

# MALAYSIAN ACCOUNTING EDUCATORS' PERCEPTIONS ON ETHICS EDUCATION IN THE ACCOUNTING CURRICULUM

Yin Yin Win  
Suhaiza Ismail  
Fatima Abdul Hamid

Faculty of Economics and Management Sciences  
International Islamic University Malaysia, Malaysia

## ABSTRACT

*This study aims to investigate ethics education in the accounting curricula of public universities in Malaysia based on the perception of the educators. Specifically, the study explores preparedness of educators in teaching ethics, preferred methods of ethics instruction, and educators' perceptions of the importance of ethics integration. A questionnaire survey was distributed to 370 accounting educators in various public universities in Malaysia. The data were analyzed using the Statistical Package for the Social Sciences (SPSS) software. Basically, rudimentary statistical analysis techniques of frequency, percentage and central tendency were used to answer the research questions. The findings revealed that accounting educators agree on the importance of ethics education to satisfy the profession's needs. However, different opinions exist among educators on the adequacy of ethics education scope. The present study is one of the few studies that explore the current status of ethics integration in the accounting curriculum or the perception of accounting educators on this issue particularly from a developing country perspective.*

**Keywords:** *Ethics education, accounting, educators, teaching, public universities, Malaysia*

## **ARTICLE INFO**

### **Article History:**

Received: 26 August 2013

Accepted: 13 March 2014

Published: 30 June 2014

## Introduction

The accounting profession is accountable to the shareholders and various other stakeholders. However, accounting scandals such as Enron and Worldcom in the United States (US), Parmalat in Europe and Transmile in Malaysia have crushed the confidence and trust of the public, as these scandals involve unethical conduct of the accounting profession. Therefore, serious attempts need to be made to restore the public's faith on the integrity of financial reports. One of these attempts is to enhance the ethical behavior of accountants when faced with a dilemma (Singh and Poduval, 2009). Naturally, the attention has been directed towards the education system. Ethics education, particularly in the universities' curricula will enhance the fundamentals of students' ethical behavior and knowledge (Doost, 1999); hence it is believed to be a very useful tool and an effective means to improve attitudes and behavior among accounting and business students (Bonawitz, 2002). Consequently, several accounting associations which are concerned with the academic preparation of accountants, including the American Accounting Associations, International Federation of Accountants (IFAC), Association of Chartered Certified Accountants (ACCA) and Malaysian Institute of Accountants (MIA), have taken actions to improve ethics coverage in the accounting curriculum.

In the case of Malaysia, ethics has already been incorporated in the higher education curriculum. In line with the Malaysian National Higher Education System, the reassessment report on the accounting program at public universities (i.e. Hala Tuju 2006) stated that professional values and ethics should be embedded in all courses of the accounting program (MOHE, 2006). By incorporating ethics into the courses, Malaysia can be seen as one of the developing countries that is actively involved in the development of quality academic programs to produce graduates who are knowledgeable, and possess competencies that meet the requirements of the profession in line with the current and changing business environment.

Although the existence of ethics education in Malaysian public universities is clear, a fundamental component for the success of ethics integration in the accounting curriculum is the perception of the educators, hence, this present study. Specifically this study comprises three main objectives. First, it attempts to obtain educators' perception on the integration of ethics

education in the accounting curriculum of public universities in Malaysia. Second, it aims to seek educators' opinions on the practice of incorporating ethics education in Malaysian public universities' accounting curriculum. Third, it aims to seek educators' opinion on effective and appropriate teaching techniques and methods to teach ethics in the accounting curriculum of public universities in Malaysia. The specific objectives of the study are stated more clearly below and linked to the relevant research questions for ease of reference:

Objectives	Research questions
<b>O1</b> To obtain educators' perception on the integration of ethics education in the accounting curriculum of public universities in Malaysia.	<b>RQ 1</b> Should ethics be taught in the accounting curriculum? <b>RQ 2</b> Is the ethics coverage in the current curriculum adequate? <b>RQ3</b> Why is ethics education important for accounting students?
<b>O2</b> To seek educators' opinion on the practice of incorporating ethics education in Malaysian public universities' accounting curriculum.	<b>RQ4</b> What is the best approach to incorporate ethics in the accounting curriculum, whether as a stand-alone ethics course or integrating it throughout the curriculum?
<b>O3</b> To seek educators' opinion on the effective and appropriate teaching techniques and methods to teach ethics in the accounting curriculum of public universities in Malaysia.	<b>RQ5</b> Which courses and levels should ethics be integrated into? <b>RQ6</b> Who should teach ethics in accounting and how should it be taught?

The distinctive contribution of this study to the field of education is that it extends the present knowledge related to the educators' teaching approach in ethics particularly in the context of Malaysia where there is still paucity of evidence on ethics education in the accounting program. It may assist in confirming the effective teaching approach for ethics education, based on the perception of educators. Specifically, evidence from this study may provide valuable inputs to the educators on how to possibly improve their teaching approach to enable the students to study ethics, not only with greater understanding, but applying their knowledge.

The remaining part of this paper is structured as follows. The next section will provide a review of relevant literature. This is followed by the research method, findings and discussion. The implications, limitations and suggestion for future research are then discussed and finally some conclusions are drawn.

