

Religion and Accounting Ethics: A Comparison of Two Studies

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This paper will compare two studies that sought to find motivating factors for ethical decision-making in new and emerging accounting professionals. The two studies, Christensen, Rees, and Barnes (2006) and Busila (2014) both used identification with a religion as an attribute. Existing literature in business ethics tends to point to religious affiliation as an indicator that a person will exhibit ethical decision-making. The purpose of this paper is to discuss the similarities and differences between the two studies and present a recommendation for effective accounting ethics pedagogy based on findings in the two studies.

INTRODUCTION

Research conducted during the past decade has shown that increased ethics education may help regain and maintain public trust in the accounting profession (Cooper et al., 2008). Religious identity has been a key variable examined in the literature pertaining to accounting ethics (Rich and Mihalek 2010). Research in ethical decision-making that is correlated with another variable that involves religious beliefs tends to show positive correlation between religious beliefs and ethical behaviors (McGuire et al., 2012). This paper will compare a Busila (2014) study with a Christensen, Rees, and Barnes (2006) study in which both explore religious affiliation as an indicator of ethical decision-making in emerging accounting professionals. The first section will provide a brief synopsis of the two studies. The second section will look at the existing relevant literature in the areas of accounting ethics pedagogy, moral development and identity, and religious identity. The third section will present the methodologies of the two studies compared in this paper. The last section will provide recommendations for application and for future studies.

The Christensen, Rees, and Barnes (2006) study sought to discover the impact of accounting ethics education on the moral judgment of a population of senior level accounting students at a western state public university in 2004. The study utilized a pretest-posttest control group design administering the pretest at the beginning of the semester course and the posttest at the end of the semester course. Gain scores were computed for each of the 81 students (posttest – pretest), and the mean gain scores were calculated for the control group and the experimental group. The difference in the mean gain scores of each of the groups was also calculated. The study found that scores improved among the students that attended church regularly and the students involved in service activities. The findings are consistent with the literature that indicates that religious people tend to be more sensitive to ethics teaching and tend to behave more ethically than people who do not claim to be religious (Maclean, Walker, and Matsuba, 2004; Ho, 2009; Fogel, McSween, & Dutt, 2010; McGuire et al., 2012).

The Busila (2014) study found patterns that indicated ethical decision-making was motivated by dedication to the accounting profession's code of professional conduct and accountability to a group

identity including a religious affiliation. In the Busila (2014) study, 48 new and emerging accounting professionals completed an online survey. From that survey, eight participants volunteered to be interviewed in-depth. Six of the interviewees were senior level students majoring in accounting at Mid-Atlantic state public university. Two of the interviewees were new professional accountants, alumnae of that same university, working in certified public accounting firms. The Busila (2014) findings were also consistent with the literature that indicates religious people tend to behave more ethically than people who do not claim to be religious (Maclean, Walker, and Matsuba, 2004; Ho, 2009; Fogel, McSween, & Dutt, 2010; McGuire et al., 2012). However, this study also showed a common theme in the data that suggested religious and nonreligious new and emerging accounting professionals were motivated by accountability to a perceived group standard and concern for their reputation when they faced an ethical dilemma. Findings were consistent with Haidt (2012) claiming moral judgment is informed by feelings of accountability to a group's norm.

Review of Literature

The review of relevant literature will first look at studies on moral identity, religious affiliation, and moral development. Next, studies on accounting ethics pedagogy will be presented. These topics support both studies compared in this paper.

Moral Identity, Religious Affiliation, and Moral Development

According to Hart, Adkins, and Ford (1998), moral identity is a

. . . commitment consistent with one's sense of self to lines of action that promote or protect the welfare of others and cannot be confused with moral reasoning because there are many people capable of the latter whose lives show little evidence of commitment to, or action toward moral goals. (p. 513)

In their study of urban adolescents, the authors found that self-conceptions are important to the development of a moral identity in the participants. They found in the youths they studied that factors that predict the adolescent would engage in voluntary services were consistent with the factors that predicted the adolescent would be involved in a team or a club. This finding is consistent with research findings that moral identity is constructed in part as a result of group association and that moral awareness carries an understanding of care for fellow human beings and a sense of belonging and accountability. This study also supports the Christensen, Rees, and Barnes (2006) study that found community service increased moral judgment.

