

UNIVERSITY OF CAPE COAST

DETERMINANTS OF ETHICAL BEHAVIOUR OF PROFESSIONAL  
ACCOUNTANTS IN GHANA

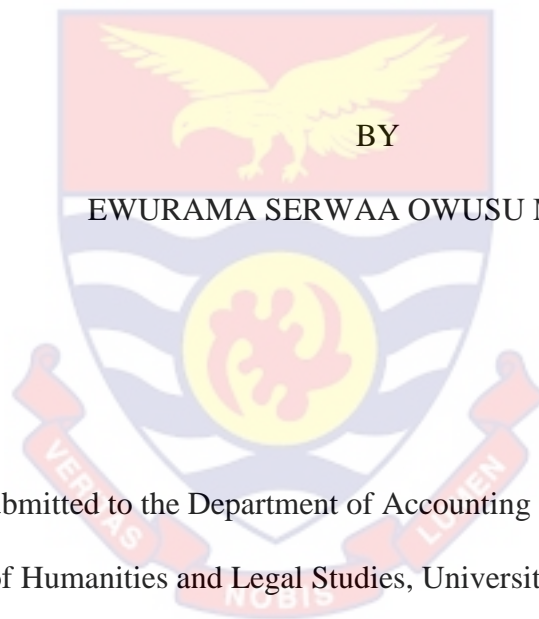


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UNIVERSITY OF CAPE COAST

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ACCOUNTANTS IN GHANA



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Thesis submitted to the Department of Accounting of the School of Business,  
College of Humanities and Legal Studies, University of Cape Coast, in partial  
fulfillment of the requirements for the award of Master of Commerce degree  
in Accounting

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## DECLARATION

### Candidate's Declaration

I hereby declare that this thesis is the result of my original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: ..... Date: .....

Name: Ewurama Serwaa Owusu Mensah

### Supervisors' Declaration

I hereby declare that the preparation and presentation of this research work was supervised in accordance with the guidelines on supervision laid down by the University of Cape Coast.

Supervisor's Signature ..... Date.....

Name: Prof. Abraham Ansong

## ABSTRACT

This study examined the determinants of ethical behaviour of professional accountants in Ghana. Specifically, the objectives of the study were to: examine the effects of susceptibility to positive peer influence, materialism and political trust on ethical behaviour of professional accountants in Ghana. It also examines the moderating role of self-control on the various direct relationships. Data was collected using questionnaires administered online to professional accountants in Ghana. Simple random sampling technique was employed and 349 responses were recorded. Quantitative research approach was employed and explanatory research design was adopted in this study. Structural equation modelling (SEM) was used to analyse data. Findings of the study indicated that susceptibility to positive peer influence, materialism and political trust influence the ethical behaviour of professional accountants. Also, self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants. However, self-control does not moderate the relationships between materialism and ethical behaviour as well as political trust and ethical behaviour of professional accountants. The study recommended that professional accounting bodies and regulatory bodies should establish regular ethical evaluations for accountants and intensify workshops and seminars that stresses on ethics and ethical behaviours.

## **KEYWORDS**

Ethical behaviour

Materialism

Political Trust

Professional accountants

Self-control

Susceptibility to positive peer influence

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## **DEDICATION**

To my family

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**LIST OF ACRONYM AND ABBREVIATION**

BLC	Behavioural Life-Cycle
CAGR	Compound Annual Growth Rate
CMB	Common Method Bias
CPD	Continuing Professional Development
GAAP	Generally Accepted Accounting Principles
ICAG	Institute of Chartered Accountants, Ghana
IFRS	International Financial Reporting Standards
SLT	Social Learning Theory
SLTCD	Social Learning Theory of Crime and Deviance
SPSS	Statistical Package for the Social Sciences
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned Action

## CHAPTER ONE

### INTRODUCTION

This research examine the determinants of ethical behaviour of professional accountants. The social and economic development of a country is significantly influenced by accounting. Professional accountants play important role in the growth and advancement of organizations as they provide firms with expertise in the field of accountancy. They analyse transactions and other events for relevance and veracity before creating a “truth” that interested parties may use to understand the business. Their role is so significant that misstatements or omissions can affect decisions of users of such information. Accountability, leadership and ethical behaviour are central to the functioning of organizations and society as a whole, because irrespective of their size, social institutions or establishments are underpinned by set of norms that governs behaviour (O'Brien, 2019).

However, a strong ethical foundation is the base for true professionalism and societal progress which also serves as the foundation for all other performance requirements (Chulpanovna, Botiraliyevna & Turgunovich, 2021). Unfortunately, the noble image of the accounting profession has negatively been affected by the poor ethical behaviour of some accountants and auditors (Musbah, Cowton & Tyfa, 2016; Adekoya, Oboh & Oyewumi, 2020). For a long time, these professionals have been accused of engaging in unethical activities in the discharge of their accounting duties (Emeneka & Oranefo, 2022). Hence, the thrust of this study is to examine the determinants of ethical behaviour of accountants.

## **Background of the study**

The global financial services industry is anticipated to experience a compound annual growth rate (CAGR) of 10.8%, increasing from \$23,319.52 billion in 2021 to \$25,839.35 billion in 2022. The financial market is expected to increase at a CAGR of 9.6% from 2016 to 2026, reaching \$37,343.95 billion (Gomber, Kauffman, Parker & Weber, 2018). As a transitional economy, the Ghanaian economy is characterized by economic restructuring which includes; macroeconomic and microeconomic privatization, a fragile financial sector, decentralization and deregulation of significant institutions formerly run by the public sector and encouragement of entrepreneurship and free market competition (Ali, Anufriev & Amfo, 2021).

As a result, the financial sector's contribution to the Ghanaian economy is enormous, to the point where administering the country without the help of reputable accounting, auditing and financial management firms is no longer an option. The economy includes the efforts in creating, distributing as well as utilizing products and services. It has a tremendous impact on businesses in a way that affects prices, investments and workforce size, all of which are dependent on consumer spending. Adhering to ethical behaviour is vital for organizations to achieve the financial goals of the economy. In this regard, accountants are expected to maintain ethical standards in order to reduce associated dangers. Ethical behaviour of accountants plays a critical role in developing correct and methodical accounting practices inside a firm.

International Accounting Ethics Standards Board Task Force (2013) defines a professional accountant as a person who has acquired and exhibited a proficient level of expertise and professional competency in the realm of

accounting through a combination of hands-on experience, education and evaluations. Also, a professional accountant continually enhances and sustains professional proficiency through Continuing Professional Development (CPD); operates in the interest of the public; complies with a code of ethics; and is regulated by a regulatory organization or professional accounting body. Professional accountants are distinguished by their roles, responsibilities, experience and services provided. They are people who have earned accounting education, training and certification in accounting concepts, financial reporting, taxation, auditing and other related disciplines are well-understood by these specialists.

Every organization needs accounting information for management, which predetermines the reputation or even popularity of the accounting profession (Chulpanovna et al., 2021). However, in recent years, the accounting profession has experienced an eminence crisis on a global scale (Liyanapathirana, Samkin, Low & Davey 2021). For instance, the conspiracy of external auditors, accountants and company directors and management to fudge and purposefully inflate companies' accounts caused investors in Nigeria to lose billions of dollars (Obboh & Omolehinwa, 2022). As a result of unscrupulous accounting and auditing methods, specific local managing directors in Nigeria heading multinational corporations like Cadbury Nigeria Plc and Lever Brothers Nigeria Plc were fired and replaced with foreigners which have resulted in business disruption or, in certain cases, firm closure (Obboh et al., 2022).



Olojede (2020) and Essien and Fabian (2021) established that despite the status of Nigeria as the largest economy in Africa, most of their financial accounts are window-dressed due to creative accounting and has led to business failure in Nigerian Aviation Industry. Hence, Accountants are important with regards to the success and failure of organizations. Schmitz and Leoni (2019) posited that most accountants concur that the field of accountancy as a whole has to do more to enhance its reputation. Between 2017 and 2019, many Ghanaian financial institutions collapsed. Several disgruntled consumers complained about insufficient or inaccurate information about their savings and investments (Kamboj, Sharma & Sarmah, 2022).

According to the Financial Accounting Standards Board, one of the objectives of preparing financial statements is to give information to investors, creditors and other users to help them make investment decisions (Thomas & Ward, 2019). Hence, accounting and auditing professions demand the implementation of elevated ethical standards, impartial presentation and comprehensive disclosure of financial reports regarding the performance of financial entities (Chulpanovna et al., 2021). Accountants are thought to have a great deal of duty toward themselves and the many stakeholders that rely on the financial statements' objectivity, fairness and reliability (Chulpanovna et al., 2021).

Accountants must possess professional competence, which is demonstrated by their practical application of their knowledge rather than just having a secondary or higher degree. Contemporary circumstances, globalization and the persistent financial and economic challenges necessitate

not just expertise and skills in the field, but also adaptability, responsiveness, professional flair and a creative approach to problem situations. Also, they need knowledge in international accounting and reporting practices, the capacity to operate freely and competently in unforeseen and unpredictable circumstances, the effective utilization of proficient knowledge in the accounting profession (Veisi, Shahveisi, Namamyani & Ghanbari, 2019).

The alignment of US Generally Accepted Accounting Principles (GAAPs) and International Financial Reporting Standards (IFRS) has made possible the homogeneity of the financial statements' presentation and the provision of relevant, comparable, timely and reliable information by accountants. Accountants are obligated to uphold ethical standards while providing financial reports to aid in decision-making in order to preserve legitimate information rights. The aforementioned notion of responsibility calls for not just compliance with regulations and laws, but coupled with a readiness to act morally and in the interests of society as a whole. Professional accountants belonging to Institute of Chartered Accountant, Ghana (ICAG) were used in this study because, it is the only institution responsible for the regulation and certification of accountancy practice in Ghana and its members are the sole individuals officially acknowledged for conducting audits of company accounts in Ghana as established in The Companies Act, 2019, (Act 992).

ICAG provide guiding principles to ethical behaviour that must be upheld in discharging of duties of accountants. They include; confidentiality, integrity, professional competence and due care, objectivity and professional

behaviour. Marfo-Yiadom and Tackie (2021) posited that to be ethical enhances the quality of financial reporting.

Ethical behaviour is congruent with organizationally imposed principles, values and standards (Zheng, Epitropaki, Graham & Caveney, 2022). Floridi (2021) asserts that ethical behaviour must be accepted by the general public on both legal and moral levels. According to Martinov-Bennie and Mladenovic (2015), ethical behaviour comprises carrying out the course of action decided upon with an ethical intention and can range in degree of ethicality depending on how correct or wrong the activity is. It is important to study ethical behaviour because people who act and make decisions within organizations do so within power and authority systems as well as under peer, leader and organizational influences.

The environment and individuals do not work independently of one another; rather, they influence one another in a mutual way. The fundamental tenet of Social Learning Theory (SLT) which was propounded by Bandura (1977) is that behaviour is influenced by both the person and the circumstance, not just one of them. According to Bandura (1977), behaviour is generated by an individual after observing something in their environment, retaining the memory of what they witnessed, and responding to that behaviour. Subsequently, the environment delivers a consequence, such as a reward or punishment, influencing the probability of the behaviour recurring. The environment of an individual includes their peers, family and society as a whole. According to SLT, people pick up a lot of their behaviour through other people they observe and imitate.

The Social Learning Theory of Crime and Deviance (SLTCD) also referred to as Akers' Social Learning Theory, which was propounded by Akers in 1979. This theory can be applied to criminal behaviour prediction and criminal justice reform since criminal action is argued to be a learned behaviour. Gottfredson and Hirschi (1990) characterize crime as actions involving coercion or deception carried out to fulfill self-interest. SLTCD seem to suggest that being around other criminals makes one more likely to engage in criminal behaviour themselves. Hence, it is obvious that someone who interacts with others who are unethical will imitate their behaviour. Also, when there are laws and institutions in place to check unethical behaviour, individuals are likely to exhibit ethical behaviours.

Theory of Reasoned Action (TRA) which was propounded by Fishbein and Ajzen in 1975 is helpful in predicting behaviour as it demonstrates how people's perceptions of other people's opinions affect their intentions and attitudes. Theory of reasoned action asserted that peoples' attitude and ideas account for the majority of human behaviours (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975.) Slocombe (1999) established that the theory of reasoned action is beneficial for research based on its specific focus on attitudes, beliefs and behaviours. This theory also clearly covers one's views about other people's relevant ideas, a person's urge to conform to those perspectives, which could be beneficial in comprehending the impact of other members within the work unit on the individual's behaviour.

Verplanken and Orbell (2022) asserted that behaviours are natured habit that influence output, wellbeing, ethical behaviour and decision-making of a person. Hence, this study seeks to address factors that are of behavioural

nature that influence ethical behaviour of professional accountants inferring from the theories used in this study.

Peer influence may be more potent than ever because of the characteristics of the modern workplace, including flatter organizations, virtual teams and significant outsourcing (Marchiori, Mainardes & Rodrigues, 2019). Work peers are important because most people spend more of their waking hours with colleagues than with anyone else. Peer impact may include remarks, appearances, attitudes and behaviour that a person witness. Peer influence is not restricted to employees; it can also come from colleagues and peers outside of one's own organization. It can also occur via social media and other forms of long-distance contact that circumvent geographic constraints and distance. Early research on ethics revealed that peer behaviour perceptions have the greatest influence on ethical behaviour (Ruiz-Palomino, Bañón-Gomis & Linuesa-Langreo, 2019).

According to SLT, when people see their peers acting ethically, it establishes a social norm that encourages them to do the same. People have a natural tendency to adhere to the conduct and beliefs of their peers when they feel their actions are being evaluated by their peers. Individuals may feel pressured to align their conduct with those of their peers, which might impact ethical behaviour. When a person's peers participate in ethical behaviour, it can inspire them to do the same. Peer influence mostly occur unintentionally or unconsciously. Empirically, an employee's ethical actions toward their employer, clients and rivals are significantly influenced by their peers (Ruiz-Palomino et al., 2019). According to Henneberger, Mushong and Preston (2021) factors used when discussing the strength and influence of peer

behaviour included social learning. People adopt and behave in ways that are similar to those around them as a result of close observation (Bandura, 1969).

The tendency to consume has grown in society and people now prioritize their preferences over necessities when making purchases. Sun, Shen and Ma (2021) established that materialism can be considered as a value, that stands for a mindset or collection of attitudes concerning the significance of acquiring and owning possessions in one's life. According to Belk (2015), materialism can be considered as a personal difference factor which is conceptualized based on a belief in the significance of possessions in one's life. Some factors that influence materialism are social class, conspicuous spending, impulsive purchases, brand loyalty and customer autonomy. Accepting material goods above all else and viewing them as a source of pleasure is known as materialism (Lučić, Uzelac, & Previšić, 2021).

According to TRA, a person's perception governs their behaviour. Materialism makes a person more prone to unethical behaviour. People who are materialistic frequently put their own personal wealth and satisfaction over the well-being of others. This self-centeredness can lead to a lack of concern for ethical considerations involving the well-being of others or broader social duties. Ethical behaviour, which frequently involves evaluating the impact of one's actions on others and choosing decisions that emphasize the larger good, may be compromised in favor of personal materialistic desires. Hence, materialistic accountant might behave unethically in order to get material goods if he views possessing material goods as living a successful and happy life.

Rules are necessary to control how people behave in a given community. Besides education, the promulgation of laws and codes has also been employed in most countries in an effort to curb ethical shortcomings. To guarantee that financial information presents an accurate image of the company's financial condition and performance, devoid of any unethical practices and appropriate for the needs of all stakeholders, regulatory bodies and state authorities act as an external control mechanism. This is accomplished through creating rules, enforcing them and monitoring compliance (Olojede, 2020).

According to Afolabi (2018), the Central Bank must guarantee strict adherence to and compliance with its regulatory requirements and all reports must be reviewed through the same lens. One of the biggest issues facing any contemporary state is a lack of trust. Political trust is the public's endorsement of political institutions which includes the legislature and the government concerning their susceptibility to decisions. The analysis of trust in government as an ethical problem is pertinent for a clearer comprehension of the overall role of political responsibility.

Political trust is influenced by a variety of elements; effective governance, transparency and accountability all of which can have an impact on ethical behaviour. According to the SLT and SLTCD, through observation and rewards and punishments associated with a behaviour, individuals are more inclined to engage in ethical activity when they trust the democratic system and believe that their views and concerns are heard and acknowledged. Hence, when professional accountants believe laws and regulations are just and effective they are motivated to behave ethically. However, when they

perceive high level of corruption by political leaders they are motivated to engage in unethical behaviours.

Based on the theory of reasoned action, it can be anticipated that self-control could moderate the nexus between the independent variables (susceptibility to positive peer influence, materialism and political trust) and ethical behaviour. According to Milyavskaya, Berkman and De Ridder (2019), Self-control is the act or behaviour of resisting an urge or powerful reaction in favor of a competing objective. It is also being able to resist momentary impulses and temptations in accordance with long-term principles and goals. Ethical behaviour often requires persons overcoming short-term rewards or wants that may be in conflict with moral standards. Self-control is essential for human adaptation and success in school, job and health (Burt, 2020).

Guarana, Ryu, O'Boyle Jr, Lee, and Barnes (2021) established that violent crime, personal debt, deviance, counterproductive work conduct, abusive supervision and unethical behaviour have all been found to be directly or indirectly correlated with low self-control. It assists individuals in maintaining their autonomy and making ethical decisions even when under pressure from others to engage in behaviours that contradict their moral ideals. Strömbäck, Lind, Skagerlund, Västfjäll and Tinghög (2017) posited that people with good self-control have better general financial behaviour. self-control is an internal regulation and this study examined how this internal regulation moderates the relationship between external regulations (susceptibility to positive peer influence, materialism and political trust) and ethical behaviour of professional accountants. Hence, it was anticipated that a professional accountant with high self-control can maintain an ethical



behaviour irrespective of peer influence, materialistic environment and unethical political institutions. To achieve the objectives of the study, data was drawn from members of the Institution of Chartered Accountants, Ghana (ICAG). Thus, the study examined the determinants of ethical behaviour of professional accountants from a developing country perspective.