## **Literature Review**

The review mainly focuses on studies on integrating ethics in the accounting curriculum. Back in 1972, Loeb and Bedingfield conducted an exploratory study on ethics and confirmed that ethics was well received in the accounting curriculum but with limited coverage. The respondents were the department chairpersons from 141 universities in the US. The findings indicated that there was little support for a separate ethics course. Even when ethics was taught in other functional courses, it received only minimal coverage. Most ethics integration took place in auditing courses, and to a lesser extent in taxation courses. Loeb and Bedingfield (1972) found that the majority of respondents used lectures as a teaching method.

Almost two decades later, Cohen and Pant (1989) conducted a survey on 145 accounting department chairpersons throughout the US and the results indicated that ethics is in its introductory stage and auditing has the most coverage of ethics and to a much lesser extent in taxation and accounting theory. These results supported the earlier results from Loeb and Bedingfield's (1972) study. Cohen and Pant (1989) also reported that the accounting faculty see themselves as being competent to address ethical issues although incentives are lacking for faculty to integrate ethics into their courses.

A survey by McNair and Milam (1993) claimed to have found that the majority of the respondents believed that the most appropriate approach would be to integrate ethics in one or more of the core accounting courses, especially in auditing courses rather than having a separate ethics course. McNair and Milam (1993) also highlighted that the most commonly used method is through lectures and the least used method is written vignettes (a short descriptive scenario). In addition, the study indicated that the time spent on ethics contents in the auditing and accounting information system

courses ranked the highest. Although the accounting faculty feels that there is a need for increased ethics coverage, one of the problems encountered is the lack of time for teaching ethics (McNair and Milam, 1993). Lack of reading and reference materials on ethics is also a problem encountered when teaching ethics. Also, similar to the results of Cohen and Pant (1989), there are no rewards, such as salary, promotion, and/or tenure, given to the teaching of ethics and curriculum development.

Likewise, Chua et al (1994) examined the extent to which the study of ethics is integrated into the accounting curriculum in the universities in Australia and New Zealand at both the undergraduate and postgraduate levels. Chua et al's (1994) results indicated that ethics is taught at both levels but the coverage is limited. The respondents did not support a separate ethics course because of teacher competence and time. Similarly to other prior studies, auditing, at both undergraduate and postgraduate levels, was the course that provided the most coverage of ethics. The time devoted to teaching ethics at both levels was about the same. In addition, ethics was offered especially in the fourth or final year of the program. Similar to earlier studies, the respondents indicated that departmental academic staff was the main personnel who taught ethics. However, the institutions from Australia and New Zealand collaborated with professionals, ethicists and/or philosophers and lawyers in teaching ethics. The respondents from Chua et al. (1994) reported that the predominant teaching method in accounting is the lecture method at both undergraduate and postgraduate levels. Comparatively, the case approach was not as frequently employed.

A recent study by Blanthorne et al. (2007) examined the accounting educators' opinion about incorporating ethics into the curriculum and revealed that respondents believed that ethics should be a part of accounting education, which is similar to the results of McNair and Milam (1993). The findings of Blanthorne et al.'s (2007) study suggested that ethical development is critical to the profession, and necessary to re-establish public trust after recent accounting scandals. A majority of the respondents agree that the accounting faculty is capable of teaching ethics and favor to teach practical issues such as ethical dilemmas faced by the profession. The results of Blanthorne et al.'s (2007) study showed the respondents do not welcome a separate course in accounting ethics. Moreover, nearly 80 percent of the respondents clearly stated that ethics coverage should be provided in every

accounting course. In addition, almost all respondents supported inclusion of ethics coverage in the audit course and ranked the case method among their top three methods for teaching ethics.

For ethics coverage, Blanthorne et al.'s (2007) result indicated that the majority of the accounting faculty agree that ethical coverage is encouraged by their departments and valued by their institutions. Less than 25 percent feel that ethics coverage is sufficient in their departments. In addition, Blanthorne et al. (2007) indicated that 75.2 percent of respondents agreed that they should probably incorporate more ethics into their course. The most frequently cited reason for not including ethics in the curriculum was lack of time, inadequacy of materials and lack of knowledge. On the other hand, Blanthorne et al.'s (2007) findings indicated that accounting educators favor contents from practice such as ethical issues faced by the profession, the understanding of professional moral obligations and professional guidance (i. e., codes and standards). The respondents rated average for teaching of classical theories.

More recently, Ghaffari et al (2008) explored efforts of UK higher education institutions to integrate ethics into the accounting curriculum. The study reported that the UK educational institutions suggest that ethics is widely included in the accounting curriculum and is predominantly taught in upper-division levels, particularly in the student's final year. Among universities in the UK, ethics is very largely embedded within the accounting courses especially in financial accounting and auditing rather than delivered as a stand-alone ethics course. Ghaffari et al's (2008) results also indicated that a substantial minority of UK universities see recent accounting scandals as a driving force behind the inclusion of ethics in the curriculum.

To sum up, all prior literature found universal acceptance for ethics education in the accounting curriculum as shown in surveys of faculty members. This study attempts to investigate whether similar sentiments apply among public universities in Malaysia. Although there are studies on ethics conducted in Malaysia, these studies are on managers' perceptions, attitudes and intentions regarding ethics (Zabid and Alsagoff, 1993 Gupta and Sulaiman, 1996), and on auditors' knowledge and compliance to the By-Laws (On Professional Conduct and Ethics) issued by the Malaysian Institute of Accountants (MIA) (Bakar et al., 2002). Other studies on ethics in tertiary

education are conducted on business students (Alam, 1995), engineering students (Hishamuddin Md. Som et al., 2006), and accounting students (Abu Bakar et al., 2008) and students from various faculties (Mohd Nor Mamat and Fattawi Mokhtar, 2009). None of the studies in the Malaysian literature explored the current status of ethics integration in the accounting curriculum or the perception of accounting educators on this issue, hence, this present study.

