ACCOUNTING ETHICS EDUCATION IN NIGERIA: THE CASE OF TWO NIGERIAN UNIVERSITIES

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ABSTRACT

The study reviews the current accounting curriculum of Nigerian Universities and student’s perspectives on the perceived importance of accounting ethics education. Survey method was used to solicit responses from students of two Federal Universities (University of Calabar and University of Uyo). Results indicate that some students are aware of accounting ethics as part of an auditing course but more than half of the sampled population of students got the knowledge elsewhere other than from the classroom. The results also indicate that the teaching of accounting ethics has potentials of producing more ethically responsible future accountants for Nigeria and humanity as a whole. We, therefore, recommend that accounting ethics should be taught as a separate course to accounting students at, as a matter of urgency, especially in view of the current ethical crises confronting the country in the financial sector and beyond.

Keywords: Accounting ethics, accounting curriculum, ethical values, accounting education
1. INTRODUCTION

Ethics education is as old a term as humanity; and ancient societies had ways of instilling and perpetrating ethical values. One of the major ways of instilling ethical education in many African settings was through folk tales where children and young adults gathered in the evenings under moonlight to hear elders tell stories (Gyekye, 2011). These stories were instrumental in instilling moral uprightness in the young ones. For a long time, it worked. However, the advent of civilization and modernization brought many changes, especially to the family and led to the disappearance of this form of education in ethics. The effect was a general decline in ethical values in many African societies. This long neglect of ethical values could be linked to the various scandals bedevilling private and public lives of many African societies and their economies in general.

In the last ten years, Nigeria witnessed the collapse of banks, manufacturing, and other businesses and more recently a near collapse of the capital market due to fraudulent financial reporting and other corrupt practices in the country. These practices have direct bearing to the numerous unethical behaviours of managers of businesses and those in the position of authority to monitor them. Colson & Arbor (1989) observed that a society gradually heads for destruction when it is composed of persons lacking in character/ethics. It, therefore, means that a nation gradually slides into chaos if not built on values that promote rule of law, welfare of all and respect for others.

Accounting ethics relates to moral principles and value-based judgements accountants or accounting firm should exhibit in discharge of their responsibilities (Hald, 2012). The very nature of their work demands that they provide financial information to stakeholders with the highest level of integrity and transparency.
Hence, stakeholders will rely on the information provided by accountants to make valuable decisions that affect the financial health of businesses and individuals. It is imperative that society trusts its accountants to provide reliable financial information that enhance financial decisions. Given the various challenges faced in financial reporting in Nigeria, what is the response of Nigeria's educational system to the teaching of accounting ethics in tertiary institutions for the production of ethically sound accountants in the country? Are accounting ethical values taught as part of a course of study to undergraduate accounting students of Nigerian tertiary educational institutions? What value do accounting students place on the teaching of accounting ethics? These are questions begging for answers in respect of efforts at inculcating ethics in the minds of accounting students in Nigeria.

The establishment of anti graft agencies in Nigeria (Economic and Financial Crime Commission: EFCC; Independent Corrupt Practices and other offences Commission: ICPC; etc) about ten years ago has not resulted in any desired change of ethical behaviour to be brought about by government. Nigeria's rating on the global corruption index continues to decline; in 2012, it was 139th position out of 181 sampled countries (Transparency International) despite the presence of anti graft agencies. Corruption in Nigeria continues unabated and is indeed endemic, due to poor ethical education among the citizenry. The last five years witnessed severe financial crises and a near collapse of the Nigerian capital market. This was largely attributable to corruption engendered by unethical practices of managers of resources ranging from fraudulent financial reporting, misappropriation of assets, outright theft of resources to flagrant corporate governance abuse in the public and private sectors.
At the centre of this imbroglio are the accountants, who are usually fingered as either perpetrators or collaborators of these unethical practices. The current curriculum at the tertiary educational institutions level, in Nigeria, seems not to have responded to the challenge of instilling proper ethical values into accounting students. Accounting students are future executives in organisations and their present value system would shape their future practices in the business world (Ludlum & Moskaloinov, 2005). They are future professionals who will run accounting firms and other organisations at various platforms and are keys to the future integrity of financial reporting and general business practices. Therefore, shaping their development through ethics education may help create awareness of ethical dilemmas and shape behaviour or even alter it positively (Tang and Tang, 2010; Hashemian & Loui, 2010).