### **Statement of the Problem**

There has been a change in market expectations and transparency requirements for organizations, demanding the integration of ethics to manage professional behaviour to keep up with the pace of development. Ferrell and Fraedrich (2021) as well as Mintz and Morris (2022) are of the opinion that scandals in accounting and other unethical behaviours marred the accounting profession globally. Corruption and unethical behaviour have significant negative effects on businesses and society at large.

Recent events with respect to poor corporate governance and unethical executive behaviour in Ghana have seen seven banks fail between August 2017 and August 2018.

The economic catastrophe is the worst to have hit Ghana. The country's local banks were swamped with debt, forcing the Central Bank to revoke the licenses of seven banks. This event described a moral crisis more than a banking crisis (Dwamena & Yusoff, 2022). The collapses have been attributed to ethically-related causes (Osei, Yusheng, Caesar, Tawiah & Angelina, 2019), such as the breaking down of moral values, unethical behaviour and the manipulation of accounting entries to hide the real condition of businesses. Significant amounts of depositors' funds were distributed to shareholders and affiliated individuals, bypassing the usual credit delivery process. The banks

neglected to maintain accurate records of their advances and loans to shareholders, associated parties and relatives (Osei et al., 2019). The key question is: Did professional accountants carry out their job in accordance with the code of ethics? Did they present the financial statements with the real figures or did they "cook" the numbers to make them appear favorable to the shareholders and other stakeholders? The aforementioned situation emphasizes how crucial upholding moral standards of accountants is for promoting national growth.

The Association of Certified Fraud Examiners (ACFE, 2020) claims that fraud imposes significant financial burdens on both businesses and government organizations. Unethical behaviour is nonetheless pervasive and serious across the world. For instance, the global economy suffered losses exceeding US\$3.6 billion from a total of 2504 instances of fraud recorded across 125 countries in 2018 and 2019. This translates to an average loss of nearly US\$1.5 million per case (Association of Certified Fraud Examiners, 2020).

Fifteen percent of fraud incidents with negative financial implications to the continent occurred in Sub-Saharan Africa, including Ghana. Sub-Saharan Africa has been ranked directly behind North America in terms of corruption. Out of 180 countries, Ghana was the 72<sup>nd</sup> most corrupt country as at 2022, according to the Corruption Perception Index (2022). Ghana's corruption rating, encompassing a broader ethical concern, is less than impressive when compared to other African nations such as Rwanda, Mauritius, Namibia, Tunisia and South Africa (Nicolaisen & Hansen, 2023).

This distinction becomes particularly noteworthy within the context of a developing economy such as Ghana, where the Institute of Chartered Accountants, Ghana (ICAG), serves as the regulatory body responsible for overseeing the practice of accountancy, took punitive measures against four active accounting firms in connection with the collapse of seven banks.

Many studies have been conducted on ethical behaviour of accounting students and professionals (Brook & Dunn, 2020; Mintz & Morris, 2022; Owusu, Amoah Bekoe, Koomson & Simpson, 2019). However, none of the above has considered the determinants of ethical behaviour of professional accountants in Ghana through the lens of Social Learning Theory, Social Learning Theory of Crime and Theory of Reasoned Action. These determinants are vibrant in the lives of Ghanaians.

The other deficiency of previous research works is over-reliance on accounting students as respondents for those studies (Hendy & Montargot, 2019; Alleyne, Weekes-Marshall, Estwick & Chaderton, 2014; Awang & Ismail, 2018; Carpenter & Reimers, 2010; Keller, Smith & Smith, 2007). Most of these students do not have any working experience and have mostly not been confronted with difficult issues that tend to challenge their ethical behaviour and decision-making.

### **Purpose of the study**

This study sought to examine the determinants of ethical behaviour of professional accountants in Ghana.

### **Research Objectives**

Specifically, the study sought to;

1. examine the effects of susceptibility to positive peer influence on ethical behaviour.
2. examine the effects of materialism on ethical behaviour
3. ascertain the effects of political trust on ethical behaviour.
4. examine the moderating role of self-control on the relationship between susceptibility of positive peer influence and ethical behaviour.
5. determine the moderating role of self-control on the relationship between materialism and ethical behaviour.
6. ascertain the moderating role of self-control on the relationship between political trust and ethical behaviour.

### **Research Hypotheses**

H<sub>1</sub>: Susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour of professional accountants.

H<sub>2</sub>: Materialism has a significant and negative influence on the ethical behaviour of professional accountants.

H<sub>3</sub>: Political trust has a significant and positive impact on the ethical behaviour of professional accountants.

H<sub>4</sub>: Self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants in a way which weakens this nexus.

H<sub>5</sub>: Self-control moderates the relationship between materialism and ethical behaviour of professional accountants in a way which weakens this nexus.

H<sub>6</sub>: Self-control moderates the relationship between political trust and ethical behaviour of professional accountants in a way which weakens this nexus.

### **Significance of the Study**

Empirically, this study is of great importance as it sought to contribute immensely to literature by examining how different determinants (susceptibility to positive peer influence, materialism and political trust) impact the ethical behaviour of professional accountants. Since unethical workplace practices obstruct the achievement of goals, understanding how these factors influence the ethical standards of practicing accountants will aid businesses and organizations in creating appropriate ethics training for their staff. Additionally, this current study adds to the body of literature in this area, in that it does not only seek to fill gaps but establish the effects of susceptibility to positive peer influence, materialism and political trust on the ethical behaviour of professional accountants and provide knowledge about accountants' ethical views and how individual circumstances and personal beliefs may influence perceptions in decision-making.

### **Delimitations**

This study was delimited to the confines of Ghana. It specifically focus on professional accountants belonging to Institute of Chartered Accountants, Ghana (ICAG).

### **Limitations**

Collet-Klingenberg and Kolb (2011) contend that researchers need to be conscious of the constraints of their research, be open and transparent about these constraints with readers. The research conducted have these restrictions. First, because the study is quantitative and data was collected using questionnaires administered online, many respondents felt overworked and reluctant to answer to the instruments. Also, because the researcher could not

influence the respondents, using questionnaires had an impact on the results. Responses typically relied on the circumstances facing respondents at the time the questionnaires were distributed. Secondly, the researcher had no face-to-face contact with respondents. Hence, certain clarifications needed by respondents were not readily available. Finally, the time frame for completion of this study, November 2023, was too constrained to enable it.

### **Organization of the Study**

The study is structured into five chapters. Chapter one introduces the background of the study and the problem statement. Additionally, it outlines the key objectives and identifies the corresponding research hypotheses designed to facilitate the achievement of these objectives. It also highlights the purpose and significance of the research. Chapter two presents a detailed literature review, specifically the theoretical underpinnings, conceptual review and empirical support. Chapter three presents the research method, which states the methodology employed. Results and discussions are presented in chapter four which includes analysis of findings and various interpretations of the gathered data. Lastly, chapter five presents the summary, conclusions and recommendations. It includes suggestions for further studies.

## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

The literature review discusses the connection between susceptibility to positive peer influence, materialism, political trust and the ethical behaviour of professional accountants. It also addresses the possibility of self-control moderating the relationship among the variables of interests. It offers evaluations of the research's conceptual, theoretical and empirical aspects. The creation of the study's conceptual framework is discussed in the last part.

#### Theoretical Review

A theoretical and conceptual framework underpins all investigations (Imenda, 2014). Frameworks provide researchers with structural guidance for developing research questions, selecting the optimal methodology and properly evaluating results (Imenda, 2014). The study is grounded in social learning theory of crime and deviance (Akers, 1979); social learning theory (Bandura, 1977) and the theory of reasoned action (Fishbein & Ajzen, 1975).

#### Social learning theory of crime and deviance

Social Learning Theory of Crime and Deviance was propounded by Ronald Akers in 1979. Which is explained as the likelihood that someone will engage in violent behaviour is increased by their differential association with those who engage in it and their advocacy of definitions that support it (differential association), their exposure to salient violent role models in person or symbolically through the media (imitation), their definitions of the behaviour in circumstances that favor it and the training they have received in the process. Four central constructs can be identified in SLTCD. These

include; differential associations, the formation of definitions favorable or unfavorable to breaking the law, the imitation of observed behaviour and differential reinforcement of behaviour in various contexts.

According to Akers and Jennings (2019), the best way to characterize differential association is to consider the critical role that the people and groups with whom one interacts play in creating the social environment within which the process of social learning occurs. Although unequal peer association is frequently brought up in the literature when discussing Akers' social learning theory, the theory cannot be reduced to a simplistic notion of "negative peer influence." In actuality, the differential association component of Akers' social learning theory also considers the impact of "virtual groups" like those created by family members, the media, the internet, cell phones and other secondary or intimate peer groups like neighbors, religious institutions, educators, legal entities and figures of authority (Pratt, Cullen, Sellers, Thomas Winfree Jr, Madensen, Daigle & Gau, 2010).

More precisely, the individuals with whom a person differentially associates are those who introduce them to values, normative definitions and attitudes that either endorse or oppose a specific action. Should an individual be more differentially linked with others engaged in deviant behaviours or expressing criminal behaviours, there is a higher likelihood of their involvement in criminal or deviant conduct. On the contrary, when an individual differentially associates with and is influenced by individuals engaged in and display conforming attitudes and behaviours, there is a greater likelihood of refraining from criminal or deviant activities and rather



participating in behaviour that is socially positive or constructive (Akers, 2013).

Akers and Jennings (2019) maintain Sutherland's idea of "modalities" of association as influencing the proportion of criminal to noncriminal associations. These modalities include an association's priority, intensity, frequency and duration. A framework expanded by Akers to encompass both ongoing interactions over time and the duration of social interactions (Akers & Jensen, 2006). The "definitions" component of Akers' social learning theory is defined as the beliefs that people have about criminal/deviant or conforming behaviour. The theory's notion of "definitions" pertains to the array of attitudes, beliefs, and values that individuals employ to evaluate a behaviour as more positive or negative, excusable or inexcusable, desirable or undesirable, justified or unjustified, suitable or unsuitable and right or wrong (Lee, 2013).

Akers blends "general" meanings including various conduct and situations, with "specific" meanings that pertain to a particular scenario or activity, encompassing both personal definitions and those upheld by others. General definitions are an individual's comprehensive collection of beliefs including conventional, religious and moral beliefs concerning a diverse array of actions and situations. General definitions unfavorable to deviance include those that honesty is the optimal policy, kindness and treating others as one would like to be treated, the existence of a superior moral being to whom we must answer for our deeds, the soundness and necessity of the legal system as a whole, and many others (Akers & Silverman, 2004). General definitions favorable to deviance include the idea that, it is better to focus exclusively on

one person, considering others primarily as tools for your objectives and believing that you can consistently exploit people without facing consequences.

Differential reinforcement is the distribution of rewards and penalties for behaviour that are perceived, experienced or predicted. Given the opportunity and circumstances in which the behaviour can be committed, it is more likely that one will engage in the behaviour based on the higher the frequency of reward for a behaviour, the greater the perceived worth of that reward and the lower the frequency and severity of punishment in comparison to the overall equilibrium of reward and punishment for alternative behaviour. Even when given the option to engage in different behaviours, the individual is more likely to pick the actions that happen most frequently and receive the most reinforcement.

According to Shapiro and Maras (2019), differential reinforcement refers to the procedure through which the intended extreme ideas and behaviours are learned within a well-organized framework of prior and impending reinforcers from internal or external sources in the environment. Positive reinforcement, negative reinforcement, positive punishment and negative punishment are the four mechanisms used in differential reinforcement. Positively reinforcement is a behaviour which results in a rise in status among peer group. Negative reinforcement of behaviour is when a person's activity enables them to avoid negative stimuli or outcomes. Positive punishment involves presenting an aversive stimulus immediately following an undesired behaviour to decrease the likelihood of that behaviour recurring in the future. Whilst negative punishment involves the removal of a

reinforcing stimulus in response to an undesired behaviour, with the intention of reducing the likelihood of that behaviour occurring in the future.

The last element of Akers' social learning theory is imitation, which entails observing how others behave and the results of that action for the observer, or "vicarious reinforcement" (Bandura, 1969). Imitation is when a person imitates a specific activity that they have either directly or indirectly watched another person performing. Imitation is more important to someone, who has not previously participated in a specific activity, observes a model engaging in the behaviour and experiencing positive outcomes, subsequently opting to imitate the conduct.

#### ***Implication of the social learning theory of crime and deviance***

Akers' social learning theory highlights the role of peers as influential agents in the process of learning and engaging in deviant conduct (Akers, 2009; Akers, 2013). Peers serve as models for imitation, differential reinforcement and social validation, and their interactions with their co-workers can lead to the establishment of aberrant subcultures and the adoption of deviant behaviours. The function of social control mechanisms in molding behaviour is also acknowledged in Akers' social learning theory. Social control in the context of political trust can be exercised through society norms and expectations surrounding political activity and political trust.

Various institutions and their leaders can ensure that laws and regulations are properly enforced. Based on the thrust of SLTCD, it is postulated that a relationship exists between the theory susceptibility to positive peer influence, political trust and ethical behaviour of professional

accountants. Accountants with ethical peers and stronger trust in institutions which upholds ethical behaviours are likely to behave more ethically.

### **Social learning theory**

The social learning theory was propounded by Albert Bandura in 1977. Which claims that by watching other individuals, one might pick up new behaviours. Individuals see, engage with, and imitate one another's behaviour during conversation. Social learning theory is among the foremost well-known forms of constructivism that places greater emphasis on cognitive processes during observation rather than on subsequent behaviour (Bandura, 1986; Eriksson, 2016). The notion of situational learning (Lave & Wenger, 1991) is based on social learning theory and posits that learning cannot be separated from the setting in which it occurs and is frequently the consequence of interactions between persons belonging to the same community or group of professionals. Kay and Kibble (2016) posits that Bandura acknowledged the importance of both environmental reinforcement and cognition in describing behaviour. Social learning theory is centered on how a person learns in a social situation through vicarious experiences (such as seeing a role model or listening to others speak) (Smith & Ragan, 2004).

According to Bandura (1977), people go through a number of cognitive processes, such as attention, retention, reproduction and motivation, before achieving observational learning. The extent to which individuals are conscious of their important surroundings' actions is referred to as attention. The importance of attention processes can be shown in the fact that merely presenting individuals with sequences of modeling stimuli does not guarantee that they will pay close attention to the cues (Bandura, 1972). In other words,

a specific model needs to capture the observer's attention and the observer must perceive that model as deserving of imitation. Whether or not the observer will model the observed behaviour depends on this process.

Retention is the capacity of people to recall the witnessed activity. During the retention phase, the observer should recall and verbally or visually code the initial observational inputs or actions of the model. The recall of observed behaviour can also be considerably improved by repeatedly practicing any verbal or visual components of the model's conduct. Reproduction reveals the observers' physical capacity to mimic the behaviour of the model. Motor reproduction processes involve utilizing symbolic representations of modeled patterns to guide and execute performances (Bandura, 1972).

To put it another way, an observer follows a set of behavioural cues to carry out novel actions that are not prompted by external cues or portrayed, but rather are internally incorporated through symbolic representations of the behaviour, serving as guides for appropriate actions (Manz & Sims, 1980). Motivation is the readiness to imitate an action. The perceived positive or negative effects of imitating the model's behaviour are referred to as motivational and reinforcement processes and they are likely to heighten or diminish the likelihood of imitation.

### ***Implication of the social learning theory***

Bandura (1977) posited that people pick up on socially acceptable behaviour through watching how others behave. Frequency of interaction is essential for such learning to take place. Peers and political leaders are people that employees and individuals frequently engage with, so in accordance with

the social learning theory, peers and political leaders become ethical role models that people want to imitate. The social learning theory also centers on the causes and consequences of ethical leadership, individuals can assimilate standards of appropriate behaviour in two distinct ways: through personal experience and by observing others (Bandura, 1986).

Professional accountants can pick up ethical behaviour by seeing and copying the conduct of those around them, including coworkers, superiors, political leaders and other industry experts. They gain knowledge by observing the benefits and drawbacks of moral or immoral behaviour. It also suggests that professional accountants' ethical behaviour can be impacted by how other people in the industry and political groups act as well as the standards and beliefs shared by the accounting profession as a whole. For instance, if an accountant sees their coworkers acting unethically, like manipulating financial documents, or their political leaders acting unethically, they might be more inclined to act like themselves.

On the other side, an accountant may be more likely to act ethically if they see their coworkers acting honestly and seeing that their activities are rewarded, such as obtaining promotions or bonuses as well as when they see political leaders acting ethically and punish or reward people based on their behaviour. Thus, the proponents of Social learning theory postulate that a relationship exists between the theory susceptibility to positive peer influence, political trust and the ethical behaviour of professional accountants.

### **Theory of reasoned action**

The Theory of Reasoned Action (TRA) which was propounded by Martin Fishbein and Icek Ajzen in 1975 and its expansion, the Theory of

Planned Behaviour (TPB), are cognitive frameworks offering a conceptual basis for comprehending human behaviour within specific contexts. The Theory of Planned Behaviour, specifically, has extensively been utilized to help in forecasting and elucidating various ethical behaviours. According to the Theory of Reasoned Action, a person's behavioural intention, which serves as an immediate precursor to actual behaviour, is shaped by their attitude toward subjective norms and conduct (Fishbein & Ajzen, 1977). In other words, it is claimed that people who were motivated to engage in a behaviour of interest to the investigator were capable of doing so and could simply refrain from doing so if they chose not to.