## **Research Method**

### **Research Instruments**

The questionnaire used in this study was adapted from the instrument developed by Blanthorne et al. (2007) with some modifications to suit the Malaysian context<sup>1</sup>. The survey instrument consists of five sections (Section A-E). Section A comprises five questions in which two of them were multiple choice questions and three of them required the respondent to tick “Yes” or “No” for the appropriate answer. These questions enquired about the participant’s opinion on whether ethics should be integrated into another course or taught as a separate course and whether the ethics coverage is adequate and on the importance of ethics in their curriculum. In Section B the respondents were asked the reason for the inclusion of ethics, the appropriate teaching methods, preferred levels and suitable people for teaching the ethics course. Four out of six questions from Section B used Likert scales whilst the remaining two questions are multiple choice questions and respondents were requested to tick one answer only. Section C has a question with multiple choices, where the respondents need to select suitable course(s) to integrate ethics into. Section D provided a list of reasons for not integrating ethics education into the accounting curriculum. And respondents were required to indicate their level of agreement with each statement on a five-point Likert scale ranging from “strongly disagree to strongly agree”. The final section, Section E, is on demographic profile of the respondents.

Prior to the distribution of the questionnaires to the target population, a pilot test was conducted by distributing 15 questionnaires to lecturers and

---

1 The modifications that were made to suit the Malaysian context were to include Malaysian examples and to rephrase certain sentences to a minimal extent, whilst keeping the original meaning intact.

postgraduate students from universities other than the sample universities. Based on the pilot test, slight improvements were made to the questionnaire<sup>2</sup>.

## **Research Sample, Data Collection and Analysis Procedure**

The questionnaire was sent to all academics from the Accounting Departments or Accounting Faculties of all public universities in Malaysia, which offered an undergraduate accounting degree program. In total they are 370 potential respondents. The questionnaire is attached with a cover letter which explained the objectives of the study with the guarantee of anonymity of the respondents. Stamped and self-addressed envelopes were enclosed to ensure respondents feedback. One and a half months was given in order to get a high return rate from the respondents. A follow-up reminder and another opportunity to participate in the survey were sent to those who did not respond by the deadline.

The data were analyzed using the Statistical Package for the Social Sciences (SPSS) software, version 11.5. Rudimentary statistical analysis techniques of frequency, percentage and central tendency were used to answer the research questions. Specifically, the descriptive statistics consists of frequency distributions and means (average approximating the statistical norm or average value) tabulated to develop demographic profiles of educators from public universities in Malaysia. For all variables, a descriptive analysis was performed on the data set, calculating the mean, standard deviation and frequencies. For Yes-No questions, the percentage was calculated. While, for the Likert-scale questions, such as “strongly disagree” to “strongly agree” and “unnecessary” to “extensive coverage”, the mean score and ranking scale are used to obtain overall respondents’ opinions.

## **Findings and Discussion**

### **Response Rate and Demographic Profile**

75 questionnaires were returned from 9 public universities out of the 370 questionnaires sent, which represents a response rate of 20.27 percent. Out

2 Based on the pilot study, suggestions were made to make minor modifications so that the questionnaire was more applicable to the Malaysian context, although the meaning was retained (refer to footnote 1).

of the 75 questionnaires received, a few questionnaires were incomplete, as some questions were unanswered. Nevertheless, these questionnaires were still usable, as they do not affect the overall analysis. The results of the analysis from the usable responses are presented according to the research questions.

Most of the respondents are lecturers (37.3 percent) and assistant professors/senior lecturers (33.3 percent). The rest of the respondents are assistant lecturers (14.7 percent), associate professors (13.3 percent) and others (1.3 percent). None of the professors responded. Most of the respondents are highly experienced in teaching since 81.3 percent of them have more than 6 years' experience. Therefore it can be concluded that the findings are valid as the respondents are able to give their opinions on ethics education in the accounting curriculum based on their many years of experience.

### **Educators' Perceptions on the Integration of Ethics Education in the Accounting Curriculum of Public Universities in Malaysia**

#### **RQ1: Should ethics be taught in the accounting curriculum?**

All, except one respondent, believed that ethics should be taught and support that ethics should be part of the accounting curriculum. Hence, there seems to be strong support for the proposition that accounting educators from public universities in Malaysia will be in favor of incorporating ethics into the accounting curriculum. In addition, respondents were asked whether they teach ethics in their course to find out if ethics is incorporated in practice. 77.6 percent of the respondents taught ethics in their course. Thus they seem to be putting into practice their view that ethics should be taught. Although a minority of respondents (22.41 percent) did not integrate ethics, they support ethics education in the undergraduate accounting programs.

#### **RQ2: Is the ethics coverage in the current curriculum adequate?**

67.1 percent of the respondents believed that ethics coverage in accounting courses is inadequate and only 32.9 percent of the respondents felt that ethics coverage in the present accounting curriculum is sufficient. These findings are similar to the results obtained by Loeb and Bedingfield (1972); Cohen and Pant (1989); McNair and Milam (1993); Mastracchio (2005);

Miller (2008) that the majority of educators felt that ethics coverage in the accounting courses is inadequate.

### **RQ3: Why is ethics education important for accounting students?**

Table 1 below shows the mean score and the rank of each statement on the importance of ethics in the accounting curriculum based on a five-point scale, from (1) strongly disagree to (5) strongly agree.

