For example, Castleberry (2007) examined the effect of education level and ethical decision-making by comparing the students from bachelor study and the students from postgraduate study. He found that the postgraduate students are more ethical in their behaviours and actions and also stricter in making decisions and do not tolerate ethical issues.

Another group of studies however, found no evidence that professional qualification influences ethical judgment (Deshpande et al., 2008; Marques and Pereira, 2009; Shafer et al., 2001). Marques and Pereira (2009), examined the influence of ethical judgement in the Portuguese accounting profession and found no significant relationship between professional qualification and ethical decision making. This is also supported by Deshpande et al. (2008) who found that employees with specialised skill in US hospitals are less likely to exhibit ethical behaviour. The results findings found that, employee with specialize skill are less ethical in their behaviour.

Lastly, Shafer et al. (2001) investigated the effect of personal values on 1650 auditors’ ethical decision-making. They found no significant relationship between individuals’ education level with ethical decision-making in facing ethical dilemmas.

Although there are mixed findings, rationnally the higher education an individual has, the better the individual would be in making ethically related decisions. Based on the above discussion, professional qualification is considered as one of the factor that can influence the ethical decision making of accountant as supported by Castleberry (2007), Razzaque and Hwee (2002), Swaidan et al. (2003). In the professional environment, acquired licensing can differentiate the individual into high ethical than person without license. This is because losing the professional qualification caused a person to unethical behaviour. Therefore, this study develops the following hypothesis:

\( H_3 \): There is a significant relationship between professional qualification and ethical decision-making of accountants.

### 2.2.4. Ethical Ideology

Ethical ideology is also known as ethical orientation or ethical philosophy. Ethical ideology is a set of belief, attitudes and values that plays a role in guiding individuals in making decision when facing ethical issues. Forsyth
(1980), proposed that the difference in ethical ideology between individuals can be explained by two dimensions namely, relativism and idealism. These two dimensions form two components of ethical orientation construct.

In the context of this study, the examination of ethical ideology relies on the dimensions of relativism and idealism rather than focusing on the taxonomies of the ethical ideology. The focus on the dimensions of relativism and idealism is consistent with previous studies that examined the influence of ethical orientation on individuals’ ethical decision-making (Hartikainen and Torstila, 2004; Ismail, 2011; Marques and Pereira, 2009).

Previous studies have found that ethical orientation helps to explain a variety of decisions made by individuals in an organisation. These studies indicated that idealism is more associated with ethical decision-making rather than relativism (Achilles, 2006; Chan and Leung, 2006; Greenfield et al., 2008). In accounting studies, Achilles (2006) revealed that individuals with high idealism are more likely to reject questionable practices as compared to those who score high on relativism. This finding is supported by Greenfield et al. (2008) in their study that found idealistic individuals tend to exhibit higher ethical behaviour. That is, the individuals are less likely to engage in earnings management behaviour.

On the other hand, relativists perceive “ethical issues in general are less important than non-relativists” (Sparks and Hunt, 1998). Shaub et al. (1993), indicated that relativistic individuals are less likely to recognise ethical issues. They found that relativistic individuals are less committed to their organisation and the accounting profession. Henle (2005), found that individuals with higher degree of relativism are more likely to engage in unexpected behaviours toward their organisation. Similarly, Fernando and Chowdhury (2010) found relativism individuals are more likely to have lower ethical judgment of unethical situations.

Another body of the ethics literature however, found contrasting findings. Several studies have found ethical orientation as less relevant in individuals’ ethical behaviour (Bass et al., 1999; Karande et al., 2002; Sivadas et al., 2003). For example: Karande et al. (2002) found that highly idealistic individuals perceive harmful action is sometimes necessary. In addition, contrary to the expectation, Bass et al. (1999) found a negative relationship between idealism and an individual’s ethical behaviour. A weak association between idealism orientation and the dimension of moral judgment was also found in Sivadas et al. (2003). Their overall results indicated that idealism orientation plays no role in individual ethical behaviour, whereas relativist orientation is found to be more positive in their evaluation of controversial practices. This inconsistency calls for further empirical study to assess ethical orientation in ethical behaviour.