As a result, behavioural performance should be a direct function of behavioural intentions. It was hypothesized that attitudes toward the action and subjective norms influence intentions. Clearly, even common place behaviours such as attending a concert can cause problems or impede people from executing on their aspirations. Ajzen (2020) posit that what distinguishes TPB from TRA is, TPB considers real and perceived behavioural control as additional predictors of intents and action. When persons have complete volitional control over the conduct of interest and strongly believe that they can behave in that manner, if they choose to do so, behavioural control becomes unimportant and the TPB is reduced to the theory of reasoned action.

### ***Implication of the theory of reasoned action***

According to the Theory of Reasoned Action, an individual's intention to engage in a given behaviour is the most dependable predictor of whether or not the person will actually engage in that behaviour. The theory implies that establishing positive mindsets about self-control, perceiving societal norms

that promote self-control and developing strong intentions to engage in self-control can all help to improve an individual's self-control abilities. This helps a professional accountant with higher self-control to have a higher internal regulation of their behaviour than that of his environment. Hence, weakening the influence of external factors on their ethical behaviour. Professional accountants can potentially increase their self-control in numerous spheres of their lives by knowing the factors that influence conduct.

The theory provides insight on how subjective norms and attitudes and might influence ethical behaviour depending on a person's materialistic character. Individuals' views toward gaining and valuing material belongings can have an impact on their willingness to engage in ethical activity. Positive attitudes toward materialism, such as viewing material things as a source of happiness or status, may enhance the chance of unethical behaviour among professional accountants. Based on the arguments of the Theory of Reasoned Action it was anticipated that self-control could moderate the nexus between the variables of interest (susceptibility to positive peer influence, materialism, political trust) and ethical behaviour in a way that weakens their impact on the ethical behaviour of the respondents. Also, materialism could negatively influence ethical behaviour of professional accountants.

## **Conceptual Review**

### **Susceptibility to positive peer influence**

Susceptibility refers to the probability that conformity will take place. The Cambridge English Dictionary defines the word "susceptible" as being open to influence or injury. The possibility of being swayed rather than how easily someone can be persuaded is the main concern. Peer influence is



defined as engaging in behaviour contemplating in manners that one might not typically do as a response to interactions with friends and associates (Laursen, 2018).

Laursen and Faur (2022) posit peer influence as a dual-stage process encompassing the influencer's behaviour that induces the target's conformity. The first step involves someone (or a group of people) acting in a way that is noticed by or reported to peers. Something like modeling a behaviour (drinking) displaying a certain look (such as dyed hair) or praising the virtues of a behaviour or appearance, potentially even issuing explicit conformity directives may constitute that something. As an alternative, someone (or a few group members) may commend conformity and/or chastise nonconformity. Susceptibility to positive peer influence is typically characterized as an individual's varying inclination to be swayed by the positive attitudes, beliefs and behaviours of their peers (Brown 2004; Allen, Porter & McFarland 2006; Steinberg & Monahan 2007).

Susceptibility to positive peer behaviour can be motivated by a variety of factors. Descriptive norms aid in unclear or confusing situations where peer conduct transmits valuable information that would otherwise be costly to get (O'Fallon & Butterfield 2012). For example, an accountant may choose to tackle a reporting problem like an experienced colleague because it would be time-consuming to study or test different techniques and errors could have serious consequences for the firm (Bicchieri, Dimant, Gächter & Nosenzo, 2022). Within this study, susceptibility to positive peer influence is conceptually described as the positive influence that close friends and work peers have on an individual's attitudes, beliefs and behaviours.

## Materialism

Ger and Belk (1999) posit materialism to imply that, there is an overreliance on material commodities to achieve goals, whether driven by the pursuit of pleasure, status assertion, self or relationship definition and expression. This reflects an orientation towards seeking happiness through consumption and placing significant importance on material aspects in life. Materialism has traditionally been viewed as a personal trait, centered on a conviction in the significance of possessions in life (Belk, 2015). It is defined as being both a personality attribute (Belk, 1985) and an individual value (Richins and Dawson, 1992). According to Richins and Dawson (1992), materialism is a personal value defined by three characteristics: the need for acquisition to obtain happiness, the tendency to judge one's own and others' success based on things and the importance of acquisition and material goods in one's life.

Belk (1984), introduced three scales to measure constructs related to materialism; possessiveness, non-generosity and envy. Possessiveness is the desire to keep ownership or control over one's belongings (Belk, 1983). Possessiveness is a post-acquisition connection with objects. The loss of possessions, whether caused by their own acts or those of others, should worry the possessive individual. They ought to favor buying over renting leasing, or borrowing them because they have more control over the items (Marshall 1935; Berry & Maricle 1973). Being willing to share or offer to others is a sign of generosity. Non-generosity in the context of materialism is when an individual refuse to share or donate belongings with other people in need.

Some theories combine possessiveness and nongenerosity into one trait called avariciousness (Coblentz & Zigon 1986).

In terms of interpersonal attitudes, envy is the feeling of discontent and ill-will directed towards another person's superiority in terms of happiness, success, reputation or possession of coveted things (Schoeck, 1967). This behaviour has been viewed as a positive trait that encourages people to work hard to obtain their desired object (Foster, Aphorpe, Bernard, Bock, Brogger, Brown & Whiting, 1972; Lyman 1984). The individual who is envious is anticipated to wish for some of the possessions (whether they be things or experiences) of some other people.

### **Political trust**

Political trust is the confidence, believe or faith of citizens in political institutions, grounded in normative expectations and observed institutional performance (Hetherington, 2005; Hutchison, 2011; Zmerli, Newton & Montero, 2007). The perceived disparity, as assessed by citizens, between the expected performance of political institutions and their actual performance defines political trust as an evaluation of institutional effectiveness (Choi & Woo, 2016).

According to Dodsworth and Cheeseman (2020), It is far from easy to describe political trust in a clear and plain manner. One reason for this is that political scientists and political psychologists employ distinct definitions of trust. Political scientists often treat trust and confidence interchangeably, with political trust being defined as voters' trust in political institutions. Thus, political scientists argue that, political trust indicates citizens 'believe their interests are safeguarded, even when leaders are not subject to extensive

scrutiny or criticism. Political psychologists distinguish between trust and confidence. Political trust is a persistent attitude, a collection of sentiments and emotions people including professional accountants develop in situations where information is limited. It arises when individuals cannot ascertain whether political institutions will align with their interests.

Confidence, On the flip side, thrives in contexts with clear and information-rich settings, where a person is certain that a political institution will prioritize their interests. Citizens that share a party membership with the leadership typically have better levels of political trust (Hooghe & Oser, 2017; Denmark & Niemi, 2012) and they are also more satisfied with the policies put forth by these authorities (Levi & Stoker, 2000). Macroeconomic performance, corruption, institutional inclusivity, societal norms and values, critical portrayals of politicians in mainstream media or resurgence of political scandals are significant factors influencing political trust (Levi & Stoker, 2000).

### **Self-control**

Gottfredson and Hirschi (1990) define self-control as people's differential tendency to avoid unlawful activities regardless of their circumstances. They contend that criminals are merely those who lack self-control and are unable to restrain their wants. Duckworth, Taxer, Eskreis-Winkler, Gall and Gross (2019) posit self-control as the ability to maintain thoughts, emotions and actions in alignment with long-term objectives despite the presence of momentarily more tempting alternatives.

Impulses of any kind are produced in a recursive cycle that involves four stages: situation, attention, evaluation and response using the process

model of self-control (Duckworth et al., 2014). This model begins with the presumption that a single person frequently has numerous goals active at the same time. In other words, a person frequently has conflicting ideas about what to do, think or feel in a particular circumstance. Similar to how attention can be focused outward, looking within might activate certain memories, ideas, beliefs or other mental representations. A person then interprets these awakened perceptions.

A subjective evaluation of what is being perceived, especially with regard to whether it is good for or bad for the individual, is called an appraisal. Appraisals may grow more consciously over time or they may occur rapidly and without conscious awareness (Lazarus, 1991). Appraisals result in an approach or avoidance response propensity, which might wax or wane. When response inclinations reach a certain threshold, they are discharged, causing changes in the situation or the person.

### **Ethical behaviour**

Ethical behaviour is the anticipated behaviour that fosters human development, grounded in universal moral principles and strives to be morally just in the eyes of the broader community. It provides guidance on necessary actions by exemplifying a sincere commitment to engaging in selfless and honorable conduct (Bright, Alzola, Stansbury & Stavros, 2011; Sison & Ferrero, 2015; Rua, Lawter & Andreassi, 2017). The consciousness of every organizational member to act ethically can foster unity and harmony within the organization. Nonetheless, it is unrealistic to anticipate universal adherence to ethical behaviour (Mardikaningsih & Halizah, 2022).

Ethical behaviour examines an individual's actions or reactions in a given environment with respect to moral rights, obligations and the assessment of what is right or wrong. It involves behaving in a way that is respectful, responsible and accountable towards one's self and others. Ethical behaviour is critical in personal and professional settings because it promotes trust, respect and social responsibility. The majority of companies implement a code of ethics to promote ethical conduct among their employees (Spector, 2008). However, relying solely on a code of ethics is insufficient. Therefore, management establishes elevated ethical standards to establish an effective and efficient control environment (Mardikaningsih & Halizah, 2022).

Within organizations, there are occasions when certain parties fail to adhere to established ethics for various reasons, posing potential harm to the entity (Comer & Sekerka, 2018). This behaviour is called unethical behaviour which is of specific concern among professional accountants. According to Mansor & Abdullahi (2015) the most common unethical behaviour among professional accountants, with regards to the banking sector, instances of ethical lapses may occur, particularly through the misuse of authority, engagement in bribery and exploitation. Additional ethical concerns encompass political implications, such as leveraging influence to fund precarious public investments.

The once unchallenged ethical behaviour of professional accountants is now facing scrutiny from both consumers and the media, particularly regarding their integrity, reliability and honesty. The relevance of ethical behaviours and the resulting implications of unethical behaviours among accountants must therefore receive increased attention (Boshoff & Van Zyl,

2011). In light of the aforementioned, it is crucial to concentrate on aspects that may have an impact on ethical behaviour. Past researchers have uncovered numerous factors that predict ethical behaviour. These predictors can be classified into two primary categories: organizationally related variables and personally related variables. Both sets of factors have been extensively documented as having correlations with ethical behaviour (Samat, Ishak & Nasurdin, 2016).

Among the organizationally related variables are referent groups, ethical climate, method of compensation, managerial influence, rewards and sanctions, codes of conduct, organization size and control systems. Similarly, personally related variables have garnered considerable attention as determinants of ethical behaviour since they encompass individual characteristics and personal attributes. For instance, ethical and legal perception, nationality, sex and gender, education and employment background as well as locus of control (Samat et al., 2016).

### **Empirical Review and Hypotheses Development**

This section reviews previous studies conducted by earlier researchers about the research topic under study, comparing, contrasting and critiquing to draw out possible gaps in literature.

**Table 1: Empirical Review**

	<b>THEORY</b>	<b>TIME</b>	<b>GEOGRAPHICAL REGION</b>	<b>POPULATION</b>	<b>RESEARCH METHODS</b>	<b>FINDINGS</b>	<b>RESEARCH GAPS</b>	<b>AUTHORS</b>
Susceptibility to Positive Peer Influence and Ethical Behaviour	None	2022	Germany and Berlin	10-20 years (Adolescence)	Computerized tasks and questionnaires in a separate room	Compliant peers promote rule compliance and fair peers increased pro sociality. A belief formation task further revealed that younger adolescents tend to assimilate social information, while older adolescents prioritize personal views	This study focused on adolescence and compliance to rules not behaviours in Germany and Berlin which are developed countries	Molleman, Ciranka & van den Bos (2022).
	Social Learning Theory, Normative Influence Theories: Differential Association Theory	2019			Review of theories and empirical works	Peer influence occupies an intriguing place in criminology	Offered some lines of future work that offer pathways to yielding the greatest added value to the discipline but couldn't conclude on the subject	McGloin & Thomas (2019).



Materialism and Ethical Behaviour	None	2016	Nigeria	500 Senior secondary school students in Delta Central Senatorial District	Descriptive survey which is correlational in nature	There is relationship between peer Influence and deviant behaviour	This study focused on students who may not have work experience	Onakpoberuo & Ugoji (2016).
	Theory of Planned Behaviour	2020		420 selected by a probability sampling method	Personal interviews	Materialists are mostly influenced by their attitudes and their perceived control over participation in boycotting	Control for social desirability was not included. samples were not based on national or multinational consideration	Delistavrou, Krystallis & Tilikidou (2020).
	None	2020	Malaysia	200 Chinese and Malaysian undergraduates	Questionnaires were distributed physically and via online	Findings showed a significant relationship between ethics and materialism	The study is not limited to Malaysia since some respondents were Chinese students	Teik, bin Kamaruddin, Bulathsinalage & Seneviratne (2020).
	None	2011	Australia	1,011 Australian consumers	Online survey	Higher levels of materialism lead to more positive beliefs regarding actively benefiting from illegal actions	Variables explaining ethics were less than 15%	Chowdhury & Fernando (2011).

Political Trust and Ethical Behaviour	None	2011	Europe	33 European countries using the 1999–2001 European Values Study	Survey data	Respondents with low levels of political trust are more likely to accept illegal behaviour such as tax fraud	This study was focused on European countries and hence generalisation to another continent may not be ideal	Marien & Hooghe (2011).
	None	2020	Italy and French	372 Italian and French participants	Survey	People comply with governmental restrictions for different motives, such as, they are concerned about the issue at hand or they trust their government to enact appropriate regulationS	Their interest was not in who does comply but in who does not	Lalot, Heering, Rullo, Travaglino & Abrams (2022).
	Policy theory	2013	England	Nine local councils in England	Large-scale public survey and case study analysis	Contextual factors and ethical standards and behaviour of councilors were among the more important determinants of public trust	Limited support from our interviewees for the view that councils can increase public trust	Downe, Cowell, Chen & Morgan (2013).
Moderating role of Self-control on the	General Theory of Crime,	2013	10 cities in USA	1,526 Study families were recruited for	Longitudinal birth cohort study	Individuals who are higher in self-control are less likely to be	It does not constitute a truly representative	Meldrum, Miller & Flexon (2013).

relationship between Susceptibility to Positive Peer Influence and Ethical Behaviour	Social Learning Theory Situational Action Theory, Social Learning Theory	2022	Linz, Austria	inclusion in the SECCYD at hospitals 1294 Students	conducted from 1991 through 2007. Online survey was based on a multistage sampling plan.	susceptible to peer influence  The significance of crime-prone friends decreases as morality gets stronger and self-control gets higher	sample of American youth  Reliance on perceptions of peer delinquency in a study dedicated to the analysis of person–environment interactions is debatable	Hirtenlehner, Bacher, Leitgöb & Schartmueller (2022).
	Social Control Theory, Interactional theory and Social Learning Theory	2021	Zurich	1675 children	Longitudinal study	Self-control is a strong predictor for future delinquent behaviour	Peer delinquency was measured indirectly via the respondents' perception of their friends' behaviour	Huijsmans, Nivette, Eisner & Ribeaud (2021).
Moderating role of Self-control on the relationship between Materialism	Construal level theory	2013		Eighty-eight consumers were recruited and participated for \$12	Participants were assigned at random to a condition	Self-control is one of the most important attributes that a person needs to succeed. Materialism has a negative impact on it	The study did not assess extrinsic value orientation	Kim (2013).

and Ethical Behaviour	Self-determination theory	2017	America	Undergraduate students	Questionnaires	Enhancing self-control and long-term orientation, the intention to resist consumption and the frugality scores of high- and low-materialism individuals increase	This study was fixated on students who do not have work experience and are taken care of by their parents	Nepomuceno & Laroche (2017).
	Self-control theory	2004	Asia, Africa, America and Others	Undergraduate students attending a large East Coast state university	Questionnaires	Low self-control is thus a significant risk factor for a broad range of personal and interpersonal problems.	This study was fixated on students who do not have work experience and are taken care of by their parents	Tangney, Baumeister & Boone (2004).
Moderating role of Self-control on the relationship between Political Trust and Ethical Behaviour	General theory of crime	2011	Southern United States	301 respondents from a college-based sample at a large state university	Survey data (cross-sectional)	Individuals with lower levels of self-control were less likely to judge the police in their locality as procedurally fair or to perceive them as legitimate	Variables which may potentially influence evaluations of the police were not included in the multivariate models	Wolfe (2011).

Source: Field survey (2023)

### **Susceptibility to positive peer influence and ethical behaviour**

Semenza, Jackson, Testa and Meldrum (2022) posit that susceptibility to positive peer influence refers to how people are influenced or impacted by their peers, who are people of a similar age, status or social group. This influence has the potential to affect an individual's behaviour, attitudes, beliefs, choices and decisions. This study focused on adolescent and their sleep behaviours and was conducted in ten diverse cities across the United States, the sampling design is not nationally representative, and the generalizability of findings may be somewhat limited. Also, the study did not clearly establish the theory underpinning the study.

Andrews, Foulkes and Blakemore (2020) established that people are especially vulnerable to peer influence for a variety of reasons. To begin, individuals seek to learn about social standards from their peers. Through a process known as peer socialization, individuals gradually conform their behaviour to the norms of their group or the group to which they aspire. Secondly, individuals might derive particular enjoyment from attaining social status, which is a potential outcome of aligning with peers. Ultimately, individuals are acutely aware of the adverse consequences of social marginalization. Therefore, they may adhere to a group norm to steer clear of such marginalization. However, theory underpinning this study was not clearly established and it focused on peer influence on adolescent behaviours.