**Table 1: Reasons why ethics is important in the accounting curriculum**

	<b>N</b>	<b>Mean</b>	<b>Rank</b>
a. Ethics training is required by MIA.	72	4.17	6
b. Currently students do not seem to be getting enough ethics training.	72	4.11	8
c. Accounting education in Malaysia should prepare students to face real world ethical dilemmas for their future career as accountants.	73	4.50	3
d. It is important for accountants to be ethical.	73	4.58	2
e. The accounting profession needs to restore public trust after recent accounting scandals.	73	4.64	1
f. MIA may lose its authority to regulate the profession if ethical lapse continues.	72	4.35	4
g. Lack of ethics education in the accounting curriculum contributed to business scandals (e.g. Enron, WorldCom, Transmile).	73	4.15	7
h. There seems to be a deterioration of ethical awareness amongst accounting students in Malaysia.	72	3.96	9
i. More regulation may be imposed on accountants if business scandals persist and accountants are involved.	73	4.32	5

The respondents seem to strongly agree that the accounting profession needs to restore public trust after recent accounting scandals (mean = 4.64). They also strongly believe that it is important for accountants to be ethical (mean = 4.58). The educators agree that accounting education in Malaysia should prepare students to face real world ethical dilemmas for their future

career as accountants (mean = 4.5). Based on the findings above, of the top three ranked responses, it appears that the respondents want the students to be aware of the responsibilities of the accounting profession, and the importance of ethics as part of that responsibility. Therefore, the results seem to be consistent with the finding by Blanthorne et al (2007).

The next category (ranked 4-6) seems to be about regulations and requirements. More specifically, the fear of the profession losing the authority to self-regulate if the members continue to misbehave (mean= 4.35) and the concern that more regulation would be imposed on the accounting profession (mean = 4.32). Moreover, the notion that ethical behavior is indeed a requirement under the MIA code of ethics (mean = 4.17).

However, the least preferred statements are that lack of ethics education in the accounting curriculum contributed to business scandals (mean = 4.15), currently students do not seem to be getting enough ethical training (mean = 4.11) and there seems to be a deterioration of ethical awareness amongst accounting students in Malaysia (mean = 3.96). Even though these statements are least preferred, based on the ranking, the respondents nevertheless still agree to them (mean is close to 4). Therefore most of the respondents generally believed that ethics is important and students should receive ethics training in their university life.

There was only one respondent who disagreed to ethics being taught in the accounting program. Based on the responses, the respondent's main reason for disagreeing that ethics should be taught is because students cannot adequately be trained in classrooms to deal with real world ethical dilemmas. According to this respondent, there are no other constraints such as inadequate materials, ability of educators and time or faculty willingness to teach, that are considerable issues in prior studies. Hence, the findings were inconsistent with prior studies (McNair and Milam 1993; Bampton and Maclagan 2005; Fallon 2005; Blanthorne 2007 and Miller 2008), whose respondents rated highest that "there is little or no time for ethics".

## Educators Opinion on the Practice of Incorporating Ethics Education in Malaysian Public Universities' Accounting Curriculum.

**RQ4: What is the best approach to incorporate ethics in the accounting curriculum, whether as a stand-alone ethics course or integrating it throughout the curriculum?**

**Table 2: Ethics course offered in public universities in Malaysia**

	Frequency	Percentage (%)
Separate course offered	27	36
Integrated into course offered	28	37.3
Both offered	18	24
Not offered	2	2.7
<b>Total</b>	<b>75</b>	<b>100.0</b>

Table 2 shows how ethics contents are currently being introduced in their accounting curriculum in public universities in Malaysia. 37.3 percent of the respondents indicate that ethics is integrated into courses. 36 percent have a separate ethics course offered. Whereas 24 percent stated that ethics is integrated into various courses as well as offered as a standalone course in their curriculum. Only 2 respondents indicated that their universities do not integrate ethics course in the curriculum. However, these two respondents seem to be unaware that their colleagues are integrating ethics into their courses as all other respondents from their universities indicated that ethics is incorporated in their courses.

**Table 3: Perception on how ethics should be taught in curriculum**

	Frequency	Percentage (%)
Separate course	30	41.7
Integrated into course	36	50.0
Doesn't matter	6	8.3
<b>Total</b>	<b>72</b>	<b>100.0</b>

*N= 72, Missing = 3*

As shown in Table 3, half of the respondents (50 percent) agreed that ethics should be integrated into the accounting curriculum and 41.7 percent of

the respondents preferred a separate ethics course in the curriculum. 8.3 percent of the respondents answered that it does not matter whether ethics is integrated or taught separately in the curriculum, as long as it is taught in the accounting program. Therefore, based on the results in Table 2 and 3, irrespective of their universities' policy, a marginal majority of respondents seem to prefer having ethics integrated into courses. This finding is similar to the results of Madison and Schmidt (2006), Blanthorn et al. (2007), Ghaffari et al. (2008) and Miller (2008), where the respondents preferred ethics integrated into courses. This could be because by integrating ethics with other subjects, educators can emphasize that ethics is an integral part of an accountant's job, rather than a supplement (Loeb 1988; Mintz 1990).