Accounting education is a public service that should be tailored to respond to both societal and business needs where graduates are likely to be engaged (Efiong, 2012). Hence, as future participants in the economy, they must possess the required skills to meet these needs (Mohamed & Lashine, 2003). Successful businesses have now realised that success in business can only be sustained through ethical practices (Krehmeyer, 2007). Ethics education has become a necessity for sustainable business operations. Hence, educational institutions in Nigeria must be proactive in charting the new move towards ethics for sustainability. To promote ethical conduct, business educators are potent tools in the whole process of instilling ethical awareness amongst students (Gorenak, 2011). To achieve this, accounting ethics should be included in the curriculum to give students the preliminary exposure to ethical issues. Wright (1995) asserts that education remains the most effective way to build ethical behaviour in today’s business environment. Ethics education will help students adopt the required skills to make informed judgement on ethical issues.
The objective of this paper is to examine the level of inclusion of ethics into accounting curriculum and to explore the level of awareness of accounting ethics amongst accounting students of Nigerian Universities and the importance they attach to the teaching of accounting ethics. The rest of the paper is in four sections. Section 2 is about the review of related literature, section 3 states the methodology of the study. Section 4 presents the results and discussion thereof, while section 5 concludes the paper.

2. LITERATURE REVIEW

2.1 The Need for Ethical Change in Nigeria

The Nigerian people need a drastic social change given its pathetic rating on the global corruption index. This change could be introduced strategically by inducing ethical changes in the society. Ethics are moral principles that influence behaviour (Riley, 2012). Hence, when behaviour is ethical, it means morally upright and acceptable behaviour. Previous studies on business ethics in Nigeria focused on the description of unethical practices prevalent in Nigeria (Akinyemi, 2002). Others suggested ways of bringing about changes in behaviour at both personal and organisational levels (Ogundele, Hassan, Idris, Adebakin & Iyiegbuniwe, 2010). However, to the best of our knowledge, none of these studies ventured into assessing the curriculum content of business administration and accounting departments of tertiary institutions for first hand information on the teaching of ethics.

Gray (1990) suggested two paths to follow in introducing ethical changes in society. The first is realising that societal problems are a result of “systematic distortion” which can be changed through “systematic change”. This suggests that bringing about ethical changes in behaviour is a process. The second path is doing nothing about ethical distortions which further leads to severe deterioration of society. The
former is a more desirable path and ethics education will lead to an ethically oriented society. Traditionally, university learning centres are based on what student comes to know and not on whom he is becoming (Barnett, 2001). This orientation pervades the Nigerian tertiary educational system with little attention on student’s potentials in society and the business world. Most students complete their studies in tertiary institutions without proper orientation on expectations of society and the business world (Petocz and Dixon, 2011). This is contrary to the normal basis of awarding degrees of universities in Nigeria: the proof of high training in “learning and character”!

2.2 Ethics Education

Ethics education studies have focused on ethics awareness and moral reasoning (Lau, Hulpe, To, & Kelly, 2007; Lau, 2009). These studies have used concepts like attitudes, awareness, sensitivity, moral reasoning, cognition, and behaviour in the study of ethics. Simms and Brinkmann (2003) suggested that ethics educators should attend business ethics conferences; write journal articles; participate in business ethic network as well subscribe to academic journals where teaching experiences on successes and failures in teaching ethics could be exchanged. This would shape educators approaches to the teaching of ethics. In addition, Boatright (2003) identifies two main approaches to the teaching of ethics: ‘concentrated exposure to the discipline by engraving ethical thinking into a business curriculum and doing nothing’.

Although studies show that most people seldom go beyond orderly behaviour within the confines of the law (Kohlberg, 1984; Donavan, 2009), each of these studies acknowledged that education remains a strong vehicle to ensuring greater intensity of moral reasoning. Furthermore, ethics education can help students acquire a
holistic view of the business world and proper behaviours within it (Petocz and Dixon, 2011). A study on the perception of the importance of accounting ethics and ethics education showed that students placed a high value on ethics than did members of the faculty (Adkins and Radke, 2004). Hence, failure to include accounting ethics as part of accounting curriculum is a disservice to accounting students and the accountancy profession as a whole.

2.3 Goals of Accounting Ethics

The goals of accounting ethics education are not clearly defined. However, Morris (2001) opined that the primary aim of business ethics education is to enhance the thought processes of students in explaining moral judgements and decisions. Other suggestions on the goals of accounting ethics as described by Leob (1988, p. 32) in Shawver (2006) are as follows: ‘relate accounting education to moral issues, recognise issues in accounting that have ethical implications, develop a sense of moral obligation or responsibility, and develop the abilities needed to deal with ethical conflicts and dilemmas. Others include learning to deal with the uncertainties of the accounting profession, setting the stage for a change in ethical behaviour, appreciate, and understand the history and composition of all aspects of accounting ethics and their relationship to the general field of ethics’.