Gino and Galinsky (2012) reasoned that psychological closeness and a sense of belonging to someone who behaves unethically can separate one from one's own moral compass and raise the possibility that one will replicate that behaviour as well as engage in moral disengagement. Vicarious self-concept

theory and self-expansion theory underpinned this study. One-hundred three students from local universities in the southeastern United States were the population considered for this study.

Some scholars maintain that when other theoretically relevant variables are considered, the influence of peers on ethical behaviour remains strong (Pratt & Cullen 2000; Pratt, Cullen, Sellers, Thomas Winfree Jr, Madensen, Daigle & Gau, 2010). As a result, negative peer influence plays a significant role in the genesis of delinquent and unethical behaviour. According to earlier studies, professional accountants ethical behaviour and decision-making are adversely impacted by their coworkers' unethical behaviour (Deshpande, Joseph & Prasad, 2006; Deshpande & Joseph, 2009; Beekun, Stedham, Westerman & Yamamura, 2010). Moore and Gino (2013) established that peers contribute to the development of ethical behaviour through their deeds or inaction. Therefore, ethical peers are important agents for improving the ethical behaviour of professional accountants. Based on these arguments, it was anticipated that;

H1: Susceptibility to positive peer influence has a significant and positive influence on ethical behaviour of professional accountants.

### **Materialism and ethical behaviour**

Materialism is related to a larger desire to obtain goods (Richins & Dawson, 1992); persons who have a high level of materialism are typically more indifferent with ethical issues (Kasser, 2016). Ghadirian (2011) asserted that materialism not only degrades human morals but also hinders sustainable consumption, thereby contributing to various societal issues like human trafficking, child labor and forced labor. Most studies have found unfavorable

connections between materialism and people's prosocial activities, such as ethical consumption (Dittmar, Bond, Hurst & Kasser, 2014; Kozar & Marcketti, 2011). Materialism is viewed as a set of individual values (Kilbourne & Laforge, 2010; Sun, D'Alessandro & Johnson, 2014). According to Theory of Reasoned Action, an individual's attitude toward a specific action determines his or her intention to engage in that conduct significantly. Richins and Dawson (1992) identified some limitations in their study. First, many of the measures did not possess adequate levels of reliability for use in anything except exploratory research. Also, the construct validity of many of the measures were not established.

In the context of materialism, professional accountants' attitude toward material goods and the pursuit of riches can have a significant impact on his or her willingness to engage in materialistic behaviours. A person is more likely to engage in materialistic behaviours if he or she a positive mindset toward obtaining material possessions and believe that these possessions lead to happiness and success. Making possessions a priority in one's life may lead to professional accountants with more materialistic tendencies breaking ethical rules to obtain belongings (Muncy & Eastman, 1998). Kozar and Marcketti (2011) established that there is a major link between materialism and ethics. People who reported being more ethical had less materialistic ideals.

In terms of ethical attitudes, strain theorists (Ji, Dimitratos, Huang and Su, 2019; Johnson and Duberley, 2011) contend that materialistic people are more likely to be frustrated than less materialistic people due to their insatiable desire for possessions cannot be met by their restricted access to resources and hence engage in various deviant behaviours (Morales & Holtschlag, 2013).

Individuals that find enjoyment in their items are more materialistic (Lu and Lu, 2010), individuals of this nature are more likely to be unethical in order to achieve their objectives. This is due to their belief that material things are a sign of achievement (Muncy & Eastman, 1998). Hence, if accountants like these cannot attain materialistic values through conventional methods, they may turn to unethical means.

H<sub>2</sub>: Materialism has a significant and negative influence on the ethical behaviour of professional accountants.

### **Political trust and ethical behaviour**

Political trust refers to individuals' confidence and faith in their government, political institutions and the political system as a whole. It is an important term in political science and sociology because it influences people's attitudes, behaviours and views of their government and political processes (Malkina, Ovchinnikov & Kholodilin, 2021). This study examined two dimensions of political trust in Russia. The first dimension was target (sociotropic vs. egocentric), while the second was time (retrospective vs. perspective). The study used microdata from the 2016 Life in Transition Survey (LiTS) of the European Bank for Reconstruction and Development.

Lalot, Heering, Rullo, Travaglino and Abrams (2022) conducted a survey amongst Italian and French participants in March 2020 while both countries had imposed full lockdown and reasoned that people cooperate with government restrictions for a variety of reasons, including concern for the current circumstances or confidence in their government to enact appropriate legislation. Political trust is also influenced by a sense of shared identity with the political authority (Tyler & Degoe, 1995). Hence, when a professional



accountant believes they can trust the various institutions because those institutions are ethical based on shared identity, they are motivated to behave ethically. In a similar vain, widespread corruption in political institutions may also motivate citizens to participate in corrupt acts in order to profit from existing clientelist networks, particularly, if democratic institutions are weak. According to Manzetti and Wilson (2007), unethical political leaders tend to obtain citizen support by seizing the governmental infrastructure and administering benefits to citizens through existing corrupt networks using a cross-national analysis of citizens in fourteen (14) countries. SLTCD primarily focuses on criminal behaviour, its principles can be applied to understand the formation and change of political trust. When there are weak political systems it encourages criminal behaviours. Also, social learning theory explains that people tend to learn or imitate the behaviours of political leaders they trust.

Thus, in nations with underdeveloped and weak political institutions, corruption may boost participation of citizens seeking to profit from corrupt regimes. Citizens who harbor distrust, on the contrary, are more prone to assess the costs and benefits of compliance, potentially resulting in free-riding (Tyler, 2006). In instances where citizens harbor distrust toward the government, their readiness to adhere to government decisions is constrained. Specifically, professional accountants are less inclined to contribute taxes and are more prone to finding ways to evade such obligations. Marien and Hooghe (2011), conducted a study, the findings revealed that individuals with diminished levels of political trust are significantly more prone than those with high levels of political trust to accept criminal behaviour such as tax evasion. Based on these arguments, it was anticipated that;

H<sub>3</sub>: Political trust has a significant and positive impact on the ethical behaviour of professional accountants.

**Moderating role of self-control on the relationship between susceptibility to positive peer influence and ethical behaviour**

Temptations are widespread in daily life. Our surroundings often evoke impulses that occasionally clash with our personal objectives, such as maintaining a healthy diet, upholding marital fidelity, saving money, or completing a professional task. These stimuli range from food advertisements and pharmaceuticals to sexual imagery and social media. Self-control is characterized as the process or behaviour of resisting temptation or a compelling response in favor of a competing objective (Milyavskaya et al., 2019). According to Rachlin (1974), human behaviour is regulated from within and that the environmental events that govern human behaviour most likely occur over a longer time span.

Self-control is often demonstrated by our capacity to modify undesirable habits, withstand temptations and override initial impulses. (Baumeister, 2002; Fujita, Trope, Liberman & Levin-Sagi, 2006). Based on Theory of Reasoned Action, self-control is important in how individuals respond to susceptibility to positive peer influence because they emphasize their long-term goals and ideals. People with high self-control are more likely to withstand peer influence when it contradicts their attitudes or intentions. TRA and self-control help people negotiate social pressures and make judgments in a variety of situations, particularly those involving peer influences.

According to Hoffmann (2022), people with low self-control who hang out with other people who use drugs are more likely to consume them. Yet, individuals with higher levels of self-control are inclined to report either no or low-frequency substance use, irrespective of the prevalence of substance use among their friends. Adlya, Yusuf and Effendi (2020) argued that individuals with good self-control will exhibit disciplined behaviour. Hence, it is reasoned that accountants with high level of self-control will not require positive peer influence in order to behave ethically. They have the capacity to make independent ethical decisions without the influence of their peers or work mates. Based on these arguments, it was anticipated that;

H<sub>4</sub>: Self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants in a way which weakens this nexus.

#### **Moderating role of self-control on the relationship between materialism and ethical behaviour**

Self-control is the capability of our future selves to regulate our present actions. When self-control falters, individuals tend to behave in a suboptimal manner, such as procrastinating on tasks even when they recognize the benefits of distributing the workload over time (Ariely & Wertenbroch, 2002; Fudenberg & Levine, 2006). These explanations for the breakdown of self-control align with the Behavioural Life-Cycle (BLC) hypothesis proposed by Shefrin and Thaler (1988). As per the Behavioural Life-Cycle (BLC) hypothesis, individuals' behaviour over the course of their lives is influenced by their capacity to resist impulses and the costs associated with exerting such

self-control. Based on Theory of Reasoned Action, high level of self-control can help individuals resist impulsive spending driven by materialistic desires.

Materialism is a value or worldview defined by a great desire for material belongings and the conviction that they are essential to one's pleasure and well-being (Smith & Monforte, 2020). The ability to resist temptations, particularly those related to materialism, is a critical feature of self-control. Previous studies have shown that self-control is negatively associated with materialism (Xu, 2008). Thus, it is expected that self-control could weaken the negative effects of materialism on ethical behaviour. Professional accountants with high level of self-control have the tendency to subdue to their materialistic desires thereby limiting the extent to which materialism could influence them to behave unethically. Based on these arguments, it was anticipated that;

H<sub>5</sub>: Self-control moderates the relationship between materialism and ethical behaviour of professional accountants in a way which weakens this nexus.

#### **Moderating role of Self-control on the relationship between political trust and ethical behaviour**

Laran (2020) posits self-control as capacity to regulate behaviours to steer clear of temptations and attain goals. It involves the ability to postpone immediate gratification, resist undesirable behaviours or desires and is regarded as a finite resource that can be depleted. Citizens' assessments of the core institutions of the polity are referred to as political trust and it entails a favorable assessment of the key attributes that contribute to the trustworthiness of each political institution. These attributes include credibility, fairness,

competence, transparency in policy-making, and openness to competing views (Geurkink, Zaslove, Sluiter & Jacobs, 2020).

It is expected that accountants with high levels of self-control will rely less on political institutions and structures in determining their ethical behaviour. Professional accountants with high levels of self-control are likely to be more law abiding and ethical with or without the presence of stronger institutions and structures in a country. Based on these arguments, it was anticipated that;

H<sub>6</sub>: Self-control moderates the relationship between political trust and ethical behaviour of professional accountants in a way which weakens this nexus.

### **Control variables**

In correlational studies, the utilization of control variables is a common practice, primarily aimed at enhancing the precision of relationships between variables, conducting more cautious hypothesis testing and eliminating potential alternative interpretations for empirical results (Becker, Atinc, Breaugh, Carlson, Edwards & Spector, 2016). Age and Gender are the control variables for this study.

#### ***Age***

According to Kohlberg's theory of moral development (Kohlberg, 1958), age exerts a positive influence on moral development as individuals advance from lower to higher levels of moral reasoning. Onumah, Simpson and Kwarteng (2021) posit that age strengthens the ethical attitude of professional accountants. Also, Belás, Khan, Maroušek and Rozsa (2020) argue that age is relevant to ethical beliefs and behaviour. Age is positively and significantly connected with ethical behaviour and decision making, according to several

studies (Bateman & Valentine 2010; McMahon & Harvey 2007). However, Forte (2004) argued that an individual's age does not have a significant influence on their moral reasoning. Similarly, VanSandt, Shepard & Zappe, (2006) identified age as a non-significant moderator in the relationship between ethical work climate and moral awareness. This study anticipated that age is significant in examining the determinants of ethical behaviours of professional accountants in Ghana.

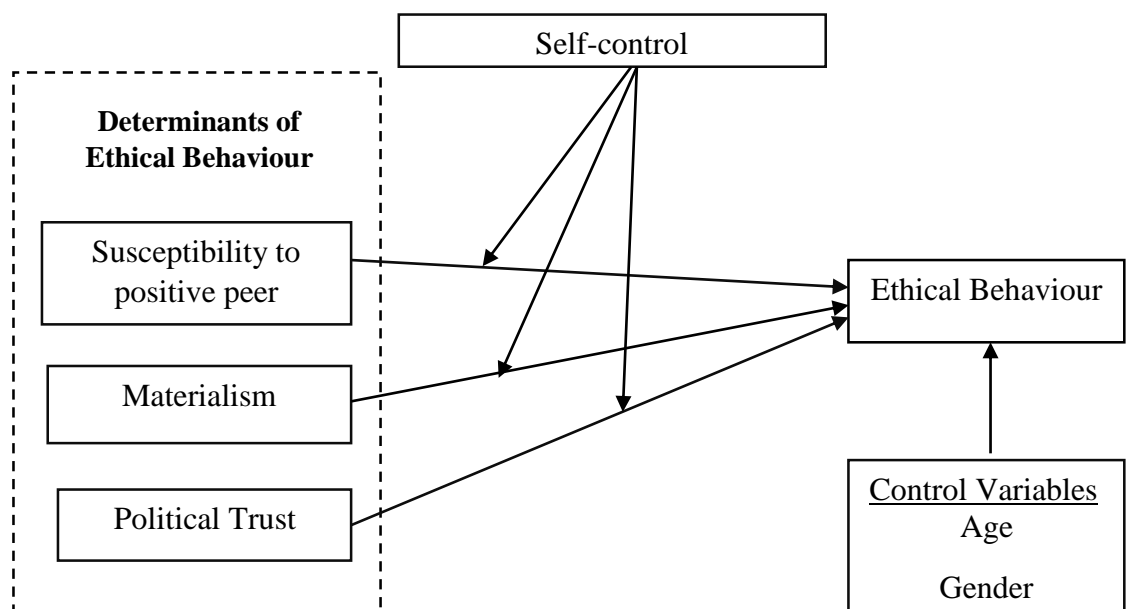
### ***Gender***

Bishop, Lee, Ferrell, Fraedrich and Ferrell (2018) posit that women exhibited a greater inclination to voice their concerns when encountering fraud or unethical behaviour compared to men. Additionally, the study suggests that women are likely to demonstrate higher levels of virtue compared to men. Kirichenko's research concludes that gender distinctions have the potential to influence ethical sensibility and judgment through socialization (Kirichenko, 2020). Sikula and Costa (1994); Schoderbek and Deshpande (1996) did not find any significant gender-based distinctions in ethics.

Liyanapathirana and Samkin (2014) also confirmed that studies failed to substantiate significant differences in ethics between males and females in decision-making. In contrast, some research suggests that females tend to exhibit higher ethical standards than males in behaviours and decision-making (Eweje & Brunton, 2010; Gill, 2010; Beekun, Stedham, Westerman & Yamamura, 2010; Modarres & Rafiee, 2011). Most studies support the view that gender and ethics are related. Hence, this study anticipated that gender is significant in examining the determinants of ethical behaviours of professional accountants in Ghana.

## Conceptual Framework

This section provides the conceptual framework for the important variables in the study's objectives. The framework depicts the study's research aims in a graphical format. According to the objectives, ethical behaviour is the dependent variable, whereas susceptibility to positive peer influence, materialism and political trust are the independent variables. This framework sought to analyse how the independent variables (susceptibility to positive peer influence, materialism and political trust) influence the dependent variable (ethical behaviour). While self-control moderates the link between these relationships. The control variables are age and gender. This framework is presented in Figure 1.



*Figure 1: Conceptual Framework*  
Source: Author's construct (2023)

## Chapter Summary

The chapter discussed appropriate theories that underpin the study, which includes; social learning theory of crime and deviance, social learning theory and theory of reasoned action. Further, the chapter reviewed variables of the study which ranged from susceptibility to positive peer influence,

materialism and political trust, as well as the moderating variable self-control. Also, their relationships with ethical behaviour.

The chapter empirically showed the various relationships between susceptibility to positive peer influence, materialism, political trust and ethical behaviour as well as the moderating role of self-control on these relationships. Based on the various theories and the empirical works, the need for professional accountants to behave ethically was demonstrated. The proposed conceptual framework which epitomizes understanding of how the variables in the study link with each other was discussed using the underpinning theories.



## **CHAPTER THREE**

### **RESEARCH METHODS**

#### **Introduction**

According to Leedy and Omrod (2015), The research methodology is the overall approach that the researcher employs in conducting the research project. This chapter presents the methods that were adopted in the collection and analysis of data. It consists of research paradigm, research approach, research design, study area, population, sampling technique and sample size determination, source of data, study instruments, data collection procedure, data processing and analysis and ethical consideration. The study sought to examine the determinants (susceptibility to positive peer influence, materialism and political trust) of the ethical behaviour of professional accountants with self-control as moderating variable.

#### **Research Paradigm**

The post positivist philosophy was used to conduct research in this study. This ideology emphasizes that any knowledge considered to be factual can be trusted if gathered from observation (Prasad, 2017). This assertion assumes that researchers who follow this ideology are limited to explanation. Thus, post positivism is founded on quantifiable observations and leads to statistical analysis, as in the current study, which investigated determinants of ethical behaviour of professional accountants in Ghana. Post positivism thus concludes that the object being investigated and the meaning ascribed to it possess a distinct and separate existence from the researcher's standpoint (Bell, Bryman & Harley, 2022).

### **Research Design**

The study used explanatory research approach. Explanatory research focuses on studying a specific issue in order to explain relationships between variables (Saunders & Bezzina, 2015). Given the objective of the study, which is to determine the relationships between the variables of interest, which are; susceptibility to positive peer influence, materialism, political trust, self-control and ethical behaviour, the explanatory research design was deemed to be more appropriate.

### **Research Approach**

This study employed quantitative approach to research. The main objective was to investigate the relationships among susceptibility to positive peer influence, materialism, political trust, self-control and ethical behaviour of professional accountants in Ghana, it can only be performed efficiently through the use of quantitative research, as quantitative research is structured to identify and delineate variables with the aim of establishing their interrelationships (Garner, Wagner & Kawulich, 2009).

### **Study Area**

The study was conducted on professional accountants belonging to ICA Ghana. This professional body was selected because it is the only body responsible for the certification and regulation of accountancy practice in Ghana as enshrined in The Companies Act, 2019, (Act 992). Also, its members are the sole individuals officially acknowledged for conducting audits of company accounts in Ghana.