Based on the above discussion, professional qualification is considered as one of the factor that can influence the ethical decision making of accountant. This supported by the findings of Greenfield et al. (2008), Achilles (2006) and Chan and Leung (2006). Therefore, this study develops the following hypothesis:

**Hₐ** There is a significant relationship between ethical ideology and ethical decision-making of the accountants

### 3. Research Methodology

#### 3.1. Research Design

This study utilises the survey approach to capture the accountants’ ethical decision-making given the relevant information and circumstances surrounding the ethical action.

#### 3.2. Sample Selection

In this study, the practising accountants registered with the MIA are chosen as the sample selection. The sampling frame is based on 32,361 accountants as of 30 June 2016 (table 3.1). Only the accountants from the state of Selangor and federal territory are selected as the sample for this study due to large coverage and time constraint. A total of 150 questionnaires were distributed to the accountants. Out of the 150 questionnaires distributed, 125 questionnaires were completed and returned, resulting in a response rate of 83.33%.

#### 3.3. Analyses

In order to analyse the quantitative data gathered from the questionnaires, the Statistical Package for Social Sciences (SPSS) version 24 was used. This study used SPSS to screen the data in terms of missing data by using descriptive analysis, outliers using boxplots and normality test by looking at the skewness and kurtosis. Also several procedures and tests were performed to establish the reliability and validity of the survey instrument. A model was developed to examine the relationship between ethical ideology and demographic characteristics and the ethical decision-making of the accountants. The model was adopted from previously study by Ismail (2011).

### 4. Results and Discussion

The total respondents for this study are 125 respondents. The respondents were 60.8% female. The youngest respondent in this study is 25 years old while the oldest respondent is 52 years old. The average age of the respondents for this study is 30.06 years old. Sixty three percent of the respondents have less than 5 years working experience whilst 25.6% have 6 to 10 years of working experience whilst 4% of the respondents are from category 16 to 20 years of working experience respectively.

About 76.8% of the respondents are at the executive level and only 1.6% of the respondents are head of accountant Department in their organisations. Collectively, twenty percent of the respondents are members of the Association of Chartered Certified Accountants (ACCA), Chartered Institute of Management Accountants membership, and Certified Practising Accountants (CPA) Australia. The remaining respondents (74%) are members of MIA.
4.1. Descriptive Statistic for Ethical Decision Making

| Table 4.1. Descriptive Statistics |
|-----------------------------------|
|                                   |
| N | Min | Max | Mean | Std. Deviation |
|---|-----|-----|------|----------------|
| Overall | 125 | 3   | 7    | 5.54           | .923 |
| Decision making illegal (Vignette 1) | 125 | 2   | 7    | 6.00           | .898 |
| Decision making legal (Vignette 2) | 125 | 2   | 7    | 5.07           | 1.252 |

The average vignette score overall provided by the respondents is 5.54 indicates that respondents are slightly unacceptable on ethical scenario in both situation. The minimum score provided by the respondents is 2 which indicates that respondents are acceptable on ethical scenario situation provided in the survey and the maximum score is 7 indicates totally unacceptable of respondent on ethical scenario situations provided in the survey. The mean average for ethical judgement illegal (Vignette 1) score of the respondents is 6.00 indicates that respondent are unacceptable on decision making of illegal ethical issues and are stricter in making decision related to ethical issues. The average mean of ethical judgement legal (Vignette 2) score provided by the respondents is 5.07 indicates that respondent are slightly unacceptable on ethical scenario situations in the survey even the ethical situation are legal issues.

4.2. Descriptive Statistic for Ethical ideology

| Table 4.2. Descriptive Statistics for Ethical Ideology |
|-------------------------------------------------------|
| N | Min | Max | Mean | Std. Deviation |
|----|-----|-----|------|----------------|
| Idealism Score | 125 | 2   | 7    | 5.69           | .616 |
| Relativism Score | 125 | 3   | 7    | 4.26           | .721 |
| Valid N (listwise) | 125 |     |      |                 |     |

The average idealism score for the respondents is 5.69 indicates that the respondents agree on stricter decision making on the statement in the ethics position questionnaire. The respondent with higher idealism score showed that the respondents are stricter in making a decision when facing ethical dilemmas and likely to reject questionable practices. While, the average relativism score provided by the respondents is 4.26 indicate neither agree nor disagree on lenient decision making on the statement in ethics position questionnaire. The respondent with lower relativism showed that the respondents are not less likely to accept any questionable practices.