Also, Langenderfer and Rockness (1989); and Shawver (2006) suggested that students should be sensitized to issues in accounting that have ethical implications and be able to make conscious rational judgements that arise in the future. It, therefore, implies that exposure to accounting ethics would in the long run empower future accounting professionals with the right skills to tackle future ethical dilemmas. In addition, Shawver (2006) suggested that ‘developing an understanding of the cultural, political and social aspects of a profession’ should be a goal in ethics
education. In summary, accounting ethics education should be geared towards instilling and producing more ethically oriented professionals. This is based on the assumption that the moral values can be developed through education (Huss and Petterson, 1993).

Mayhew and Murphy (2009) examined the impact of ethics education on reporting behaviour. The study concluded that ethics education does have impact on ethical behaviour. Also, a similar study by Mirskehary (2009) showed that students tended to exhibit similar positive ethical attitude after undergoing teaching in ethics. These studies provide evidence of the potentials of ethics education for accounting students. Conversely, Ajibolade (2008) and Okafor (2011) found deterioration in ethical perception as business students progressed in their academic pursuits in Nigerian tertiary institutions. Both studies attributed the trend to a curriculum that deemphasises ethics education. The teaching of accounting ethical values, as a course of study, would produce the needed emphasis that can bring about lasting ethical change for the Nigerian society.

3. METHODOLOGY

The survey method was used to solicit responses from students of two Federal Universities in the South-Southern region of Nigeria: the University of Calabar and the University of Uyo. These universities were chosen as case study because of the researchers’ familiarity with the culture, values, and beliefs of the people of the region. In addition, the researchers believe Federal Universities should be at the fore of imbibing positive change that affects society as well as showing ethical examples for other tertiary educational institutions to follow. The study’s population comprises of third and final year students of the selected Federal Universities. This was done because they are matured enough to appreciate accounting ethics and its relevance.
to their future career. The other levels were excluded from the study because the students may not be matured enough to appreciate the importance of ethics to their academic pursuit and future careers as accountants.

The sample population and sample size are on Table 1. Sampling was random and in order to generate a representative sample, the researchers used a sample size of 30% of the population.

Table 1: The Population and Sample Size for The Study

<table>
<thead>
<tr>
<th>Institution</th>
<th>Sample population</th>
<th>Sample size (30 percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Uyo</td>
<td>183</td>
<td>55</td>
</tr>
<tr>
<td>University of Calabar</td>
<td>187</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td>370</td>
<td>111</td>
</tr>
</tbody>
</table>

Source: computed by authors

The survey instrument consists of six questions. Question one meant to differentiate the years of study. Respondents were to identify their year of study. The second question asked if respondents had knowledge of accounting ethics or not. Those who answered “yes” were asked to identify their first encounter with the concept of accounting ethics in question three. Questions four, five and six are based on a Likert scale to solicit answers on how respondents perceive the importance of accounting ethics to their future career as accountants. The results were analysed using simple percentages. Results obtained and their discussions are presented in the next section.

4. RESULTS AND DISCUSSION

The survey results are presented in tables 2-6. The results on the knowledge of accounting ethics is shown on table 2.
Table 2: Knowledge of Accounting Ethics

<table>
<thead>
<tr>
<th>Institution</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>University of Uyo</td>
<td>46</td>
<td>83.64</td>
<td>9</td>
</tr>
<tr>
<td>University of Calabar</td>
<td>47</td>
<td>83.93</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>83.78</td>
<td>18</td>
</tr>
</tbody>
</table>

Source: computed by authors

Table 2 shows that of the 111 respondents, 93 (83.78 percent) claimed to have knowledge of accounting ethics while 18 (16.22 percent) did not know about ethics as a field of study. This implies that majority of the students are quite aware of the term ethics, which could be related to Accounting and any other course. It is not surprising to note that up to 16% of the respondents claimed to be unaware of accounting ethics since Auditing and Investigation course that contains some topics on accounting ethics (Personal standards of auditor/accountant) is offered at the 400 level of the Accounting degree programmes of the two Universities. Respondents must have learnt about the term 'ethics' through the citizenship education aspect of the General Study Programme (GSP) at the lower level.