### **Educators' Opinion on the Effective and Appropriate Teaching Techniques to Teach Ethics in the Accounting Curriculum of Malaysian Public Universities**

#### **RQ5: Which courses and levels should ethics is integrated into?**

**Table 4: Universities offering ethics integrated courses**

<b>Course Items</b>	<b>Frequency</b>	<b>Percentage (%)</b>
a. All of the courses (as listed below)	9	10.59
b. Accounting Theory	11	12.94
c. Advanced Financial Accounting	1	1.18
d. Auditing	18	21.18
e. Cost and Management Accounting	22	25.88
f. Fundamental Financial Accounting	5	5.88
g. Intermediate Financial Accounting	0	0.00
h. Taxation	4	4.71
i. Accounting Information Systems	6	7.06
j. Others	9	10.59
<b>Total</b>	<b>85</b>	<b>100</b>

*\*N= 53, Missing= 22*

Table 4 indicates in which courses the universities offer ethics in the accounting curriculum. The majority of respondents indicate that ethics is integrated mostly into Cost and Management Accounting (25.88 percent),

Auditing (21.18 percent) and Accounting theory (12.94 percent). The respondents also indicated that ethics is incorporated into all accounting courses as well as other courses (10.59 percent). However, apart from the advanced and intermediate financial accounting, all other courses<sup>3</sup> have embedded ethics into their syllabus.

Interestingly, compared to prior Western studies, where ethics is mostly integrated in auditing the findings from this study suggests Malaysian Public Universities have incorporated ethics more frequently in Cost and Management Accounting. Perhaps, Malaysian educators felt accounting scandals are somehow due to managements' attitudes and ethical behaviours as well as ethical decision making. This is because it can be clearly seen in the prior Malaysian literature, which provide evidence that top managements' attitude was the most important influencing factor in corporate ethical environments (Zabid and Alsagoff 1993; Alam 1995; Gupta and Sulaiman 1996). Accordingly, Malaysian educators perhaps believe that ethics integrated into Cost and Management Accounting is needed to enhance strong ethical reasoning skills for accountants in managerial positions. The respondents' perception of the suitable course where ethics should be integrated is shown in Table 5.

**Table 5: Suitable accounting courses for ethics integration**

<b>Course Items</b>	<b>Frequency</b>	<b>Percentage (%)</b>
a. All courses	24	18.90
b. Accounting Theory	17	13.39
c. Advanced Financial Accounting	9	7.09
d. Auditing	26	20.47
e. Cost and Management Accounting	22	17.32
f. Fundamental Financial Accounting	7	5.51
g. Intermediate Financial Accounting	3	2.36
h. Taxation	11	8.66
i. Accounting Information Systems	8	6.30
<b>Total</b>	<b>127</b>	<b>100</b>

*N= 60, Missing= 15*

<sup>3</sup> Examples of other courses are Business Finance, Public Sector Accounting, Company Secretarial Practice and Corporate Governance

The majority of respondents answered that auditing is the most suitable course (20.47 percent) to incorporate ethics, which is similar to the findings of prior literature (Karnes and Sterner 1988; Cohen and Pant 1989; McNair and Milam 1993; Blanthorne et al. 2007). Others perceived that ethics should be integrated into all the courses (18.90 percent). Additionally, Cost and Management Accounting (17.32 percent) and Accounting theory (13.39 percent) are included in the top ranking for integration. It is interesting that the public universities in Malaysia are willing to integrate ethics into the accounting theory course, at fourth place. This could be possibly because they consider ethics to be a normative philosophy, providing a framework to evaluate moral development and analytical reasoning ability. Although the normative suggest auditing to be the primary course to instil ethics, the actual results seem to indicate that Cost and Management Accounting is currently playing a marginally bigger role of incorporating ethics in Malaysian Public Universities.

In addition, even though the respondents suggested ethics should be integrated into all the courses, the fundamental accounting, intermediate accounting and advanced financial accounting are courses least likely to integrate ethics. This may be because these courses are very technical, thus integration of ethics into calculation is difficult and discussion of ethics in imparting technical skills is only possible to a limited extent. Perhaps ethical issues may only be pointed out in the discussion of accounting policies. In addition, the respondents were asked about the suitable level for inclusion of ethics in the curriculum. The majority of the respondents (57.7 percent) are of the opinion that ethics should be taught to students in years 3 and 4. At the same time, 30.8 percent of lecturers believed that it does not matter at what level it is taught, as long as ethics is covered in the curriculum. Only 5.8 percent of lecturers desired to integrate ethics at the basic and intermediate levels. The result is similar to Ghaffari et al.'s (2008) study, which reported that the integration of ethics is more common at the advanced levels of an undergraduate accounting program rather than in the early stages.

#### **RQ6: Who should teach ethics course in accounting and how should it be taught?**

The respondents were asked to rate on a 1 (strongly disagree) to 5 (strongly agree) scale as to whom and how ethics should be taught. The findings presented in Table 6 reveals that accounting faculty rated themselves as

the most appropriate source of ethics education (mean = 4.23) rather than relying upon philosophy or management faculty (mean = 4.02 and 3.35, respectively) to teach ethics to accounting students. The respondents seem to also prefer the idea of teamwork basis between accounting and management faculty in teaching ethics to accounting students (mean = 4.22). Loeb (1988) also suggests that at least the short-term training of accounting faculty or teamwork is required for teaching ethics. On average, respondents appear neutral (mean close to 3) on ethics being taught by philosophy faculty.