## **Population**

According to Leedy and Ormrod (2010), the population is identified as the target group for which the researcher aims to gather information and draw conclusions. A population is a group of people, events or objects that researcher's study by observing certain qualities (Saunders, Lewis & Thornhill, 2009). The target population of the study comprised professional (Chartered) accountants in Ghana belonging to Institute of Chartered Accountants, Ghana. Members in Good Standing as at June 2023 were seven thousand, eight hundred and twenty-five (7,825), this was published by ICAG on their website.

## **Sampling Procedure**

Sampling procedure is that which a sample has been drawn to represent the actual set of units (Saunders et al., 2009). The sample size is a subset of the population selected to symbolize the entire population (Garson, 2012). The study's sample size was determined using the population of members in good standing as at June, 2023 (i.e. 7,825). A sample size of 366 members was obtained using Krejcie and Morgan's (1970) sample size table and a 5% margin of error.

This study employed simple random sampling procedure to pick respondents for this study. Questionnaire was sent to ICAG through their e-mail and copies were left at the ICAG office, which were distributed to the population through their e-mails and various social media platforms such as WhatsApp. Data was collected with respect to people who responded to the questionnaires.

## Data Collection Instrument

Primary data were used. To acquire data from respondents, this study used questionnaires which were administered online. A questionnaire was created based on the study's specific research hypotheses and objectives. The questionnaire technique is adopted for the quantitative data collection in the study because it can produce reasonably accurate and reliable results that can be generalized to the study population (Jogulu & Pansiri, 2011). The questionnaire was adapted from some published works of various researchers (McConchie, Hite, Blackard & Cheung, 2022; Griffin, Babin & Christensen, 2004; Godefroidt, Langer & Meuleman, 2017; Pechorro DeLisi, Pacheco Abrunhosa Gonçalves, Maroco & Quintas, 2022; Al Halbusi, Williams, Ramayah, Aldieri & Vinci, 2021). The questionnaire was divided into five sections. Section A collected information on demographic characteristics of respondents; age, sex, marital status and work experience.

Section B measured susceptibility to positive peer influence, section C measured materialism, section D measured political trust, section E measured self-control and section F measured ethical behaviour. Various variables were measured using 7-point Likert scale composed of level of agreement; 1 representing least agreement and 7 representing highest form of agreement. Taherdost (2019) based on empirical evidence concluded that 7-point Likert scale is the best and the most accurate as well as the easiest to use.

### **Ethical Consideration**

Conducting social science research raises concerns such as participant anonymity, unauthorized data usage, personal and sensitive topics and data security. University of Cape Coast requires students conducting research to seek and acquire clearance when doing a research involving human beings from the University's Institutional Review Board. Institute of Chartered Accountants Ghana received an introductory letter from the researcher issued by the institutional ethical review board (IRB). The researcher duly followed all ethical procedures; confidentiality, subject autonomy and anonymity were scrupulously upheld throughout the duration of the study. In addition, the questionnaire was designed with respondent confidentiality in mind.

### **Operationalisation of Key Variables**

This section delineates how study variables were measured to accomplish research objectives, with all measurement items grounded in a review of the existing literature. The independent variables (susceptibility to positive peer influence, materialism and political trust). The dependent variable was ethical behaviour and self-control moderated the various relationships. Table 1 revealed all variable indicators were based on in-depth literature reviews. Various measurement indicators and sources were also shown in table 1 below.

**Table 2: Measurement of Variables and Sources**

Variables	Measurement Indicators	Sources
Susceptibility to positive peer Influence	14 items: operationalized and defined as the pressure to want to feel accepted and valued by your mates using a 7-point Likert scale	McConchie, Hite, Blackard & Cheung (2022).
Materialism	17 items: operationalised and defined as the tendency to consider material possessions and physical comfort as more important. It includes happiness, centrality and success using a 7-point Likert scale.	Griffin, Babin & Christensen (2004).
Political Trust	5 items: operationalised and defined as the extent to which citizens perceive institutions (parliament, legal system, police, politicians and presidency) and political actors of democratic regimes to be trustworthy using a 7-point Likert scale.	Godefroidt, Langer & Meuleman (2017).
Self-control	12 items: operationalised and defined as the war between impulsivity and doing what is right or beneficial. Using Grasmick et al.'s Low Self-Control Scale (LSCS) includes impulsivity, risk seeking, self-centered using a 7-point Likert scale.	Pechorro DeLisi, Pacheco Abrunhosa Gonçalves, Maroco & Quintas (2022).
Ethical Behaviour	15 items: operationalised and defined as a collection of moral principles that serve as a guide for behaviour. Which includes normative and juridical ethical behaviour within an organization by specifying on a 7-point Likert scale	Al Halbusi, Williams, Ramayah, Aldieri & Vinci (2021).

Source: Field survey (2023)

### Data Collection Procedure

Following the acceptance of the study instrument, data was gathered in October, 2023. According to Sekaran and Bougie (2016), the manner through which a researcher collects data is essential in determining the response rate

for a certain study. The Department of Accounting, UCC provided an authority letter and an informed consent form filled by the researcher and approved by the Institutional Review Board was distributed with the questionnaire to ICAG through their e-mail and copies were left at the ICAG office, which was then distributed to members through their mails and various social media platforms such as, WhatsApp. Data collection activity was conducted online. The data gathered from the questionnaires was standardized hence, all respondents were asked the same questions. The questionnaires were distributed twice a week. A period of three weeks was used in collecting the data.

### **Data Processing and Analysis**

Data processing and analysis transform massive volumes of data into relevant information and reports that may be used for decision making and policy formulation (Cooper & Schindler, 2014). The data was collected using google forms. Coding and processing of the data was done using SPSS version 26. The processed data was analysed using descriptive and inferential techniques. The descriptive comprises of percentages, frequency, means and standard deviations. Whereas the inferential technique employed was the Partial Least Squares- Structural Equation Modelling (PLS-SEM 4.0) in order to achieve the research objectives. PLS-SEM 4.0 was used due to its ability to address model complexity, limited sample size and prediction issues. The findings will be provided in Tables and Figures also, the sequence of the specific objectives considered in the study will be shown in Chapter 4.

### **Reliability and Validity of the Instruments**

According to Bergström and Baviskar (2021), reliability and validity are important in evaluating a particular instrument. Validity and reliability are closely linked notions that express various qualities of the measuring instrument being used. To uphold the validity of the questionnaires, the researcher scrutinized additional pertinent literature that corroborated the construct of the instrument. The questionnaire underwent scrutiny and approval from the supervisor before being administered to the respondents. Also, some of the scale items were scientifically validated. The reliability of the scale was evaluated by internal consistency method using Cronbach's Alpha which emphasizes on the individual constructs. According to Victoria (2022), a cut off of 0.7 and above is mostly considered as better results.

### **Chapter Summary**

The chapter provided various methods that were used in conducting the study (determinants of ethical behaviour of professional accountants in Ghana). The study employed post positivists paradigm, explanatory research approach, population of seven thousand, eight hundred and twenty-five, a sample size of three hundred and sixty-six and simple random sampling technique. Questionnaires were administered online for data collection, reliability and validity was tested. Finally, SPSS version 26 and SMART PLS (4.0) were used in data entry, processing and analysis.



## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### Introduction

This chapter presents findings on determinants of ethical behaviour of professional accountants in Ghana. The chapter provides the study's findings as per the defined research objectives. It initiates with descriptive statistics concerning the demographic characteristics of respondents. The demographic data furnishes information on the various participants in the study. The gender, marital status, age and work experience of the respondents are presented in this section. The findings were also deliberated upon, taking into consideration the implications of these results and some assertions based on empirical works. The findings are presented systematically in alignment with the research objectives. This chapter provides details on the results of the analysis.

#### Demographic Characteristics of Respondents

The demographic information is a categorical data, Hence, it was described through the use of frequency and percentage (%). This data delineates various characteristics of respondents, affirming that the sample was chosen from the intended population. The findings are presented in Table 3.

**Table 3: Demographic Information**

Variable		Frequency	Percentage
Gender	Female	100	28.65
	Male	249	71.35
	Total	349	100.0
Age	21 to 30	148	42.41
	31 to 40	103	29.51
	41 to 50	56	16.05
	51 and above	42	12.03
	Total	349	100.0
Marital status	Cohabiting	4	1.15
	Divorced	4	1.15
	Married	164	46.99
	Single	177	50.71
	Total	349	100.0
Work experience	1 to 5 years	160	45.85
	11 to 15 years	54	15.5
	16 to 20 years	32	6.5
	21 years	34	9.17
	6 to 10 years	69	19.77
	Total	349	100.0

Source: Field survey (2023)

The sample size of the study was three hundred and sixty-six (366). However, the responses recorded were three hundred and forty-nine (349). Hence, seventeen (17) responses were not attained. The attained response rate was 95.36%. The demographic profile of the respondents in this study, as illustrated in Table 2, indicates that 249 males participated, constituting 71.35% of the participants, while 100 females responded, representing 28.65% of the participants. The sex demographic findings reveal a predominance of male respondents in the study. Regarding age distribution, out of the total

sample population responding to the questionnaires, 148 individuals were between the ages of 21-30 years (42.41%), 103 were between 31-40 years (29.51%), 56 were between 41-50 years (16.05%). Finally, 42 were 51 years and above (12.03%). The majority of respondents fell within the 21-30 age range, indicating a predominantly youthful demographic.

Concerning marital status, out of those providing information, 4 were cohabiting (1.15%), 4 were divorced (1.15%), 164 were married (46.99%), and 177 were single (50.71%). The marital status demographic characteristics highlight a majority of single respondents. Finally, with regards to work experience, out of the total sample population responding to the questionnaires, 160 individuals reported having 1-5 years of working experience (45.85%), 69 had 6-10 years (19.77%), 54 had 11-15 years (15.50%), 32 had 16-20 years (6.50%), and 34 had 21 years and above (9.17%). The work experience demographic characteristics reveal a prevalence of respondents with 1-5 years of working experience.

### **Descriptive Statistics of Constructs**

The variables were assessed using descriptive statistics such as mean and standard deviation. Dess and Lumpkin, (2005) as well as Abaka-aggrey, (2021) established that mean score value of 1.0 to 2.9 denotes the least agreement while a mean score value of 3.0 to 5.0 strong agreement respectively. Table 4 shows the results of the descriptive.

**Table 4: Descriptive Statistics**

	N	Min	Max	Mean	Std. Dev
EB1	349	1.0	7.0	5.768	1.6226
EB2	348	1.0	7.0	5.874	1.5093
EB3	348	1.0	7.0	5.362	1.7645
EB4	348	1.0	7.0	5.402	1.7541
EB5	348	1.0	7.0	4.908	1.8229
EB6	348	1.0	7.0	5.379	1.8393
EB7	348	1.0	7.0	5.856	1.6166
EB8	348	1.0	7.0	5.374	1.6852
EB9	348	1.0	7.0	5.580	1.6535
EB10	348	1.0	7.0	5.707	1.5336
EB11	348	1.0	7.0	5.638	1.7514
EB12	348	1.0	7.0	5.638	1.8287
EB13	348	1.0	7.0	5.454	1.8302
EB14	348	1.0	7.0	5.144	1.8400
EB15	348	1.0	7.0	5.609	1.6379
SPP1	348	1.0	7.0	5.075	1.7112
SPP2	348	1.0	7.0	4.787	1.6893
SPP3	348	1.0	7.0	4.764	1.6794
SPP4	348	1.0	7.0	5.092	1.5679
SPP5	348	1.0	7.0	4.845	1.6990
SPP6	348	1.0	7.0	4.920	1.5868
SPP7	348	1.0	7.0	4.856	1.6237
SPP8	348	1.0	7.0	5.282	1.6198

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SPP9	348	1.0	7.0	5.322	1.6176
SPP10	348	1.0	7.0	5.132	1.6211
SPP11	348	1.0	7.0	4.328	1.8194
SPP12	348	1.0	7.0	4.879	1.5897
SPP13	348	1.0	7.0	4.828	1.6888
SPP14	348	1.0	7.0	4.862	1.6988
PT1	348	1.0	7.0	2.983	1.7884
PT2	348	1.0	7.0	3.552	1.7095
PT3	348	1.0	7.0	2.856	1.6966
PT4	348	1.0	7.0	1.920	1.3810
PT5	348	1.0	7.0	2.460	1.6019
SC1	348	1.0	7.0	5.201	1.7043
SC2	348	1.0	7.0	5.782	1.4318
SC3	348	1.0	7.0	5.282	1.6162
SC4	348	2.0	7.0	5.868	1.4324
SC5	348	1.0	7.0	4.925	1.7044
SC6	348	1.0	7.0	5.299	1.8911
SC7	348	1.0	7.0	5.443	1.7916
SC8	348	1.0	7.0	5.557	1.5687
SC9	348	1.0	7.0	5.448	1.5871
SC10	348	1.0	7.0	5.753	1.4332
SC11	348	1.0	7.0	4.753	2.0149
SC12	348	1.0	7.0	5.448	1.7129
MT1	348	1.0	7.0	3.759	1.8155
MT2	348	1.0	7.0	3.098	1.7955

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MT3	348	1.0	7.0	3.644	1.8377
MT4	348	1.0	7.0	2.776	1.8225
MT5	348	1.0	7.0	2.529	1.6965
MT6	348	1.0	7.0	3.391	1.8556
MT7	348	1.0	7.0	2.718	1.8428
MT8	348	1.0	7.0	4.328	1.9360
MT9	348	1.0	7.0	2.609	1.7501
MT10	348	1.0	7.0	2.764	1.8368
MT11	348	1.0	7.0	2.943	1.8895
MT12	348	1.0	7.0	2.517	1.7698
MT13	348	1.0	7.0	3.897	1.8997
MT14	348	1.0	7.0	3.971	1.9517
MT15	348	1.0	7.0	3.563	1.9427
MT16	348	1.0	7.0	3.753	1.8940
MT17	348	1.0	7.0	3.690	1.9640

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Source: Field survey (2023)

A close observation of the descriptive statistics (table 4), ethical behaviour (EB) has a mean score ranging from 4.91 as the least and 5.87 as the highest, susceptibility to positive peer influence (SPP) has a mean score ranging from 4.33 as the least and 5.09 as the highest, political trust (PT) has a mean score ranging from 1.92 as the least and 3.55 as the highest, self-control (SC) has a mean score ranging from 4.75 as the least and 5.86 as the highest, materialism (MT) has a mean score ranging from 2.51 as the least and 4.33 as the highest. Based on this result; ethical behaviour, self-control and susceptibility to positive peer influence all denotes strong agreement to the variable. However,

political trust had most of its mean values ranging from 1.9 to 3 which represent low agreement to the variable and materialism has some of its variables having low agreement and some having strong agreement.

### **Model Specification**

The model must be defined before the analysis in PLS-SEM can begin. This is performed by defining the measurement model first and then the structural model is defined (Hair, Sarstedt, Matthews & Ringle, 2016). The measurement model illustrates the relationship between constructs and the indicators or measurements that are connected with them, whereas the structural model depicts the hypothesized links between constructs (Hair, Risher, Sarstedt & Ringle, 2019). In light of the above discovery, the survey vividly detailed both models in the following parts.

### **Measurement Model Specification**

The measuring model is related to the indicators that are used to evaluate each construct. Sixty-seven indicators were utilized in this model to determine the influence of the five constructs (susceptibility to positive peer influence, materialism, political trust self-control and ethical behaviour) and control variables (age and gender).

Susceptibility to positive peer influence was measured with fourteen indicators. These fourteen indicators were adopted and empirically validated by McConchie, Hite, Blackard and Cheung (2022). To measure the construct, the adopted scaled were itemised as PI1, PI2, PI3, PI4, PI5, PI6, PI7, PI8, PI9, PI10, PI11, PI12, PI13 and PI14. Materialism was measured with seventeen indicators. These seventeen indicators were adapted and empirically validated by Griffin, Babin and Christensen (2004). To measure the construct, the

adapted scaled were itemised as MT1, MT2, MT3, MT4, MT5, MT6, MT7, MT8, MT9, MT10, MT11, MT12, MT13, MT14, MT15, MT16 and MT17. Hair, Black, Babin, Anderson and Tatham (2010) posit that indicators with outer loadings below 0.6 were considered for elimination, as they do not adequately represent the underlying construct. Consequently, MT1 and MT8 were eliminated during analysis because their values falling below 0.6.

Political Trust was measured with five indicators. These five indicators were adopted and empirically validated by Godefroidt, Langer and Meuleman (2017). To measure the construct, the adopted scaled were itemised as PT1, PT2, PT3, PT4 and PT5. Self-control was a moderating variable used to access the link between the various relationships that exist between susceptibility to positive peer influence, materialism, political trust and ethical behaviour. The construct was measured with twelve indicators. These twelve indicators were adapted and empirically validated by Pechorro, DeLisi, Pacheco, Abrunhosa Gonçalves, Maroco and Quintas (2022). To measure the construct, the adapted scaled were itemised as SC1, SC2, SC3, SC4, SC5, SC6, SC7, SC8, SC9, SC10, SC11 and SC12. However, SC10 and SC12 were eliminated because the values of their outer loadings were below 0.6 and do not represent the existing construct (Hair et al., 2010).

Finally, Ethical behaviour was measured with fifteen indicators. These fifteen indicators were adopted and empirically validated by Al Halbusi, Williams, Ramayah, Aldieri and Vinci (2021). To measure the construct, the adopted scaled were itemised as EB1, EB2, EB3, EB4, EB5, EB6, EB7, EB8, EB9, EB10, EB11, EB12, EB13, EB14 and EB15.