4.3. Normality test

| Table 4.3. Tests of Normality |
|-------------------------------|
| Statistic | df | Sig. | Statistic | df | Sig. |
| Kolmogorov-Smirnov | .174 | 125 | .000 | .943 | 125 | .000 |
| Shapiro-Wilk | | | |

Table 4.3 shows a p-value of lower than .01 suggesting a violation of the assumption of normality. The current research also used other indicators such as the Skewness and Kurtosis. The value of Skewness is 0.424. A positive value of Skewness indicates many low scores in the distribution. The positive value of Kurtosis is 0.360, an indication of a pointy and heavy-tailed distribution. As both values of Skewness and Kurtosis are not further from zero, this study concludes that the questionnaires have been normally distributed (Field, 2013). The value of skewness and kurtosis near to zero value and the result on normal distribution curve on a histogram and normal probability plots suggesting the assumption of normality is accepted.

4.4. Reliability Analysis

| Table 4.4. Reliability Statistics |
|-----------------------------------|
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|-------------------|---------------------------------------------|------------|
| Overall            | .840                                 | 22         |
| Ethical decision making | .706                                 | 2          |
| Idealism score     | .850                                 | 10         |
| Relativism score   | .819                                 | 10         |
Table 4.4 describe the Cronbach's Alpha results of the dependent variable. The Cronbach alpha are .706, .850, .819 for each Ethical decision making, Idealism score, Relativism score respectively. These value of indicate that the internal consistency for reliability for the scale item is acceptable (Nunnally, 1978).

4.5. Correlation Analysis

| Ethical decision making | Mean Score | Gender | Age | Professional Qualification | Idealism Score | Relativism Score |
|-------------------------|------------|--------|-----|-----------------------------|---------------|-----------------|
| Pearson Correlation     | 1          | .005   | .958|                             |               |                 |
| Sig. (2-tailed)         |            |        |     |                             |               |                 |

| Gender                  | Pearson Correlation | .294 |
| Age                     | Pearson Correlation | .131 |
| Professional Qualification | Pearson Correlation | .136 |
| Idealism Score          | Pearson Correlation | .330 |
| Relativism Score        | Pearson Correlation | .262 |

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

Table 4.5 summarize the correlations between accountants’ gender and their ethical decision-making is .958, correlation between the accountants’ age and their ethical decision-making is .249, correlation between the accountants’ professional qualification and ethical decision-making is .146, the correlation between idealism score and ethical decision-making is .330, and lastly, correlation between relativism and ethical decision-making is .776.

4.6. Multiple Regression Analysis

Stevens (1996), recommended sample for social science research to be about 15 respondents per predictor in order to have a reliable equation. Tabachnick and Fidell (2013), provided a formula to calculate sample size, where $N > 50 + 8m$ (where $m$ is the number of independent variables). The current study collected 125 respondents, thus is considered sufficient to conduct multiple regression analysis as discussed below.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|---|----------|-------------------|--------------------------|
| 1     | .420*| .176     | .142              | .855                     |

a. Predictors: (Constant), Idealism Score, Gender, Professional Qualification, Relativism Score, Age Group.

b. Dependent Variable: Ethical Decision-Making

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|----------------|----|-------------|---|------|
| 1     | Regression     | 18.599 | 5 | 3.720 | 5.089 | .000* |
|       | Residual       | 86.989 | 119 | .731 |     |      |
| Total |                | 105.588 | 124 |     |     |      |

a. Dependent Variable: Ethical Decision-Making

b. Predictors: (Constant), Idealism Score, Gender, Professional Qualification, Relativism Score, Age Group