**Table 6: Who should teach the ethics course in accounting?**

	<b>N</b>	<b>Mean</b>	<b>Rank</b>
a. Accounting faculty	49	4.23	1
b. Teams of accounting and / or management faculty	50	4.22	2
c. Management faculty specializing in ethics	50	4.02	3
d. Philosophy faculty	48	3.35	5
e. Only lecturers with sufficient training in ethical reasoning	50	3.76	4

Based on the above findings, the respondents seem to be of the opinion that the accounting faculty will be the most suitable faculty to teach ethics to accounting students in preparing them to face ethical dilemmas in the accounting profession. The above findings are similar to the results of prior studies (Cohen and Pant 1989; McNair and Milam 1993; Blanthorne et al. 2007) that accounting faculty members believed that they are capable to teach ethics.

**Table 7: Methods of teaching ethics**

	<b>N</b>	<b>Mean</b>	<b>Rank</b>
a. Case analysis	73	4.40	1
b. Vignettes (short descriptive scenario)	73	4.29	2
c. Articles and other readings	73	4.29	2
d. Faculty as a role model on professional behavior	72	4.10	5
e. Debates on ethics	72	4.06	7

f. Role playing	73	4.08	6
g. Discussion on ethics through internet	73	3.90	9
h. Classroom lectures	73	4.11	4
i. "Ethics Days" to expose students to moral examples	70	3.96	8

Table 7 presents the results related to accounting faculty's opinion on the importance of various methods for teaching ethics. The respondents rated their preference of various methods to teach ethics by using a five-point scale. Based on the responses, case analysis is most preferred (mean = 4.40), followed by Vignettes as well as articles and other readings (mean = 4.29) as the top effective methods to teach ethics. In addition, the classroom lectures method is ranked fourth (mean = 4.13), although it is still considered to be one of the effective methods. The respondents also used the method of "faculty as a role model on professional behavior" (mean = 4.10), "role playing" method (mean = 4.08) and "debating ethics" in the classroom (mean = 4.06). The least preferred choice of teaching methods is "Ethics Days" to expose students to moral examples and "Discussion on ethics through internet", (mean = 3.96 and 3.90, respectively).

Based on the above findings, although accounting educators believe a wide variety of methods are acceptable for teaching ethics, they favor case analysis. This interpretation is consistent with previous recommendations for case implementation (Loeb 1988; Langenderfer and Rockness 1989; Mintz 1990; Kerr and Smith 1995; May et al. 1995; Cheng 2007; Blanthorne et al. 2007; Miller 2008). Therefore, it is possible that cases are current issues and students can learn something new from those cases in relation to real world occurrences. This finding is also consistent with Blanthorne et al. (2007) on the least preferred methods choice as the educators did not prefer to use Ethics day to expose students to moral examples.

**Table 8: Ethics content to be taught**

	<b>N</b>	<b>Mean</b>	<b>Rank</b>
a. Ethical issues faced by the profession	51	3.78	1
b. Understanding professional and moral obligations	51	3.78	1
c. Professional guidance (code of conduct, standards)	51	3.75	3

d. Ethical decision-making process/ models	51	3.71	4
e. The pursuit of personal excellence	51	3.59	5
f. Classical ethical theories (ex. Egotism, utilitarianism, deontology or writing of Plato, Aquinas, Hume, Kant, Mill, etc.)	50	3.42	6
g. Others	1	3.00	7

Furthermore, the respondents were asked about their level of agreement with the statements regarding ethics contents to be taught. For each statement, the respondents were asked to rate on a four point scale from 1- unnecessary to 4 - extensive coverage to which they perceive the topic should be emphasized on. As shown in Table 8, respondents favor contents from practice such as ethical issues faced by the profession, understanding of professional moral obligations and professional guidance (i.e. codes and standards). To have classical ethical theories as ethics content is ranked notably lower than the other items. One of the respondents (Others) suggested including ethics contents in the other business subjects, such as Marketing, Industrial Business, Corporate Social Responsibility, HR Management and Finance". Based on the findings above, the educators seem to be in favor of ethics content that should increase student's knowledge and awareness of ethics as well as enable them to exercise ethical judgement in various types of business activities.

## Implications, Limitations, Suggestions for Future Research and Conclusion

This study, which is based on an analysis of the Malaysian educators' responses, indicated that teaching ethics is important in the accounting curriculum and mostly preferred as integrated into all courses than having a separate course. Moreover, the perceptions of educators in the public universities in Malaysia, particularly in the Accounting faculties/departments seem to support the recommendations of the *Hala Tuju* Committee which promotes the integration of ethics into the accounting curriculum.

However, the majority of educators felt that ethics coverage is not adequate and there needs to be more integration of ethics in the curriculum. It seem encouraging, from the instructors' perspective, that they are willing

to integrate more ethics in the accounting curriculum. Therefore, the collaborative efforts of educators are needed to ensure that sufficient coverage of ethics takes place in the accounting curriculum particularly in the technical accounting courses. This is because the findings show that the majority of educators prefer to integrate ethics in the auditing course followed by cost and management accounting and accounting theory, but least preferred to integrate it in technical subjects like intermediate and advanced financial accounting. In terms of courses, from a pedagogical standpoint, incorporating ethics into specific courses like auditing limits the students' ethical reasoning skills on other subjects. Thus, the educators should take some time to look through the syllabus together and design the accounting program as a whole and determine the possible ways to integrate ethics into the curriculum. That is to say, educators should adopt a more effective approach to teach a common body of knowledge in ethics that is applicable for all courses. By doing this, the students will better appreciate the importance of non-technical knowledge like ethics.