Table 3: First Encounter with the Concept of Accounting Ethics

<table>
<thead>
<tr>
<th>Institution</th>
<th>Taught as part of a course</th>
<th>Internet</th>
<th>Textbooks and journals</th>
<th>Print media/radio &amp; TV</th>
<th>Heard colleagues discussing the topic</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>University of Uyo</td>
<td>19</td>
<td>48.94</td>
<td>7</td>
<td>14.89</td>
<td>11</td>
<td>21.28</td>
<td>2</td>
</tr>
<tr>
<td>University of Calabar</td>
<td>18</td>
<td>36.73</td>
<td>9</td>
<td>18.37</td>
<td>19</td>
<td>38.78</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>39.78</td>
<td>16</td>
<td>17.20</td>
<td>30</td>
<td>32.27</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: computed by authors

Out of 93 respondents that claimed to have background knowledge of accounting ethics 37 (39.78 percent) first had a knowledge of accounting ethics as part of an
auditing and investigation course, 16 (17.20 percent) through the internet browsing, 30 (32.27 percent) from reading of textbooks and journal articles on their own. First encounter with the concept of accounting ethics through the print media, radio, and television accounted for only 2 (2.15 percent). In addition, hearing co-students discuss the subject accounted for 8 (8.60 percent). The above shows weakness in the teaching of accounting ethics in Nigerian universities, something that should be taught to the students of accounting right from the first or second year of their study of the discipline.

Table 4: Teaching of Accounting Ethics and Generation of Responsible Behaviour

<table>
<thead>
<tr>
<th>Institution</th>
<th>Strongly agree (SA)</th>
<th>Agree (A)</th>
<th>Indifferent (I)</th>
<th>Disagree (DA)</th>
<th>Strongly disagree (SDA)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>University of Uyo</td>
<td>29</td>
<td>52.72</td>
<td>24</td>
<td>43.64</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>University of Calabar</td>
<td>42</td>
<td>75.00</td>
<td>9</td>
<td>16.07</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>63.96</td>
<td>33</td>
<td>29.73</td>
<td>0</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Source: computed by authors

The results on respondent’s perception of how the teaching of accounting ethics can generate responsible behaviour for future accountants in the best interest of businesses and societies, as contained in Table 4, shows that 71 (63.96 percent) strongly agreed, 33 (29.73 percent) agreed, none was indifferent, 3 (2.70 percent) disagreed and 4 (3.60 percent) strongly disagreed. This shows that approximately 84% of the respondents accept the view that if accounting ethics is promoted appropriately, among accounting students, the action would inculcate high level discipline and moral soundness in the students up to graduation and this would be in the best interest of the organizations they would work for and the societies in which they live.
Table 5: Knowledge of Accounting Ethics and Response to Ethical Dilemmas

<table>
<thead>
<tr>
<th>Institution</th>
<th>Strongly agree (SA)</th>
<th>Agree (A)</th>
<th>Indifferent (I)</th>
<th>Disagree (DA)</th>
<th>Strongly disagree (SDA)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>University of Uyo</td>
<td>20</td>
<td>36.36</td>
<td>30</td>
<td>54.55</td>
<td>1</td>
<td>1.82</td>
</tr>
<tr>
<td>University of Calabar</td>
<td>24</td>
<td>42.85</td>
<td>28</td>
<td>50.00</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>39.64</td>
<td>58</td>
<td>52.26</td>
<td>1</td>
<td>0.90</td>
</tr>
</tbody>
</table>

Source: computed by authors

Table 5 carries respondents’ perception of how knowledge of accounting ethics would make future accountants more positive in responding to ethical dilemmas. The table shows that 44 (39.64 percent) strongly agreed, 58 (52.26 percent) agreed, 1 (0.90 percent) was indifferent, 4 (3.60 percent) disagreed, and 4 (3.60 percent) strongly disagreed. Approximately 92% of the respondents are in agreement with the viewpoint that sound knowledge of accounting ethics would make future accountants to develop high positive thinking and be able to deal with ethical dilemmas in both the public and private sector organizations.