### **Structural Model Specification**

This study's structural model has one endogenous and three exogenous constructs. This survey's endogenous concept is ethical behaviour. The study's exogenous constructs include susceptibility to positive peer influence, materialism and political trust. The survey's hypotheses were empirically tested using SmartPLS.

### **Measurement Model Assessment**

The evaluation of a reflective PLS model's measurement model is a statistical process used to verify the reliability of the survey's measurement model before proceeding with further structural analysis (Hair et al., 2016). By achieving statistical credibility, a study's measurement model must exhibit sufficient internal consistency reliability, discriminant validity and convergent validity. Therefore, this evaluation is systematically conducted using SmartPLS. Internal consistency is assessed through Cronbach's alpha and composite reliability. By examining Average Variance Extracted (AVE) and the factor loadings (indicators), convergent validity is assessed (Hair et al., 2016). Discriminant validity is evaluated using three statistical tools: Heterotrait-Monotrait Ratio criterion (HTMT), cross-loadings and Fornell-Larcker (Henseler, Ringle & Sarstedt, 2015).

In this study, HTMT criterion was predominantly used to evaluate discriminant validity among the study's constructs. The HTMT is frequently preferred for assessing discriminant validity because it provides a clear measure of the upper limit of discriminant validity (Hair et al., 2016; Henseler et al., 2015). The HTMT (Heterotrait-Monotrait Ratio) is a highly effective method for evaluating discriminant validity, in addition to the Fornell-Larcker

criterion and cross-loadings approach, which are also commonly used for this purpose. Once the survey model has been defined in both structural and measurement terms, the following section focuses on assessing the internal consistency reliability of the study's constructs.

### Internal Consistency Reliability Assessment

Hair et al. (2016) assert that a construct (measurement model) is considered to have adequate internal consistency if both the composite reliability and Cronbach's Alpha exceed the minimum acceptable threshold of 0.700. Furthermore, Henseler et al. (2015) argue that composite reliability is the most robust or upper-bound measure for evaluating internal consistency when assessing the measurement model. Cronbach's alpha is considered the lower-bound measure for assessing internal consistency reliability. Therefore, the internal consistency reliability of the constructs is detailed in Table 5.

**Table 5: Internal Consistency Reliability Results**

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Ethical behaviour	0.977	0.978	0.979	0.755
Materialism	0.953	0.981	0.956	0.595
Susceptibility to positive peer influence	0.968	0.974	0.972	0.713
Political trust	0.788	0.831	0.800	0.445
Self-control	0.927	0.940	0.938	0.603

Source: Field survey (2023)

A close examination of the Cronbach's Alpha values in Table 5 shows that the internal consistency was reliable, with all items exceeding the minimum threshold of 0.7 (Hair, Hult, Ringle & Sarstedt, 2016). Additionally, it is

evident that the constructs were reliable, as demonstrated by the composite reliability scores surpassing the threshold of 0.7 (Ringle, Wende & Becker, 2015).

### **Convergent Validity Assessment**

Convergent validity can only be established if two key requirements are met: the indicator loadings must be significant, and the average variance extracted (AVE) from the data must be sufficient. Based on their contribution to content validity, Hair et al. (2010) recommend that indicators with outer loading values below 0.6 should be considered for elimination, as they may not sufficiently represent the underlying construct. As a result loadings MT1, MT8, SC10 and SC12 were removed because their outer loadings were below 0.6. However, if the AVE is low for a construct, its composite reliabilities must meet the thresholds to indicate convergent reliability (Fornell & David, 1981). This implies that if the AVE for a construct is low but its reliability is high or meets standard, it is acceptable. Building on the argument to guarantee the measurement credence of the study's measurement model, Table 6 presents the convergent validity assessment considering the outer loadings and Average Variance Extracted (AVE).

**Table 6: Convergent Validity Assessment Result**

	<b>Outer loadings</b>	<b>AVE</b>
EB1 <- Ethical behaviour	0.823	0.755
EB10 <- Ethical behaviour	0.937	
EB11 <- Ethical behaviour	0.869	
EB12 <- Ethical behaviour	0.858	
EB13 <- Ethical behaviour	0.905	
EB14 <- Ethical behaviour	0.846	
EB15 <- Ethical behaviour	0.860	
EB2 <- Ethical behaviour	0.852	
EB3 <- Ethical behaviour	0.861	
EB4 <- Ethical behaviour	0.866	

EB5 <- Ethical behaviour	0.840	
EB6 <- Ethical behaviour	0.824	
EB7 <- Ethical behaviour	0.915	
EB8 <- Ethical behaviour	0.900	
EB9 <- Ethical behaviour	0.864	
MT10 <- Materialism	0.872	
MT11 <- Materialism	0.813	
MT12 <- Materialism	0.874	
MT13 <- Materialism	0.684	
MT14 <- Materialism	0.649	
MT15 <- Materialism	0.757	
MT16 <- Materialism	0.739	
MT17 <- Materialism	0.759	
MT2 <- Materialism	0.654	0.595
MT3 <- Materialism	0.658	
MT4 <- Materialism	0.781	
MT5 <- Materialism	0.809	
MT6 <- Materialism	0.724	
MT7 <- Materialism	0.871	
MT9 <- Materialism	0.862	
PI1 <- Susceptibility to positive peer influence	0.652	
PI10 <- Susceptibility to positive peer influence	0.921	
PI11 <- Susceptibility to positive peer influence	0.747	
PI12 <- Susceptibility to positive peer influence	0.891	
PI13 <- Susceptibility to positive peer influence	0.817	
PI14 <- Susceptibility to positive peer influence	0.829	
PI2 <- Susceptibility to positive peer influence	0.755	
PI3 <- Susceptibility to positive peer influence	0.838	0.713
PI4 <- Susceptibility to positive peer influence	0.893	
PI5 <- Susceptibility to positive peer influence	0.899	
PI6 <- Susceptibility to positive peer influence	0.891	
PI7 <- Susceptibility to positive peer influence	0.877	
PI8 <- Susceptibility to positive peer influence	0.890	
PI9 <- Susceptibility to positive peer influence	0.873	
PT1 <- Political trust	0.663	
PT2 <- Political trust	0.705	
PT3 <- Political trust	0.627	0.445
PT4 <- Political trust	0.641	
PT5 <- Political trust	0.695	
SC1 <- Self-control	0.803	
SC11 <- Self-control	0.744	
SC2 <- Self-control	0.738	
SC3 <- Self-control	0.854	
SC4 <- Self-control	0.663	0.603
SC5 <- Self-control	0.745	
SC6 <- Self-control	0.803	
SC7 <- Self-control	0.820	
SC8 <- Self control	0.796	

SC9 <- Self control	0.782
age <- age	1.000
gender <- gender	1.000
Self-control x Political trust -> Self-control x Political trust	1.000
Self-control x Susceptibility to positive peer influence ->	1.000
Self-control x Susceptibility to Positive Peer influence	
Self-control x Materialism -> Self-control x Materialism	1.000

Source: Field survey (2023)

### Discriminant Validity Assessment

According to Hair et al. (2016), discriminant validity assesses the empirical distinctiveness of constructs within a model, focusing on how each construct differs from others. To evaluate discriminant validity, three distinct criteria can be used: the Fornell-Larcker criterion, cross-loadings, and the Heterotrait-Monotrait ratio (Hair et al., 2019).

**Cross-Loading Criteria:** The cross-loading criterion requires that an indicator's loading on its intended construct must be higher than its loadings on any other constructs within the model (Hair et al., 2019). In other words, for discriminant validity, an indicator should show a stronger association with the construct it is designed to measure compared to any alternative constructs. Cross-loadings are considered the lower bound of discriminant validity (Henseler et al., 2015). However, the survey did not use the cross-loading criterion to evaluate discriminant validity among the study's constructs.

**Fornell-Larcker Criteria:** The Fornell-Larcker criterion, the second method for assessing discriminant validity in reflective measurement models, asserts that "the square root of the AVE of each construct should be greater than the construct's correlation with any other construct in the model" (Hair et al., 2016). However, the survey did not use the Fornell-Larcker criterion to evaluate discriminant validity among the study's constructs.

**Heterotrait-Monotrait Ratio Criteria:** The HTMT (Heterotrait-Monotrait Ratio) criteria represent the most robust method for assessing discriminant validity, as it reflects the upper bound of discriminant validity (Henseler et al., 2015; Hair et al., 2016). For a construct's discriminant validity to be considered satisfactory, its HTMT value should ideally be below 0.85 (Kline, 2011) or 0.9 (Gold, Malhotra, & Segars, 2001; Teo, Srivastava, & Jiang, 2008; Henseler et al., 2015). However, if the HTMT value exceeds 0.9 but is closer to 0.9 than to 1.0, the score can be deemed marginally acceptable for further statistical analysis (Benitez, Henseler, Castillo & Schuberth, 2020; Gaskin, Godfrey & Vance, 2018).

With the overriding statistical merits of the HTMT ratio of being a more contemporary and robust measure of discriminant validity than both the Fornell-Larcker and cross-loading criterion as a result of representing the upper bound criterion for assessing the discriminant validity of constructs, the study deemed it prudent to employ the use of the Heterotrait-Monotrait Ratio criteria to determine the discriminant validity of the study's constructs in Table 7.

**Table 7: Heterotrait-monotrait ratio (HTMT) - Matrix**

	Ethical behaviour	Materialism	Susceptibility to Positive Peer influence	Political trust	Self control	age	Gender	Self control x Materialism	Self control x S.to Positive Peer influence	Self control x Political trust
Ethical behaviour										
Materialism	0.194									
Susceptibility to Positive Peer Influence	0.414	0.205								
Political trust	0.306	0.319	0.374							
Self-control	0.584	0.121	0.502	0.414						
Age	0.100	0.169	0.116	0.066	0.050					
Gender	0.107	0.047	0.038	0.099	0.044	0.182				
Self-control x Materialism	0.206	0.114	0.208	0.215	0.280	0.010	0.060			
Self-control x susceptibility to Peer influence	0.316	0.190	0.228	0.206	0.478	0.074	0.032	0.358		
Self-control x Political trust	0.403	0.065	0.285	0.160	0.618	0.067	0.074	0.443	0.579	

Source: Field survey (2023)

A critical evaluation of the discriminant validity results, as shown in Table 7, indicated no issues with discriminant validity. None of the constructs' HTMT values exceed the threshold of 0.950 (Benitez, Henseler, Castillo & Schuberth, 2020; Gaskin, Godfrey & Vance, 2018). Therefore, the survey confirms that the discriminant validity of its constructs is satisfactory and suitable for further statistical analysis. The findings from the measurement model also demonstrate that the requirements of PLS-SEM concerning discriminant validity, convergent validity, and internal consistency reliability have been met. The next section focuses on evaluating the structural model.

### **Structural Model Assessment**

After confirming the measurement model's reliability (internal consistency) and validity (convergent and discriminant), the next step assesses the adequacy of the structural model in predicting the interactions between exogenous and endogenous constructs. Hair et al. (2016) recommend a systematic approach for analyzing results using PLS-SEM, particularly when evaluating the structural model's predictive capabilities and the relationships between components. This approach begins with checking for collinearity issues within the structural model, followed by assessing the significance and relevance of the relationships among constructs. Next, it involves analyzing the coefficient of determination ( $R^2$ ), evaluating the effect size ( $f^2$ ), and assessing the predictive relevance ( $Q^2$ ) of the model.

Consequently, to enhance consistency and clarity, the presentation of findings is structured following the process mentioned above. The study commenced the structural model assessment by considering the evaluation of



collinearity among the study's data. This assessment was necessary to assess whether there exists any collinearity in the study's data.

To ensure consistency and clarity, the presentation of findings was organized according to the aforementioned process. The study began the assessment of the structural model by evaluating collinearity among the data. This step was crucial for determining whether collinearity issues were present within the study's dataset.

### **Collinearity Statistics (VIF)**

Given the susceptibility of reflective models to errors and biases (Afum, Sun, & Kuis, 2019), it was essential to assess collinearity statistics and report on them accordingly (Hair et al., 2016). This assessment utilized the Variance Inflation Factor (VIF) value, which is well-regarded for its relevance in evaluating collinearity within reflective models in structural modeling (Kock, 2015).

**Table 8: VIF**

	VIF
Materialism -> Ethical behaviour	1.165
Susceptibility to Positive Peer influence -> Ethical behaviour	1.431
Polical trust -> Ethical behaviour	1.591
Self control -> Ethical behaviour	2.433
age -> Ethical behaviour	1.109
gender -> Ethical behaviour	1.052
Self control x Materialism -> Ethical behaviour	1.367
Self control x Susceptibility to Positive Peer influence -> Ethical behaviour	1.758
Self control x Polical trust -> Ethical behaviour	2.205

Source: Field survey (2023)

According to Hair et al. (2016), tolerance values below 0.200 or a Variance Inflation Factor (VIF) value exceeding 5 are considered critical indicators of collinearity issues within constructs. Such levels of collinearity suggest significant multicollinearity among predictor variables, which can complicate the estimation of functional and robust PLS-SEM models. However, based on the VIF scores reported in Table 8, no collinearity issues were detected, as none of the constructs had a VIF value exceeding 4.999.

### **Common Method Bias**

Common Method Bias (CMB) is used to check self-reported biases of the respondents to the questionnaires. CMB of the responses for each model were checked together with the measurement model when using the outer loading and with structural model when reporting the inner VIF models. This technique is usually conducted to establish or otherwise the non-existence of self-reported biases that may contaminate the validity of the results (Podsakoff, MacKenzie & Podsakoff, 2012). In PLS-SEM, the CMB is ascertained by relying on the collinearity statistics (VIF scores). It is recommended that the scores of VIF of the indicators range from 0 to 5 (Hair et al., 2016).

### **Coefficient of Determination ( $R^2$ )**

PLS-SEM employs structural models to predict the relationships between latent constructs. The  $R^2$  value is the primary metric used to evaluate the predictive capability of a structural model. This value indicates the proportion of variance in the endogenous construct that is explained by the exogenous constructs.  $R^2$  ranges from 0 to 1, with higher values signifying greater predictive power of the exogenous constructs on the endogenous

construct. Yuliansyah and Razimi (2015) as well as Hair et al. (2016) suggest that the smallest acceptable coefficient of determination ( $R^2$ ) is 10%. This model includes one endogenous variable (ethical behaviour) and exogenous constructs (susceptibility to positive peer influence, materialism, and political trust). The coefficient of determination for the study's endogenous construct is presented in Table 9.

**Table 9: Coefficient of Determination ( $R^2$ )**

	R-square	R-square adjusted
Ethical Behaviour	0.490	0.477

Source: Field survey (2023)

Table 9 presented the coefficient of determination results for this survey. It was further investigated how much variance in ethical behaviour could be attributed to changes in susceptibility to positive peer influence, materialism and political trust. They explained a considerable variation in the ethical behaviour ( $R^2=0.49$ ). Having objectively assessed the coefficient of determination in this section, the next step is to evaluate the model's predictive relevance ( $Q^2$ ) in the following section.

### **Predictive Relevance ( $Q^2$ ) Assessment**

The  $Q^2$  statistic is utilized in PLS-SEM to assess the predictive relevance of a structural model. According to Hair et al. (2016; 2019),  $Q^2$  values greater than 0 indicate that the exogenous constructs have predictive relevance for the endogenous construct. To estimate the cross-validated redundancy values, a PLS predict approach was employed with an omission distance of 7. These values reflect the  $Q^2$  (predictive relevance) for the endogenous construct in the model. The  $Q^2$  values for the model are presented in Table 10.

**Table 10: Predictive Relevance ( $Q^2$ )**

	$Q^2_{\text{predict}}$	RMSE	MAE
Ethical Behaviour	0.338	0.818	0.629

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Source: Field survey (2023)

Results from Table 10 indicated that ethical behaviour in this survey exhibits predictive relevance with respect to the independent variables. Predictive relevance is confirmed, as the  $Q^2$  cross-validated redundancy scores for ethical behavior were above zero (0), demonstrating that the exogenous constructs have a meaningful predictive impact on the endogenous constructs. This suggests that all the study's exogenous constructs collectively contributed to explaining the model. Following this, the study evaluated the effect sizes of each structural path after objectively assessing the model's predictive relevance ( $Q^2$ ).

#### **Effect Size ( $f^2$ ) Assessment**

Including the  $f^2$  effect size is crucial for determining the contribution of each exogenous construct to the  $R^2$  value of the endogenous construct. The  $f^2$  effect size, as outlined by Cohen (1992), measures the impact of each exogenous latent variable on the endogenous variable in the model. Evaluating the effect size is important for quantifying the significance of the impact (Henseler, 2017). To classify the impact size as strong, moderate, or mild, the  $f^2$  values should meet or exceed thresholds of 0.350, 0.150, or 0.020, respectively (Cohen, 1988). Table 11 displays the effect sizes ( $f^2$ ) for the various structural paths observed in this study

**Table 11: F square**

	f-square
Materialism -> Ethical behaviour	0.199
Susceptibility to Positive Peer influence -> Ethical behaviour	0.050
Political trust -> Ethical behaviour	0.035
Self-control -> Ethical behaviour	0.092
age -> Ethical behaviour	0.035
gender -> Ethical behaviour	0.020
Self-control x Materialism -> Ethical behaviour	0.000
Self-control x Susceptibility to Positive Peer influence -> Ethical behaviour	0.015
Self-control x Political trust -> Ethical behaviour	0.002

Source: Field survey (2023)

### **Specific Direct Effect Model Path Coefficient and Decision on Hypotheses**

Table 12 presents the PLS-SEM analysis results, including the path coefficients, t-statistics, and p-values. To determine the significance of the path coefficients, three thresholds are used: a statistic of 1.65 ( $p\text{-value} \leq 0.10$ ), 1.96 ( $p\text{-value} \leq 0.05$ ), and 2.57 ( $p\text{-value} \leq 0.01$ ). In this study, conventional decision criteria were applied to identify significant path coefficients between exogenous and endogenous constructs, specifically those with a statistic of 1.96 or higher or a p-value of 0.05 or lower. The specific direct effect model path coefficients are detailed in Table 12.