In addition, the majority of respondents believed that ethics should be taught to students in higher levels (year 3 and 4). Although these results are similar to the findings of prior studies, integrating ethics into the foundation level courses at early stages will improve students' learning skills when they reach the higher level courses. The evidences shown by Mantzke et al. (2005) and Smith (2008) is that students' moral values and approaches to ethics situation are not fixed and may be further developed in the educational process as well as are functions of age and experience. Therefore, introducing ethics into the courses at the foundation stage can broaden their minds to get strong analytical skills. Consequently, ethical values can be imbued into the students by continually reminding them about ethics throughout the accounting program as it is integrated into all courses at all levels of study.

Based on the findings, the accounting faculty and teams of accounting/management faculty are chosen as suitable and qualified to teach ethics. This is because those faculties are able to explain and match accounting and ethics related issues to get a clear understanding of ethical dilemmas faced by the profession. In addition, they prefer to choose practical issues for ethics contents rather than classical ethical theories. In this case, it requires finding a way of teaching ethics by combining practical issues and ethical theories. This is because while focusing on practical real-world cases, ethical theories are a foundation for making ethical judgments. Therefore,

the educators need more commitment to find easier methods as well as reference materials to explain practical issues in combination with ethical theories. In addition, by conducting seminars and discussion programs with the professional accounting bodies will enable a better understanding of practical knowledge and ideas of how to teach ethics to students.

The educators ranked case analysis as the highest method to teach ethics, followed by vignettes and articles and other readings. Perhaps the proliferation of ethics cases has impacted on how ethics is taught. For discussion of case analysis, educators need to devote time and energy to grasp the material for that class. The Western literature lists the main impediments to teaching ethics as: faculty time, qualifications, available slots in the curriculum and lack of material. Although the Malaysian educators did not consider these as being barriers to teach ethics, nevertheless, they should carefully plan methods of instruction, which are most appropriate and effective for the specific learning audience i.e. accounting students. Taken together, the educators should devise teaching activities to evaluate the effectiveness of ethics instruction. To make teaching ethics more effective, it would be useful for the Ministry of Higher Education (MOHE) to provide some guidance to the lecturers about methods for teaching and assessing ethics content in their courses.

Most studies have certain limitations, even with the care taken in conducting the research. This is also true for this study. The limitations as well as suggestions for future research are as follows: Firstly, this study focuses on one group of respondents, the educators' perceptions. Therefore, future research can be extended by increasing the number of groups of respondents such as the accounting students and the accounting profession to obtain a comprehensive perspective of the importance of ethics in the accounting curriculum. Second, the survey method was the only method used to collect the required data. Although this method allows the collection of data from more respondents, at times detailed enquiries cannot be made in the form of questionnaires. Hence, in order to better understand the reasoning and efforts to incorporate ethics into the accounting curriculum, further research involving in-depth interviews or focus groups with those involved in the process would be invaluable. Finally, this study is based on the respondents from public universities only and other private universities are excluded due to time and cost factors. Therefore, future research may extend to investigate the perceptions of educators from all institutions of higher

learning in Malaysia offering the accounting program. Using larger samples will hopefully result in more conclusive findings of ethics integration in the accounting curriculum in Malaysia.

Despite the limitations, this study provides useful insights into the Malaysian educators' perceptions regarding the structure of teaching ethics in the accounting curriculum to assist academic and standard setters in shaping future requirements. The findings of the study has clearly shown that ethics education is indeed integrated into the accounting curricula of public universities in Malaysia; thus subsequent research should be advanced by studying the effectiveness of such integration in terms of instilling ethics in students and its outcome in accounting practice.

## References

- Abu Bakar, Barizah, N., Ismail, S., and Mamat, S. (2008). Ethics of future accounting professional: Evidence from Malaysia. *Journal of Financial Reporting and Accounting*, 6 (1), pp. 21-33.
- Alam, K. F. (1995). Attitudes towards business ethics of business students in Malaysia. *Journal of Business Ethics*, 14, pp. 309-313.
- Bakar, M. A., Saat, M. S., and Majid, A. H. A. (2003). Ethics and the accounting profession in Malaysia. *National Accounting Research Journal*, 1 (1), pp. 105- 122.
- Bampton, R., and Maclagan, P. (2005). Why teach ethics to accounting students? A response to the sceptics. *Business Ethics: A European Review*, 14 (3), pp. 290-300.
- Blanthorne, C., Kovar, S. E., and Fisher, D. G. (2007). Accounting educators' opinions about ethics in the curriculum: an extensive view. *Issue in Accounting Education*, 22 (3), pp. 355-390.
- Bonawitz, M. F. (2002). "Analysis and comparison of the moral development of students required to graduate with an ethics course". Florida International University, Miami, Florida. AAT 3049799, available at <http://proquest.umi.com/> (Accessed 19 March 2009)