Haidt (2008) believed that an individual's moral choices and behaviors are rooted in their intuition and that an individual's intuition is based on and informed by their culture and group rules. Haidt claimed, however, that if the individual perceives that she will not be held accountable for her behavior, she may choose to not behave in accordance with the group or cultural norms. Haidt (2012) found that people tend to associate with others who share similar moral values. He stated, "People care about their groups, whether they are racial, regional, religious, or political" (p. 86). He maintained that moral values in every culture are based on the ideas of care, fairness, loyalty, authority, sanctity, liberty, and oppression. He believed that changing one's ethical behavior is best accomplished by creating environments in which reputation is of primary concern. According to Haidt, accountability to one's group is the most important motivating factor for ethical behavior.

Longenecker, McKinney, and Moore (2004) surveyed over twelve hundred business professionals and found a significant correlation between religious commitment and ethical judgment. The authors claimed that "religious teachings identify moral precepts applicable to business relationships" (p. 373). The study consisted of a questionnaire containing 16 vignettes involving an ethical business issue. Participants in the study indicated their religious affiliation, if any, and self-reported the intensity with which they practiced their religion. The authors concluded that religious values improve moral judgments on some ethical business issues.

Hardy, Walker, Rackham, and Olsen (2012) found that religious commitment and religious involvement promotes a positive moral identity in adolescents. By studying moral identity as a mediator

that links adolescent religious commitment and involvement to various aspects of interpersonal relations, the authors found that religiosity may foster moral development.

Maclean, Walker, and Matsuba (2004) studied identity integration and religious orientation as it relates to moral function. The authors found that identity integration is positively impacted by religious identity, which implies that religious identity may increase the degree to which one's moral concerns are integrated into one's identity

McGuire et al. (2012) found that accounting firms located in religious regions of the U.S. as indicated by a Gallup poll had fewer incidents of the need to restate financial statements because of reporting irregularities. The authors state "religiosity reduces acceptance of unethical business practices" (p. 645). The authors concluded that religious social norms positively impact ethical business practices in accounting reporting.

Accounting Ethics Pedagogy

Williams and Elson (2010) claimed that "the objectives of ethics education should include teaching students to recognize issues in accounting that have ethical implications, developing the moral reasoning skills students need to address ethical dilemmas, and developing a sense of moral responsibility in accounting students" (p. 109) and that students need to learn underlying ethical theory, moral reasoning, and moral obligations. They believed that the disadvantage of emphasis on compliance-based ethics is that students graduating with accounting degrees do not possess the ability to detect or address ethical accounting dilemmas.

Thomas (2012) found that senior-level accounting students had better ethical decision-making capabilities than first-year accounting students. Thomas's (2012) findings also may indicate that university education in general has a positive effect on accounting students' ethical decision-making capabilities.

Green and Weber (1997) found that students' exposure to the AICPA Code of Professional Conduct (2009) in an auditing course had a positive impact on their level of moral reasoning and ethical decision-making. The study indicated that accounting students who have had some exposure to the traditional ethics material in accounting education may have a higher level of moral reasoning compared to students who have not been exposed to the Code of Professional Conduct.

Ho's (2009) study involved accounting students in Taiwan and measured their sensitivity to ethics in correlation with their religious affiliation. She found that students' religious beliefs are significantly correlated with their ethical reasoning ability. Ho's study included students who claimed to be Buddhist, Christian/Catholic, and students who followed Taoism, as well as students who did not identify with any religion. She noted that her findings agree with those of other studies in the correlation of religion with ethical behavior. She concluded, "In future studies more countries could be included for more in-depth understanding of the influences of religious beliefs on accounting students' ethical-reasoning abilities" (p. 677).

Brown-Liburd and Porco (2011) studied the ethical sensitivity of accounting students involved in volunteerism to determine whether these activities enhanced their moral development. The researchers found that volunteerism had a positive impact on the moral growth of college students.