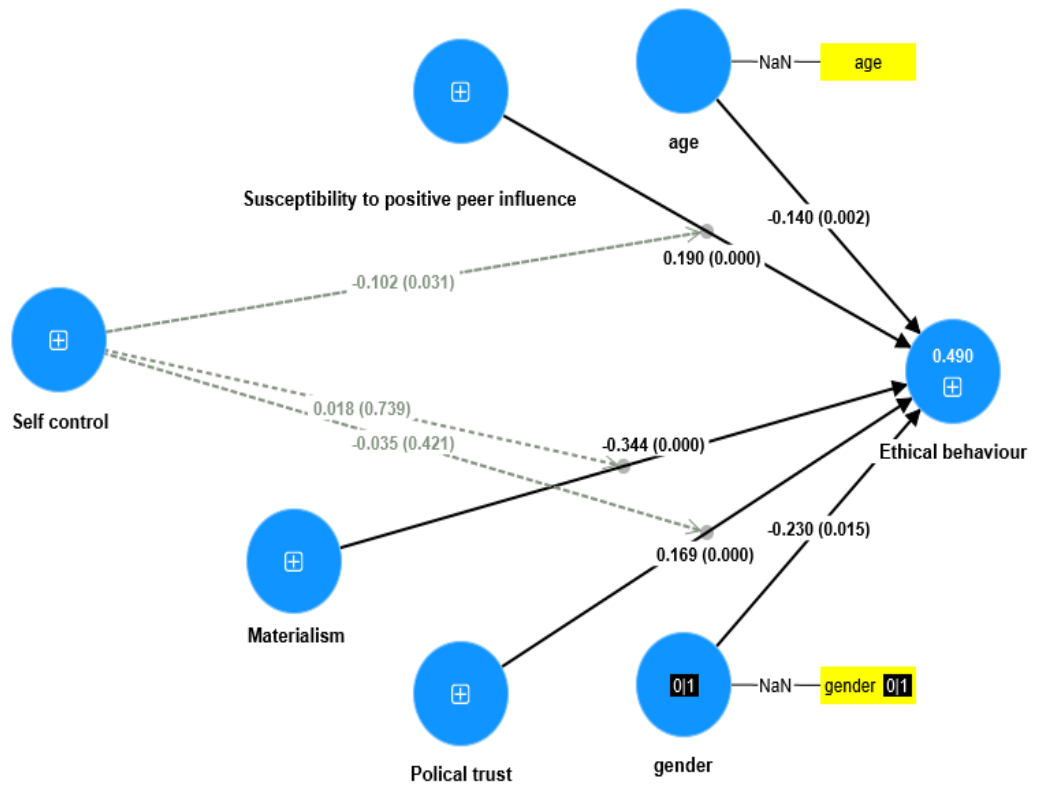


Figure 2: Bootstrap algorithm with moderator

Source: Field survey (2023)

**Table 12: Mean, STDEV, T values, p values**

	Original sample (O)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values	Decision Rules
Materialism -> Ethical behaviour	-0.344	0.046	7.438	0.000	Accepted
Political trust -> Ethical behaviour	0.169	0.041	4.066	0.000	Accepted
Self-control -> Ethical behaviour	0.338	0.053	6.337	0.000	
Susceptibility to positive peer influence -> Ethical behaviour	0.190	0.051	3.723	0.000	Accepted
age -> Ethical behaviour	-0.140	0.044	3.148	0.002	
gender -> Ethical behaviour	-0.230	0.095	2.425	0.015	
Self-control x Susceptibility to positive peer influence -> Ethical behaviour	-0.102	0.047	2.153	0.031	Accepted
Self-control x Political trust -> Ethical behaviour	-0.035	0.044	0.805	0.421	Rejected
Self-control x Materialism -> Ethical behaviour	0.018	0.054	0.333	0.739	Rejected

Source: Field survey (2023)

**Table 13: Summary of structural model assessment**

<b>Independent Variable</b>	<b>Dependent Variable</b>	<b>Path Coefficients</b>	<b>P value</b>	<b>Adjusted R<sup>2</sup></b>	<b>f<sup>2</sup></b>	<b>VIF</b>	<b>Q<sup>2</sup> Predict</b>
Materialism	Ethical behaviour	-0.344	<b>0.000*</b>	<b>0.477</b>	0.199	<b>1.165</b>	<b>0.338</b>
Susceptibility to positive peer influence	Ethical behaviour	0.190	<b>0.000*</b>		0.050	<b>1.431</b>	
Political trust	Ethical behaviour	0.169	<b>0.000*</b>		0.035	<b>1.591</b>	
Self-control	Ethical behaviour	0.338	<b>0.000*</b>		0.092	<b>2.433</b>	
Age	Ethical Behaviour	-0.118	<b>0.002*</b>		0.035	<b>1.109</b>	
Gender		-0.168	<b>0.015</b>		0.020	<b>1.052</b>	
Self-control x Materialism -> Ethical behaviour		0.018	<b>0.739</b>		<b>0.000</b>	<b>1.367</b>	
Self-control x susceptibility to positive peer influence -> Ethical behaviour		-0.102	0.031		<b>0.015</b>	<b>1.758</b>	
Self-control x Political trust -> Ethical behaviour		0.018	0.421		0.002	<b>2.205</b>	

Source: Field survey (2023)



## Discussion of Findings

This study examined the determinants of ethical behaviour of professional accountants in Ghana. This study was guided by six (6) objectives which was subsequently broken down into six (6) hypotheses. This section addressed three of these hypotheses; H<sub>1</sub>: Susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour of professional accountants, H<sub>2</sub>: Materialism has a significant and negative influence on the ethical behaviour of professional accountants and H<sub>3</sub>: Political trust has a significant and positive impact on the ethical behaviour of professional accountants. Per the finding presented above, the study's implications and validations are discussed below;

### **H<sub>1</sub>: Susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour of professional accountants**

Findings from the study affirm the hypothesis that susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour of professional accountants. This empirical assertion is supported by the statistical evidence, including a significant probability value of 0.00, a positive path coefficient of 0.190, a significant t-statistics value of 3.723. Hence, susceptibility to positive peer influence affects ethical behaviour positively (Gino & Galinsky, 2012)

In a study conducted by Andrews et al. (2020), it was established that people exhibit heightened susceptibility to positive peer influence because positive peer influence reinforces pro-social values and ethical principles. When people see their peers acting ethically, they may act as a model for acceptable behaviour and foster a greater feeling of moral responsibility.

Also, humans have an innate desire to identify with and be approved by their social groupings. Individuals seeking to retain a strong social identity and identification with a group that emphasizes ethical behaviour can have a positive influence on ethical behaviour.

Finally, they may be inclined to adhere to group norms to avoid such adverse consequences and ensure their social inclusion. The findings of this study are consistent with studies empirically carried out by other researchers (Semenza et al., 2022) and the social learning theories proponents. All these scholars established that susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour. Hence, the study failed to reject hypothesis one ( $H_1$ ).

## **H<sub>2</sub>: Materialism has a significant and negative influence on the ethical behaviour of professional accountants**

Findings from the study affirm the hypothesis that materialism has a significant and negative influence on the ethical behaviour of professional accountants. This empirical claim was arrived at as a result of materialism attaining a significant probability value of 0.00, a negative path co-efficient of -0.344 and a desirable t-statistics value of 7.438 which is statistically significant. Hence, materialism affects ethical behaviour negatively (Muncy & Eastman, 1998).

Kozar and Marcketti (2011) advanced that high materialism negatively affects ethical behaviour because individuals with high materialistic aspirations tend to have lower levels of ethical values. In terms of ethical attitudes, Ji, Dimitratos, Huang and Su (2019) established that materialistic ideals may lead individuals to emphasize their own self-interest over ethical

considerations, resulting in behaviours that prioritize financial success over ethical standards. Also, unethical practices may be accepted when driven by the pursuit of material success. This acceptance may manifest in behaviours like the exploitation of workers, or the adoption of unethical business practices aimed at maximizing profits.

Johnson and Duberley (2011) argued that, people with strong materialistic tendencies are more susceptible to frustration. This is because their insatiable desire for possessions often exceeds their limited access to resources, leading them to engage in various deviant and unethical behaviours. The findings of this study are consistent with studies empirically carried out by other researchers (Morales & Holtschlag, 2013) and the proponents of the theory of reasoned action. All these scholars established that materialism has a significant and negative influence on the ethical behaviour. Hence, the study failed to reject hypothesis two (H<sub>2</sub>).

### **H<sub>3</sub>: Political trust has a significant and positive impact on the ethical behaviour of professional accountants**

Findings from the study affirm the hypothesis that political trust has a significant and positive impact on the ethical behaviour of professional accountants. This empirical claim was arrived at as a result of political trust attaining a significant probability value of 0.00, a positive path co-efficient of 0.169 and a desirable t-statistics value of 4.066 which is statistically significant. Hence, political trust affects ethical behaviour positively (Malkina, Ovchinnikov & Kholodilin, 2021). It is believed that citizens including professional accountants who have little trust in the political system's institutions will find it more acceptable to breach the law. Since then, the loss

of trust has extended beyond a more critical attitude toward politicians to a loss of trust in core democratic institutions and procedures (Marien & Hooghe, 2011).

Bertsou (2019) argues that, when accountants have confidence that regulatory frameworks are transparent, fair and in alignment with ethical principles, their likelihood of complying with regulations and practicing ethics increases. Additionally, faith in the institutions overseeing various professions, as indicated by political trust, enhances the probability that people will uphold ethical standards, perceiving support and reinforcement for ethical conduct within these institutions. Moreover, trust in political leadership establishes an ethical tone at the top, thereby shaping the overall ethical culture within various professions. Political trust plays a pivotal role in influencing the conduct of professional accountants and consequently, has a significant impact on the vitality of democratic governance.

It has been reasoned that individuals' levels of trust in the government play a crucial role in their behaviour and determining their willingness to pay taxes. Similarly, trust in the government is a key factor in shaping citizens' compliance with collective obligations (Scholz & Lubell, 1998). The findings of this study are consistent with studies empirically carried out by other researchers (Bob-Milliar & Lauterbach, 2021) and the social learning theories proponents. All these scholars established that political trust has a significant and positive influence on the ethical behaviour. Hence, the study failed to reject hypothesis three (H<sub>3</sub>).

### **Moderating Effect and Decision Hypotheses**

This section assessed the three other objectives of the study which sought to; examine the moderating role of self-control on the relationships between susceptibility to positive peer influence and ethical behaviour (H<sub>4</sub>), materialism and ethical behaviour (H<sub>5</sub>) and political trust and ethical behaviour (H<sub>6</sub>). The study followed the parameters and guidelines postulated by Memon, Cheah, Ramayah, Ting, Chuah and Cham (2019) for moderating analysis. Guarana et al. (2021), established that violent crime, personal debt, deviance, counterproductive work conduct, abusive supervision and unethical behaviour have all been found to be directly or indirectly correlated with low self-control. Based on the analysis, it is established that there is a significant relationship between self-control and ethical behaviour and the path coefficient is 0.338.

#### **H4: Self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants in a way which weakens this nexus**

Findings from the study affirm the hypothesis that susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour of professional accountants. Findings also affirm that self-control has a significant influence on this relationship. This empirical claim was arrived at as a result of attaining a significant probability value of 0.031, a path co-efficient of -0.102 which shows that self-control weakens the relationship and a t-statistics of 2.153. Hence, self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants in a way which weakens this nexus.

Meldrum, Miller and Flexon (2013) posit that individuals who are higher in self-control are less prone to be susceptible to peer influence. Their ability to regulate impulses weakens the link between susceptibility to positive peer influence and any ethical actions. This is because Individuals with high self-control are able to make decisions autonomously, evaluating ethical issues independently of peer influence. People with great self-control may rely less on peers, reducing the impact of positive peer influence on their ethical behaviour. Also, Hirtenlehner, Bacher, Leitgöb and Schartmueller (2022) also established that the significance of friends decreases as morality and self-control gets higher. High trait self-control tends to protect professional accountants against peer influence.

Finally, professional accountants with robust self-control may prioritize ethical principles over immediate peer approval, thus mitigating the influence of positive peer influence on their ethical behaviour. This is because, individuals with good self-control will exhibit disciplined behaviour (Adlya, Yusuf & Effendi, 2020). Self-control then becomes a far more important influencer of ethical behaviour than susceptibility to positive peer influence. Hence, professional accountants with high level of self-control do not have to rely on the positive peer influence of their friends or colleagues to behave ethically. This is underpinned by the theory of reasoned action. They have what it takes (self-control) on their own to behave ethically. All these scholars established that self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants in a way which weakens this nexus. Hence, the study failed to reject hypothesis four (H<sub>4</sub>).

**H5: Self-control moderates the relationship between materialism and ethical behaviour of professional accountants in a way which weakens this nexus.**

Findings from the study affirm the hypothesis that materialism has a significant and negative influence on the ethical behaviour of professional accountants. However, findings do not affirm that self-control has a significant influence on this relationship. This empirical claim was arrived at as a result of attaining an insignificant probability value of 0.739, a path co-efficient of 0.018. which shows that self-control as a moderating variable strengthens this relationship but is not significant in this relationship and a t-statistics of 0.333.

Materialism is associated with a host of negative outcomes (Burroughs and Rindfleisch 2002; Kasser and Ahuvia 2002), not the least of which is self-control failure (Fitzmaurice 2008). Materialistic people exhibit higher levels of impulsivity and an inability to delay gratification which is opposite to self-control (Kim, 2013). As per the Behavioral Life Cycle (BLC) hypothesis, individuals' lifelong behaviour is governed by their capacity to withstand impulses and the associated costs of exercising self-control. If a professional accountant has relatively low levels of self-control, the moderating effect may be limited. In such cases, materialistic values could have a more negative pronounced impact on ethical behaviour, even in the presence of some degree of self-control.

Hence, organizational and professional context can introduce pressures that challenge even professional accountants with strong self-control to succumb to their materialistic nature, if the organizational culture prioritizes materialistic values or places undue emphasis on financial success, it may

create an environment where self-control strengthens the negative influence of materialism on ethical behaviour. This is underpinned by the theory of reasoned action. Therefore, Materialism renders self-control insignificant in relation to ethical behaviour. Hence, the study reject hypothesis five (H<sub>5</sub>).

**H6: Self-control moderates the relationship between political trust and ethical behaviour of professional accountants in a way which weakens this nexus.**

Findings from the study affirm the hypothesis that political trust has a significant and positive influence on the ethical behaviour of professional accountants. However, findings do not affirm that self-control has a significant influence on this relationship. This empirical claim was arrived at as a result of attaining an insignificant probability value of 0.421, a path co-efficient of - 0.035 which shows that self-control as a moderating variable weakens this relationship but is not significant in this relationship and a t-statistics of 0.805. Trust involves willingness to tolerate vulnerability in exchange for reciprocity (Rousseau, Sitkin, Burt & Camerer, 1998).

People who trust the government are also more inclined to pay their taxes and follow rules. Political trust fosters an optimistic, cohesive and prosperous social environment (O'Dea, 2018). Political trust can alter a person's perception of the ethical standards and actions that society expects. Professional accountants are more inclined to believe that those in power uphold and support ethical behaviour by establishing systems that promote ethical behaviour, when they have a high level of trust in their political leaders and institutions. This can serve as a constructive role model for citizens,



encouraging them to live their lives in accordance with ethical norms and ideals.

Self-control is largely concerned with internal regulation and may be limited in its ability to counteract external forces. When the external influence of political trust is great, even professional accountants with high self-control may struggle to resist such influences on their ethical behaviour and decision-making. This is supported by the theory of reasoned action. In situations where, political trust has a pervasive impact, the moderating effect of self-control might be diminished and external influences may still strongly shape ethical behaviour. Which may render self-control insignificant, political trust renders self-control insignificant in relation to ethical behaviour. Hence, the study reject hypothesis six ( $H_6$ ).

### **Control Variables**

#### ***Age***

Findings from the study affirm that age has a significant influence on the ethical behaviour of professional accountants. This empirical claim was arrived at as a result of attaining a significant probability value of 0.002, a path co-efficient of -0.140 and a t-statistics of 3.148 which shows there is a negative relationship between age and ethical behaviour of professional accountants. Age is believed to contribute positively to moral development as individuals advance from lower to higher stages of moral reasoning (Kohlberg, 1958). Nakajima and Hotta (1989) argued that adults have cultivated diverse and sophisticated methods for comparing the factors influencing behaviours and decisions. It was argued that younger people often

behave ethically and make ethical decisions than the aged (Vitell, Singh, & Paolillo, 2007).

According to Akenbor & Tennyson (2014) organizations seek to maximize their profit by dealing with pressures from employers and clients. As a professional accountant grows in the field they tend to find ways to deal with these pressures and stresses which may include individuals developing ethical blind spots over time, where they rationalize or justify behaviours that might be considered unethical in order to achieve their targets. Based on this argument, age has a significant relationship with ethical behaviour.

### *Gender*

Findings from the study affirm that gender has a significant influence on the ethical behaviour of professional accountants. This empirical claim was arrived at as a result of attaining a significant probability value of 0.015, a path co-efficient of -0.230, which shows a negative relationship between gender and ethical behaviour and a t-statistics of 2.425. Several studies indicate that women tend to demonstrate greater ethical standards than men in their behaviours and decision-making (Modarres & Rafiee, 2011; Beekun, Stedham, Westerman & Yamamura, 2010; Eweje & Brunton, 2010; Gill, 2010). Also, Kirichenko (2020) argued that gender differences may alter ethical sensibility and judgment through socialization.