- Carroll, R. F. (1996). "Ethics education in the accounting curriculum". Dalhousie University, Halifax, Nova Scotia (Canada). AAT. NQ65805, available at: <http://proquest.umi.com/> (Accessed 14 March 2009)
- Carroll, R. F. (2005). A model for ethical education for accounting. *Ethical Issues in Accounting*. ISBN 0-203-97859-5 Master e-book ISBN, (Accessed 25 September 2008)
- Cheng, K. W. (2007). The curriculum design in universities from the perspective of providers in accounting education. *ProQuest Education Journals, Summer*; 127 (4), pp. 581-590.
- Chua, F. C., Perea, M. H. B., and Mathews, M. R. (1994). "Integration of ethics into tertiary accounting programs in New Zealand and Australia". Discussion Paper, Submitted to Department of Accountancy, Massey University, Palmerston North, New Zealand. *Accounting Education for the 21<sup>st</sup> Century, The Global Challenges*, Pergamon, 375-385.
- Cohen, J. R., and Pant, L. W. (1989). Accounting educators' perceptions of ethics in the curriculum. *Issue in Accounting Education*, 4 (1), pp. 70-81.
- Delaney, J. S., D.B.A (2005). The impact of ethics education on the moral reasoning ability of accounting students. St. Ambrose University. AAT 3202741, available at: <http://proquest.umi.com/> (Accessed 14 March 2009)
- Doost, R. K. (1999). The missing links in accounting education. *Managerial Auditing Journal*, 14 (3), pp. 93-114.
- Fallon, N. C. (2005). "The impact of the Sarbanes Oxley Act on ethics in the accounting curriculum: A survey of accounting faculty in colleges and universities in the United States". *Capella University*. AAT. 3176978, available at: <http://proquest.umi.com/>
- Ghaffari, F., Kyriacou, O., and Brennan, R. (2008). Exploring the implementation of ethics in U.K. accounting programs. *Issues in Accounting Education*, 23 (2), pp. 183-198.

- Gupta, J. L., and Sulaiman, M. (1996). Ethical orientation of managers in Malaysia. *Journal of Business Ethics*, 15, pp. 735-748.
- Hishamuddin, Md. S., Rahim, K. A., Jusoh, A., Ahmad, M. F., (2006). "Ethical awareness amongst engineering students in Malaysian Public Universities". Unpublished Discussion Paper, Fakulti Pengurusan dan Pembangunan Sumber Manusia Universiti Teknologi Malaysia, available at <http://proquest.umi.com/> (Accessed 14 March 2009)
- Karnes, A., and Sterner, J. (1988). The role of ethics in accounting education. *The Accounting Educators' Journal*, pp. 18-31.
- Kerr, D. S., and L. M. Smith. 1995. Importance and approaches to incorporation of ethics into the accounting classroom". *Journal of Business Ethics*, 14, pp. 987-995.
- Langenderfer, H. Q., and Rockness, J. W. (1989). Integration ethic into the accounting curriculum: Issues, Problems and Solutions. *Issue in Accounting Education*, 4(1), pp. 58-69.
- Loeb, S. E. (1988). Teaching students accounting ethics: Some crucial issues. *Issues in Accounting Education*, Vol. 3, pp. 316-329.
- Loeb, S. E., and Bedingfield, J. P. (1972). Teaching accounting ethics. *The Accounting Review*, 47(4), pp. 811-813.
- Madison, R. L., and Schmidt, J. J. (2006). Survey of time devoted to ethics in accountancy programs in North American colleges and universities. *Issues in Accounting Education*, 21, pp. 99-109.
- Mamat, Mohd Nor., and Mokhtar, Fattawi. (2009). "Effective instructional design for value dominant education in public universities in Malaysia". Paper presented in *2009 EABR and TLC Conference Proceedings. Prague, Czech Republic* <http://www.scribd.com/doc/13414569/Effective-Instructional-Design-for-Value-Dominant-Education-in-Malaysian-Public-Universities/> (Accessed 1 September 2009)

- Mantzke, K., Carnes, G., and Tolhurst, W. (2005). "Incorporating professional ethics throughout an accounting curriculum". *The CPA Journal*. <http://www.nyscpa.org/cpajournal/2005/905/essentials/p66.htm/> (Accessed 28 February 2008)
- Mastracchio. (2005). "Teaching CPAs about serving the public interest". *The CPA Journal (January)*. Available at: [www.nyscpa.org/cpajournal/2005/105/perspectives/p6.htm/](http://www.nyscpa.org/cpajournal/2005/105/perspectives/p6.htm/) (Accessed 23 August 2009)
- May, G. S., Windal, F. W., and Sylvestre, J. (1995). The need for change in accounting education: an educator survey. *Journal of Accounting Education*, 13 (1), pp: 21-43.
- McNair, F., and Milam, E. E. (1993). Ethics in accounting education: What is really being done? *Journal of Business Ethics*, 12, pp. 797-809.
- Miller, W. F. (2008). "From painting it black to educating the Gray: A case study of how a university prepares its graduates for the ethical challenges of the accounting profession through the integration of ethics in their accounting curriculum". University of St. Thomas (Minnesota). AAT 3334991, available at: <http://proquest.umi.com/> (Accessed 15 May 2009)
- Ministry of Higher Education. (2006). Hala Tuju 2, Reassessment Report on Accounting Program at Public Universities of Malaysia. Pusat Penerbitan Universiti. Universiti Teknologi MARA, Shah Alam.
- Ministry of Higher Education (MOHE). (2010), available at: <http://www.etawau.com/edu/IndexUniversityGovernment.htm/> (Accessed at 18 February 2010)
- Mintz, S. M. (1990). Ethics in the management accounting curriculum. *Management Accounting (June)*, pp. 51-54.
- Ponemon, L. A. (1990). Ethical judgments in accounting – A cognitive developmental perspective. *Critical Perspectives on Accounting*, 1 (2), pp. 191-215.

Singh, J., and Poduval, M. (2009). Teaching of accounting ethics - An exploratory study on accounting lecturers in institutes of higher learning in Malaysia. Paper presented at 2<sup>nd</sup> International Conference of Teaching and Learning (ITCL,2009) organized by INTI University College, Malaysia.

Zabid. A. R. M., and Alsagoff, S. K. (1993). Perceived ethical values of Malaysian managers. *Journal of Business Ethics*, 12 (4), pp. 331-337.