Table 6: Sound Knowledge of Accounting Ethics as a Protection

<table>
<thead>
<tr>
<th>Institution</th>
<th>Strongly agree (SA)</th>
<th>Agree (A)</th>
<th>Indifferent (I)</th>
<th>Disagree (DA)</th>
<th>Strongly disagree (SDA)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>University of Uyo</td>
<td>14</td>
<td>25.45</td>
<td>28</td>
<td>50.91</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>University of Calabar</td>
<td>16</td>
<td>28.57</td>
<td>27</td>
<td>48.21</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>27.03</td>
<td>55</td>
<td>49.55</td>
<td>0</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Source: computed by authors

Respondents’ positions on how accounting ethics education can help restrain future accountants from engaging in unethical practices such as fraudulent financial
reporting, bad income smoothening etc is contained in table 6. The table shows that 30 (27.03 percent) strongly agreed, 55 (49.55 percent) agreed, none was indifferent, 15 (13.51 percent) disagreed and 11 (9.91 percent) strongly disagreed. Up to 77% of the respondents are in agreement with the view that sound accounting ethical knowledge would not allow accountants to be engaged in any unethical practices, such as bad income management, fraudulent transactions, outright thief of money, etc. The ethics in them would protect them against committing any fraud.

On the overall, respondents affirm that accounting ethics education would have profound influence in their post graduation career as professional accountants. As noted earlier, the much-needed positive social change across the globe could only be generated through ethical education especially in countries where corruption is overwhelmingly endemic. Hence, if corruption is a chronic problem in Nigeria then accounting ethics should be included in the accounting degree curriculum as a separate course for accounting undergraduates students in all Nigerian universities who offer BSc Accounting degree.

5. CONCLUSION
The importance of accounting ethics education in Nigeria cannot be overemphasised in view of the pathetic corruption situation the country finds itself. Accounting ethics education is an invaluable tool to prepare future generations of accountants to becoming ethically conscious and responsible in decision-making. The lack of the teaching of ethics as a separate course creates confusion as some students graduate without adequate preparations to tackle ethical dilemmas in the work place. Evidence from the study shows that even though ethics is taught as part of an auditing and investigation course some accounting students may graduate without having been adequately drilled in ethics education from the classroom. Therefore, the
teaching of ethics as part of an auditing course narrows its scope and lacks the needed information to produce a rounded accounting graduate in accounting ethics. This research has shown that accounting ethics education can help Nigeria, and by extension, other developing economies, to reduce unethical practices amongst accountants, as they would be better informed to take right decisions on ethical problems. It is, therefore, recommended as follows:

(i) That accounting ethics education should be included as a separate course in the accounting curriculum of all Nigerian Universities offering accounting degree and should be offered at either level 1 or 2 of the degree programme.

(ii) That citizenship education, which is part of General Studies Programme (GSP) of Universities, should cover a lot of general ethical matters and dilemmas for University students (especially accounting students) to have some background knowledge of the ethical behaviours expected of them during and after their programmes in the University.

(iii) That the quality of ethical education acquired by University students should serve as the yardstick for measuring the term ‘character’ in the phrase: ‘learning and character’, used in awarding degrees to university graduates.
REFERENCES


QUESTIONNAIRE

This research is about: ACCOUNTING ETHICS EDUCATION IN NIGERIA: THE CASE OF TWO NIGERIAN UNIVERSITIES.

We, therefore, solicit your cooperation in the filling of this instrument, assuring that your responses would be used strictly for academic exercise, while the ideas generated could be used for recommendation on the upgrading of accounting education in Nigeria.

Please fill or tick the appropriate responses below.

Please indicate the name of your University……………………………………………………………………

1. What year of study are you?   Year 3 ( ) Year 4 ( )

2. Have you ever heard of accounting ethics?  Yes ( ) No ( )

3. Where did you first learn about accounting ethics?
   i. I was taught and it is part of my course ( )
   ii. On the internet ( )
   iii. Textbooks and journals ( )
   iv. Print media ( )
   v. I heard friends discussing the topic ( )
   vi Others ( )
Please use the following options to tick as appropriate: SA-Strongly agree, A- Agree, IND- Indifferent, DA- Disagree, SDA- Strongly disagree

<table>
<thead>
<tr>
<th>Importance of accounting ethics</th>
<th>SA 1</th>
<th>A 2</th>
<th>IND 3</th>
<th>DA 4</th>
<th>SDA 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Consistent teaching of accounting ethics in Nigerian Universities would create awareness and generate more responsible behaviours of accountants to businesses, stakeholders and society at large</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Knowledge of accounting ethics would make accountants/ auditors more positive in responding to ethical dilemmas as they arise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Knowledge of accounting ethics would in the long run help restrain accountants from engaging in unethical practices such as fraudulent financial reporting, income smoothening bad income management, thief of funds, etc</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Accounting ethics education would expose and prepare accountants on how to handle ethical problems as they arise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you.