The R square value is .176 in Table 4.6 shows that 17.6% of the variation in the ethical decision-making of accountants is explained by the variation of the independent variables, namely, gender, age, professional qualification and ethical ideologies taking into account the sample size and number of independent variables. The remaining 82.4% of the ethical decision-making is defined by other variables. The model is significant at .00 as shown in Table 4.7 which implies that the model is significant in explaining the variation in the dependent variable. The results also show the tolerance and variance inflation factor (VIF) of the Collinearity Statistics for the individual independent variables. A VIF shows no multicollinearity issues when it has a VIF of less than 10 (Pallant, 2013). Therefore, there is no multicollinearity issues as all individual VIF of all the independent variables are way below than 10 in this study.
The findings of the study show that the accountants’ age has a significant positive relationship with ethical decision making by accountant. Therefore, there is a significant relationship between the idealism and ethical decision making of accountant. The beta or ‘B’ value of the standardized coefficient has a value of .228 which indicates that for every unit increase in professional qualification will result in 22.8% unit increase in ethical decision making by accountant. Therefore, there is a significant relationship between the professional qualification and ethical decision making by accountant. Also, idealism score has p-value .003 which less than .05 indicating a significant relationship between idealism and ethical decision making of accountant. The beta or ‘B’ value of the standardized coefficient has a value of .281 which indicates that for every unit increase in idealism score will result in 28.1% unit increase in ethical decision making by accountant. Therefore, there is a significant relationship between the idealism and ethical decision making by accountant. Lastly, relativism score has a p-value .457 more than .05 hence indicating no significant relationship between relativism and ethical decision making of accountant. Therefore, relativism score is not an independent variable which can influencing the ethical decision making by accountant in Malaysia.

Based on the findings discussed above, there is a relationship between gender and ethical decision making of accountants. However, the findings of this study show that the accountants’ gender does not influence their ethical decision-making. The result in this study is inconsistent with the finding in previous studies (Cohen et al., 2001; Emerson et al., 2007; Landry et al., 2004) that found gender significantly influence on ethical judgement. Despite that, this findings are similar with the findings by previous studies (Hartikainen and Torstila, 2004; Marques and Pereira, 2009; Radtke, 2000; Shafer et al., 2001) where there is no significant difference between gender and ethical decision making. Therefore, the H1 was rejected.

The second hypothesis state that there is a relationship between age and ethical decision making of accountants. The findings of the study show that the accountants’ age has a significant positive relationship with ethical decision-making. Such result suggests that older accountants have a higher level of ethical decision-making and stricter compared to the younger accountants. This finding is consistent with Emerson et al. (2007), Hartikainen and Torstila (2004), Swaidan et al. (2003), and Allmon et al. (2000), Rawwas and Singhapakdi (1998) that found age is positively related to ethical decision-making. This finding supports research hypothesis H2.

Other than that, the third hypothesis stated that there is a relationship between professional qualification and ethical decision making of accountants. The findings of the study show the accountants’ professional qualification has a significant positive relationship with ethical decision-making. This result suggests that accountants with professional qualification such as CPA Australia, ACCA, CIMA, MICPA and others have a higher level ethical decision-making and more stricter in facing ethical dilemmas. This finding is consistent with Castleberry (2007), Swaidan et al. (2003) and Razzaque and Hwee (2002) where they found more educated individuals are more ethical. This finding supports research hypothesis H3.

Lastly, the fourth hypothesis stated that there is a relationship between ethical ideology and ethical decision making of accountants. The findings of the study shows that idealism score has a significant positive relationship with ethical decision-making. This result suggests that idealistic accountants have a higher ethical level and stricter in making decision. This finding is supported by Greenfield et al. (2008), Achilles (2006), and Chan and Leung (2006). Therefore, research hypothesis H4 is supported.

### Table 4.8. Coefficients

| Model                  | Unstandardized Coefficients | Standardized Coefficients | T      | Sig. | Collinearity Statistics |
|------------------------|----------------------------|---------------------------|--------|-----|------------------------|
|                        | B    | Std. Error | Beta |     | Tolerance | VIF |
| (Constant)             | 3.913 | .936       | .936 | 4.18 | .000       |
| Gender                 | -.021 | .158       | -.011 | -.133 | .894       | .982 | 1.018 |
| Age Group              | -.349 | .140       | .244 | 2.48 | .014       | .717 | 1.395 |
| Professional Qualification | .492 | .202       | .228 | 2.43 | .016       | .788 | 1.270 |
| Idealism Score         | .421  | .139       | .281 | 3.01 | .003       | .800 | 1.251 |
| Relativism Score       | -.086 | .116       | -.067 | -.746 | .457       | .846 | 1.183 |