Methodologies of the Studies Compared

The two studies compared in this paper differ significantly in methodology. The Busila (2014) study employs Moustakas's (1994) modified van Kaam method for data collection and analysis, a qualitative methodology. The majority of the data collected for this study were gathered using in-depth interviews. The hypothesis was that new and emerging accounting professionals who self-identified as religious would be motivated by their religion to act ethically when confronted with an ethical dilemma. The in-depth interviews lasted 45–60 minutes each and consisted of open-ended questions regarding their perceptions of the ethical behavior in a case study scenario provided to them via email a few hours prior to the interview. The interviews were recorded and transcribed. Each individual's responses were analyzed utilizing Moustakas's (1994) modified van Kaam method.

The Christensen, Rees, and Barnes (2006) study utilized a pretest-posttest control group design and computed gain scores. The author's maintained three hypotheses.

First, short-term accounting ethics education will increase the moral judgment of accounting students. The results of Kohlberg and others strongly support this expectation. Second, the effectiveness of the ethics education will be positively influenced by prior church attendance of the students. Third, the effectiveness of the ethics education will be positively influenced by prior service experience of the students, (p. 37).

Gain scores were defined as differences between the posttest and pretest observations. To measure the effect of the ethics education, 25 ethics vignettes were read by the students who then indicated the degree to which each behavior was ethically acceptable using a seven-point Likert scale, ranging from "always acceptable" (1), to never acceptable (7), (p. 39). The mean gain scores were computed for the control and experimental groups, and differences were calculated.

Findings of the Studies Compared

The two studies compared in this paper had similar findings with regard to the impact of group affiliation on ethical decision-making and moral judgment. The studies differed with regard to the impact of religiosity. The Christensen, Rees, and Barnes (2006) study results showed students who attended church or were involved in service activities improved their moral judgment from pretest to posttest. The study's results also indicated that the male participants, who were involved in mandatory community service required by the two-year mission experience they had previously fulfilled for their church, improved more significantly in moral judgment than the female participants. The findings in this study are consistent with the literature supporting religious identity as an indicator of ethical decision-making.

The Busila (2014) study findings indicated that participants perceived that their own personal morals were a motivating factor for ethical decision-making including the participants who did not self-identify as religious. This study indicated that religious identity did not necessarily motivate ethical decision-making in the new and emerging accounting professionals involved in the study. Participants who claimed to be religious also believed that their religious values were integrated with their personal morals, supporting the Maclean, Walker, and Matsuba (2004) study on identity integration. In the Busila (2014) study, all participants felt more accountable to the accounting professional code of ethics or to their family than to a religious group.

Both the Busila (2014) study and the Christensen, Rees, and Barnes (2006) study agree with Radtke's (2008) study that observed the accounting profession's rule-based culture can be compared to a religious group's rules-based culture. Both the accounting profession and religious groups set standards that create concern for reputation among peers holding members accountable to a set of agreed-upon rules for conduct.

Recommendations for Effective Ethics Pedagogy

Accounting educators in higher education have sought ways to improve accounting ethics curricula (Bean & Bernardi, 2007; Cooper et al., 2008; Frank, Ofobike, & Gradisher, 2010; Jennings & El-adaway, 2012; Massey & Van Hise, 2009). Enhancement of the content and delivery of ethics education in accounting curriculum has been an important initiative during the past decade. One recommendation supported by the Christensen, Rees, and Barnes study is to include service learning opportunities into the accounting curriculum. Service opportunities can provide a feeling of altruism and a sense of belonging to a group. By including service learning opportunities into the accounting curriculum, the ideas of altruism and accountability to a group can be emphasized in the learning outcomes and assignments. Another recommendation supported by the Busila (2014) study is to emphasize in the accounting curriculum the importance of accountability to the accounting profession and to the Code of Professional Conduct. When people have concern for their reputation and know they will be held accountable, they tend to behave more ethically.

Future Studies and Conclusion

The two studies compared in this paper both indicate that accounting students and new accounting professionals who identified with religious groups or professional groups or were involved in service activities showed an increase in moral judgment and ethical decision-making. Future studies could focus on the efficacy of service learning opportunities in the accounting curriculum on ethical decision-making and moral judgment. Other possible studies could replicate the Christensen, Rees, and Barnes (2006) study to determine whether or not results would be similar with a different student population, both geographically and demographically.

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