Table 4.8 provide greater details. The results of multiple regression analysis, gender has p-value of .894 (> .05), hence indicating no significant relationship between gender and ethical decision making of accountant. Therefore, gender is not an independent variable which can influencing the ethical decision making by accountant in Malaysia. On the other hand, age has a p-value of .014 ( < .05), hence indicating a significant relationship between age and ethical decision making of accountant. The beta value of the standardized coefficient has a value of .244 which indicates that for every unit increase in age will result in 24.4% unit increase in ethical decision making by accountant. Therefore, there is a significant relationship between the age and ethical decision making by accountant. The professional qualification has a p-value of .016 which is less than .05 indicating a significant relationship between professional qualification and ethical decision making of accountant. The beta or ‘B’ value of the standardized coefficient has a value of .228 which indicates that for every unit increase in professional qualification will result in 22.8% unit increase in ethical decision making by accountant. Therefore, there is a significant relationship between the professional qualification and ethical decision making by accountant. Also, idealism score has p-value of .003 which less than .05 indicating a significant relationship between idealism and ethical decision making of accountant. The beta or ‘B’ value of the standardized coefficient has a value of .281 which indicates that for every unit increase in idealism score will result in 28.1% unit increase in ethical decision making by accountant. Therefore, there is a significant relationship between the idealism and ethical decision making by accountant. Lastly, relativism score has a p-value .457 more than .05 hence indicating no significant relationship between relativism and ethical decision making of accountant. Therefore, relativism score is not an independent variable which can influencing the ethical decision making by accountant in Malaysia.

The findings of the study show that the accountants’ age has a significant positive relationship with ethical decision-making. Such result suggests that older accountants have a higher level of ethical decision-making and stricter compared to the younger accountants. This finding is consistent with Emerson et al. (2007), Hartikainen and Torstila (2004), Swaidan et al. (2003), and Allmon et al. (2000), Rawwas and Singhapakdi (1998) that found age is positively related to ethical decision-making. This finding supports research hypothesis H2.

Other than that, the third hypothesis stated that there is a relationship between professional qualification and ethical decision making of accountants. The findings of the study show the accountants’ professional qualification has a significant positive relationship with ethical decision-making. This result suggests that accountants with professional qualification such as CPA Australia, ACCA, CIMA, MICPA and others have a higher level ethical decision-making and more stricter in facing ethical dilemmas. This finding is consistent with Castleberry (2007), Swaidan et al. (2003) and Razzaque and Hwee (2002) where they found more educated individuals are more ethical. This finding supports research hypothesis H3.

Lastly, the fourth hypothesis stated that there is a relationship between ethical ideology and ethical decision making of accountants. The findings of the study shows that idealism score has a significant positive relationship with ethical decision-making. This result suggests that idealistic accountants have a higher ethical level and stricter in making decision. This finding is supported by Greenfield et al. (2008), Achilles (2006), and Chan and Leung (2006). Therefore, research hypothesis H4 is supported.
5. Conclusion

5.1. Discussion of Findings

Based on the research objective, this study examines the significant relationship of the accountants’ gender on the ethical decision making of accountant in Malaysia. The findings of the study show that the accountants’ gender does not influence their ethical decision-making. The result in this study is inconsistent with the finding in previous studies that found gender significantly influence on ethical decision making. Most of these studies concluded that women are stricter in making decision related to the ethical issues compared to men. However, this contradict findings support by result of prior research where there is no significant relationship between women or men on ethical decision making. The result highlighted by Marques and Pereira (2009), Hartikainen and Torstila (2004), Shafer et al. (2001) and Radtke (2000). Therefore, the research hypothesis H1 in this study is rejected.

Second research objective is to study the significant relationship between accountants’ age and ethical decision making of the accountant in Malaysia. The findings of this study show a significant positive relationship between the accountants’ age and ethical decision-making of accountant in Malaysia. When an individual grows older, the individual becomes stricter in dealing with ethical issues. There are several assumptions for this argument. Aged individuals would have gone through several phases of life cycle that increased their level of maturity during the process. This finding is consistent with Emerson et al. (2007), Hartikainen and Torstila (2004), Swaidan et al. (2003), and Allmon et al. (2000), Rawwas and Singhapakdi (1998). That is, older accountants in Malaysia are stricter in ethical issues compared to the young accountants. However, there are still findings that contradict with this research highlighted by Aldrich and Kage (2003) and Roozen et al. (2001). Therefore, research hypothesis H2 is accepted.

Third research objective of the study is to examine the significant relationship between the accountants’ professional qualification and their ethical decision-making. The findings of this study show a significant positive relationship between the accountants’ professional qualification and ethical decision-making of accountant in Malaysia. In this study, the accountants’ professional qualification is based on whether the accountants have professional qualification. This study includes professional qualification as a factor in examining ethical decision-making because most of the accounting scandals in Malaysia involve several accountants that do not hold a professional qualification. Therefore, this study focuses on the professional effect on ethical decision making of accountant. The findings of the study concluded that accountants with professional qualification have a higher level of ethical decision making and stricter in dealing with ethical issues. This finding is consistent with other studies by Castleberry (2007), Razzaque and Hwee (2002), Swaidan et al. (2003). In conclusion, the accountants in Malaysia with professional qualification are more ethical and stricter in making ethical judgement compared to accountants without professional qualification. Therefore, research hypothesis H3 is accepted.

Lastly, we looked on the variable of ethical ideology. Based on our research objective, this study is to examine the significant relationship between ethical ideology and ethical decision making of accountants in Malaysia. The findings of the study found a significant positive relationship between ethical ideology and ethical decision-making of accountant in Malaysia. We test this ethical ideology with two ethical scenarios to measure the idealism and relativism score and ethical level of the respondent. Based on the score, most of our respondent score more on idealism with mean score of 5.69 and less in relativism with the score of 4.26 indicate that the accountant are more stricter in dealing with ethical issues. Based on this finding we could conclude most of our respondent are idealistic person or stricter person. These findings are consistent with several past researches by Greenfield et al. (2008), Achilles (2006) and Chan and Leung (2006). In conclusion, the accountant in Malaysia are idealistic person and very stricter in making decision in facing ethical issues. Therefore, the research hypothesis H4 in this study accepted.

5.2. Implications of Study

This study shows that aged individuals have a higher ethical judgement due to process of life cycle. Aged individuals are more secured, thus prefer to be stricter in performing their duties and protect their company. However, based on the statistic provided by the PricewaterhouseCoopers in 2016, there are accountants involving in unethical behaviour. So even though the finding in this study shows positive significant relationship between age and ethical judgement, accounting scandals can still exist. This study suggests ethics education need to be started at the early stage and must be continuous and updated at all times. This can help in reducing ethical problem among the accountants.

This study also suggests that the accountants should hold a professional qualification. This is because the finding in this study shows that accountants with professional qualification would act more ethically and stricter in making ethical judgments. However, there are still weaknesses in the accounting rules and regulations that provide advantages to this professional group for their self-interest. This study provides awareness to the professional bodies to keep improving and introducing new rules, acts and regulations in keeping the accounting profession trusted, dependable and reliable in delivering duties to protect the public interest.

5.3. Limitations of Study

This study is not without limitations. First, the sample study does not represent the whole population of the accountants in Malaysia. Based on the website of the MIA, the total population of accountants in Malaysia as at 30 June 2016 is 32,361. However, this study has only 125 respondents. The coverage of the respondents are limited to several places. According to the website of MIA, there are 32,361 accountants 13 states in Malaysia including...
Sabah, Sarawak and Federal Territory. For this study, due to the time constraint, the sample are taken and selected only from states of Selangor and Federal Territory only.

5.4. Future Research Avenues

This study proposes few future research avenues. First, this study only examines three demographic characteristics namely, gender, age and professional qualification. Future study can include other characteristics such as race. In Malaysia, the respondents come from different races. The Malaysia citizens are made up of multi-racial such as Malay, Chinese, Indian and others races. Each race may have its own culture, tradition and attitude. The different cultures and attitudes can be taken as new variables that could influencing the accountants’ ethical decision-making. In addition, religion can also be included as one of the demographic characteristics in future study. Due to the multi-culture racial, the accountants may have their own belief and faith. Therefore, future study can use religion to examine its effect on the accountants’ decision-making.

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