Men and women exhibit variations in task completion and information processing, influencing the execution of specific tasks under certain conditions. The introduction of diverse values and traits from both genders in the workplace can lead to distinct responses in their professional endeavours. Disparities in performance between males and females,

characterized by distinct traits, make gender an important factor (Pratiwi & Januarti, 2013). In a related study, Kidwell, Stevens and Bethke (1987) found that females tended to view the concealment of errors as more unethical compared to males.

Onumah et al. (2022), argued that men may have a comparatively lesser influence on ethical attitudes when juxtaposed with women. Examining the percentage of female accountants in Ghana, it is plausible that the limited number of women entering the profession perceive it as a privilege, leading them to maintain a high ethical standard to safeguard their chosen field. Based on this argument, gender has a significant relationship with ethical behaviour.

### **Chapter Summary**

The chapter discussed the findings in relation to the specific research objectives considered in the study setting. The findings were examined in light of their ramifications and prior empirical hypotheses, as demonstrated by the literature review.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **Introduction**

This session of this empirical research study presents the study's summary. The principal objective of this study was to examine the determinants of ethical behaviour of professional accountants in Ghana. This chapter summarises the key findings, conclusions and suggestions for further research by concluding this study. The recommendations based on significant results are provided for the various regulatory bodies and The Institute of Chartered Accountants, Ghana.

#### **Summary of the study**

The study sought to examine the determinants of ethical behaviour of professional accountants in Ghana. Specifically, the study aimed to examine the effects of susceptibility to positive peer influence on ethical behaviour, examine the effects of materialism on ethical behaviour, ascertain the effects of political trust on ethical behaviour, examine the moderating role of self-control on the relationship between susceptibility of positive peer influence and ethical behaviour, determine the moderating role of self-control on the relationship between materialism and ethical behaviour and ascertain the moderating role of self-control on the relationship between political trust and ethical behaviour. In addition, six hypotheses were formulated to achieve the specific objectives.

The study employed an explanatory research design because the approach to data analysis was quantitative. The study targeted professional

(Chartered) accountants in Ghana belonging to Institute of Chartered Accountants, Ghana. Members in Good Standing as at June 2023. The study targeted seven thousand, eight hundred and twenty-five chartered accountants (7,825). A sample of three hundred and sixty-six (366) chartered accountants was selected.

A random sampling technique was used. The study used a structured questionnaire to collect data from the sample selected for the study and was surveyed through online administration of the questionnaire. The questionnaire employed closed-ended questioning styles to approach the measurement of the main items that made up the scale. A 7-point Likert scale was used to measure the view of the respondents concerning the items that measured the constructs considered in this study. Analyses were done using IBM SPSS Statistic version 26 and SMART PLS 4.0.8.4.

### **Summary of Key Findings**

Based on the specific research objectives considered in the study, these key findings were found: To begin with, the first objective of the survey examined the effect of susceptibility to positive peer influence on ethical behaviour. The study found that susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour of professional accountants. Also, it was found that susceptibility to positive peer influence and ethical behaviour evident a mild effect size with f square value of 0.050. A significant probability value of 0.00, a positive path coefficient of 0.190, a significant t-statistics value of 3.723 was attained. Hence, hypothesis one was accepted.

Secondly, objective two examined the effects of materialism on ethical behaviour. The study found that materialism has a significant and negative influence on the ethical behaviour of professional accountants. Also, it was found that materialism and ethical behaviour evident a moderate effect size with f square value of 0.199. A significant probability value of 0.00, a negative path co-efficient of -0.344 and a desirable t-statistics value of 7.438 was attained. Hence, hypothesis two was accepted.

Concerning objective three, it ascertained the effects of political trust on ethical behaviour. The study found that political trust has a significant and positive impact on the ethical behaviour of professional accountants. Also, it was found that political trust and ethical behaviour evident a mild effect size with f square value of 0.035. A significant probability value of 0.00, a positive path co-efficient of 0.169 and a desirable t-statistics value of 4.066 was attained. Hence, hypothesis three was accepted.

Also, objective four examined the moderating role of self-control on the relationship between susceptibility of positive peer influence and ethical behaviour. The study found that self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants in a way which weakens this nexus. Also, it was found that the moderating role of self-control on the relationship between susceptibility of positive peer influence and ethical behaviour evident a mild effect size with f square value of 0.015. A significant probability value of 0.031, a path co-efficient of -0.102 was attained, which shows that self-control weakens the relationship and a t-statistics of 2.153. Hence, hypothesis four was accepted.

Objective five determined the moderating role of self-control on the relationship between materialism and ethical behaviour. The study found that self-control does not moderate the relationship between materialism and ethical behaviour of professional accountants in a way which weakens this nexus. Also, it was found that the moderating role of self-control on the relationship between materialism and ethical behaviour evident no effect size with f square value of 0.000. An insignificant probability value of 0.739, a path co-efficient of 0.018 was attained, which shows that self-control as a moderating variable strengthens this relationship but is not significant in this relationship and a t-statistics of 0.333. Hence, hypothesis six was not accepted.

Objective six ascertained the moderating role of self-control on the relationship between political trust and ethical behaviour. The study found that self-control does not moderate the relationship between political trust and ethical behaviour of professional accountants in a way which weakens this nexus. Also, it was found that the moderating role of self-control on the relationship between political trust and ethical behaviour evident a mild effect size with f square value of 0.002. Attaining an insignificant probability value of 0.421, a path co-efficient of -0.035 which shows that self-control as a moderating variable weakens this relationship but is not significant in this relationship and a t-statistics of 0.805. Hence, hypothesis six was not accepted.

Finally, age and gender were the control variables employed for the study. It was found that both age and gender were significant in the study. Age attained a significant probability value of 0.002, a path co-efficient of -0.140 and a t-statistics of 3.148 which shows there is a negative relationship between age and ethical behaviour of professional accountants with a mild effect size

with f square value of 0.035. Also, gender attained a significant probability value of 0.015, a path co-efficient of -0.230, which shows a negative relationship between gender and ethical behaviour and a t-statistics of 2.425 with a mild effect size with f square value of 0.020.

## **Conclusions**

Congruent to the critical findings achieved in this survey, the study, therefore, makes the following objective conclusions:

Concerning objective one, it was found that susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour of professional accountants. Hence, it can be concluded that workmates, fellow accountants and age mates can influence the ethical behaviour of an accountant in Ghana. This is in relation to the social learning theories and empirical studies that established that people learn from observation. Materialism has a significant and negative influence on the ethical behaviour of professional accountants in objective two. Hence, it can be concluded that materialistic accountants are often behave unethically and less materialistic accountants are often ethical. This is in relation to the theory of reasoned action and some empirical studies that established that, materialism is an individual perception, hence if an individual sees possession of material goods to depict success, they do not consider the means to acquire those goods even when it breaches ethical behaviour.

With regards to objective three, it was found that political trust has a significant and positive impact on the ethical behaviour of professional accountants. Hence, it can be concluded that the level of trusts that citizens have in their political leader and political institutions in the country can



influence an accountant in Ghana to behave ethically or unethically. This is in relation to the social learning theories and empirical studies that established that people learn from observation. The study found that self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants in a way which weakens this nexus with regards to objective four. Hence, a professional accountant who has high self-control is not likely to be susceptible to positive peer influence. This is in relation to the theory of reasoned action and empirical studies that established that a person with high self-control does not require peer influence to be ethical.

Concerning objective five, the study found that self-control does not moderate the relationship between materialism and ethical behaviour of professional accountants in a way which weakens this nexus. Hence, professional accountant who is materialistic often do not have self-control. Self-control is insignificant to the relationship between materialism and ethical behaviour of professional accountants in Ghana. This is in relation to the theory of reasoned action and empirical studies that established that a person who is materialistic often act on impulse and hence has low or dormant self-control. Objective six, the study found that self-control does not moderate the relationship between political trust and ethical behaviour of professional accountants in a way which weakens this nexus. Hence, self-control is insignificant to the relationship between political trust and ethical behaviour of professional accountants in Ghana. This is in relation to the theory of reasoned action and empirical studies that established that if institutions are actively and effectively regulating ethical behaviours, individual regulation is rendered

insignificant. It was found that both age and gender were significant in the study. Hence, in determining the ethical behaviour of professional accountant, age and gender plays a role.

### **Recommendations**

Based on the findings of the study, the following recommendations are offered for their immediate implementation;

Based on objective one, it was found that susceptibility to positive peer influence has a significant and positive influence on the ethical behaviour of professional accountants. Hence, it can be concluded that workmates, fellow accountants and age mates can influence the ethical behaviour of an accountant in Ghana. Various regulatory bodies and ICAG can establish peer review mechanisms within the accounting profession where professionals can review and provide feedback on each other's work, with a specific focus on ethical considerations. Also, professional accountants in academia can invite those in corporate field to give educational talks on ethical behaviours to give students some knowledge on ethical behaviour before they face the work environment. This process can enhance accountability and create an environment where positive peer influence is actively encouraged. Given the findings of objective two, materialism has a significant and negative influence on the ethical behaviour of professional accountants in objective two. Hence, it can be concluded that materialistic accountants are often behave unethically and less materialistic accountants are often ethical. Various regulatory bodies and ICAG can conduct a comprehensive review of existing ethical codes and standards for professional accountants in Ghana. Strengthen and clarify guidelines related to conflicts of interest, financial temptations, materialistic

influences and ensure that ethical standards explicitly address and discourage materialistic behaviours.

Also, it was found that political trust has a significant and positive impact on the ethical behaviour of professional accountants. Hence, it can be concluded that the level of trusts that citizens have in their political leader and political institutions in the country can influence an accountant in Ghana to behave ethically or unethically. Various regulatory bodies and The Institute of Chartered Accountants, Ghana can place emphasis on continuous professional development through training in accounting standards that stresses on the principles of independence and objectivity in profession. Encourage accountants to maintain impartiality in their work, even in the presence of political pressures and underscore how political trust can contribute to ethical behaviours and decision-making based on objective three. Given the findings of objective four, The study found that self-control moderates the relationship between susceptibility to positive peer influence and ethical behaviour of professional accountants in a way which weakens this nexus with regards to objective four. Hence, a professional accountant who has high self-control is not likely to be susceptible to positive peer influence. Self-control training modules should be developed and integrated into the professional development programs for accountants. These programs should focus on enhancing self-control skills, particularly in situations where positive peer influence may otherwise lead to unethical behaviour.

Finally, whistle-blower protection mechanisms should be strengthened to ensure that professional accountants feel secure in reporting ethical concerns. Protecting whistle-blowers can contribute to maintaining ethical

behaviour by allowing individuals to come forward without fear of reprisals. Also, access to professional counselling services should be provided for accountants who may be struggling with ethical dilemmas or the challenges of maintaining self-control. Confidential counselling can offer support and guidance in navigating difficult situations.

### **Suggestions for Further Studies**

Researchers can conduct similar studies using other professional bodies such as ACCA in Ghana. Other contextual factors could also be considered in such studies because of the position of the social learning theory fully underscored in this study such as religiosity, Ghana is considered as a religious country. Hence, Future studies can examine the relationship between religiosity and ethical behaviour of professional accountants in Ghana.

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**APPENDICES****APPENDIX A****UNIVERSITY OF CAPE COAST****DEPARTMENT OF ACCOUNTING****QUESTIONNAIRES FOR PROFESSIONAL ACCOUNTANTS IN****GHANA**

Dear Sir/Madam,

The questionnaire is to solicit information on the “determinants of ethical behavior of professional accountants in Ghana.” The researcher is a second-year student from the Department of Accounting, University of Cape Coast, Ghana. Your sincere answers to the questions below would be most appreciated. Any information provided would be used purely for academic purpose and would be treated confidentially. Therefore, no information provided will be identifiable to you or your organization since only aggregated data will be reported in this study. Filling the questionnaire will take 15-20 minutes. You are kindly required to answer the questions as frankly as possible since you will be contributing to knowledge. Please tick [√] answers or options where appropriate and provide answers where applicable. Thank you for your time and accepting to participate in the study.

**PLEASE NOTE: Any information provided would be used purely for academic purpose and would be treated WITH MAXIMUM CONFIDENTIALITY.**

**SECTION A: SOCIO-DEMOGRAPHIC CHARACTERISTICS**

1. Kindly indicate your age range

- a. Up to 20 years [ ]   b. 21-30 years [ ]   c. 31-40 years [ ]  
 d. 41-50 years [ ]   e. 51 and above [ ]

2. What is your gender

- a. Male [ ]   b. Female [ ]

3. Marital Status

- a. Single [ ]   b. Cohabiting [ ]   c. Married [ ]   d. Divorced [ ]  
 e. Widowed [ ]

4. Work experience

- a. 1 to 5 years [ ]   b. 6 to 10 years [ ]   c. 11 to 15 years [ ]  
 d. 16 to 20 years [ ]   e. 21 and above [ ]

**SECTION B: SUSCEPTIBILITY TO POSITIVE PEER INFLUENCE**

The following statements seek to describe your susceptibility to positive peer influence. Using the seven-point scale provided, please indicate the extent to which you agree with each comment. Where;

**Scale: 1- least agreement and 7-highest form of agreement**

Statements	1	2	3	4	5	6	7
1. When something good happens to me, I know I can share the news with my close friends.							
2. My close friends' opinions matter to me.							
3. My close friends care about me despite my flaws.							
4. My close friends make me feel like I belong.							
5. My close friends care about how I am feeling.							
6. My close friends understand me.							
7. My close friends are trustworthy.							
8. My close friends inspire me to be a better person.							
9. My close friends inspire me to try harder when something is difficult for me.							
10. My close friends help me to reach my goals.							
11. I look to my close friends when I have to							

make important life decisions.							
12. My close friends respect my feelings.							
13.. I admire how my close friends respond to challenges.							
14. I feel good about myself when I'm with my close friends.							

### SECTION C: MATERIALISM

The following statements seek to describe your level of materialism. Using the seven-point scale provided, please indicate the extent to which you agree with each comment. Where;

**Scale: 1- least agreement and 7-highest form of agreement**

Statements	1	2	3	4	5	6	7
1. Some of the most important achievements in life include acquiring material possessions.							
2. I do place much emphasis on the amount of material objects people own as a sign of success.							
3. The things I own say a lot about how well I'm doing in life.							
4. I like to own things that impress people.							
5. I pay much attention to the material objects other people own.							
6. I do not usually buy only the things I need.							
7. I do not keep my life simple, as far as possessions are concerned.							
8. The things I own are very important to me.							
9. I enjoy spending money on things that							

aren't practical.							
10. Buying things gives me a lot of pleasure.							
11. I like a lot of luxury in my life.							
12. I put more emphasis on material things than most people I know.							
13. I do not have all the things I really need to enjoy life.							
14. My life would be better if I owned certain things I don't have							
15. I would be happier if I owned nicer things.							
16. I'd be happier if I could afford to buy more things.							
17. It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.							

#### SECTION D: POLITICAL TRUST

Listed below are comments about how various political institutions in the country can affect your behavior. Please indicate the extent to which you trust these institutions Using the seven-point scale provided,

**Scale: 1- Never and 7-Completely.**

	1	2	3	4	5	6	7
I trust in the following institutions:							
1. PARLIAMENT							
2. LEGAL SYSTEM							
3. POLICE							
4. POLITICIANS							
5. PRESIDENCY							

**SECTION E: SELF-CONTROL**

The following statements seek to describe your level of self-control. Using the seven-point scale provided, please indicate the extent to which you agree with each comment. Where;

**Scale: 1- least agreement and 7-highest form of agreement**

Self-control							
Statements	1	2	3	4	5	6	7
1. I often do not act on the spur of the moment without stopping to think.							
2. I devote much thought and effort to preparing for the future.							
3. I often do not do whatever brings me pleasure here and now at the cost of some distant goal.							
4. I'm more concerned with what happens to me in the long run than in the short run.							
5. I like to test myself every now and then by doing something a little risky.							
6. I will not take a risk just for the fun of it.							
7. I do not find it exciting to do things for which I might get in trouble.							
8. Security is more important to me than excitement and adventure.							
9. I try to look out for others and not making things difficult for other people rather than myself.							
10. I am very sympathetic to other people when they are having problems.							
11. If things I do upset people, it is my problem not theirs.							
12. I will not try to get the things I want when I know it's causing problems for other people.							

**SECTION F: ETHICAL BEHAVIOUR**

The following statements seek to describe the level of your ethical behaviour.

Using the seven-point scale provided, please indicate the extent to which you agree with each comment. Where;

**Scale: 1- least agreement and 7-highest form of agreement**

Ethical Behaviour							
Statements	1	2	3	4	5	6	7
1. I take responsibility for my own errors.							
2. I give credit to those who deserve it.							
3. I use company services appropriately and not for personal use.							
4. I am open about my error.							
5. I conduct only company business on company time.							
6. I do not give gifts or favors in exchange for preferential treatment.							
7. I keep confidential information confidential.							
8. I take the appropriate amount of time to do a job.							
9. I lead my subordinates to behave ethically.							
10. I am careful with company materials and supplies							
11. I request reimbursement only for allowed expenses.							
12. I come to work unless I am sick.							
13. I refuse gifts that are offered for preferential treatment.							
14. I take only the allotted or assigned personal time (lunch hour, breaks).							
15. I complete time, quality and quantity reports honestly.							

## APPENDIX B

## ETHICAL CLEARANCE

UNIVERSITY OF CAPE COAST

## INSTITUTIONAL REVIEW BOARD SECRETARIAT

TEL: 0558093143 / 0508878309

E-MAIL: [irb@ucc.edu.gh](mailto:irb@ucc.edu.gh)

OUR REF: IRB/C3/Vol1/0485

YOUR REF:

OMB NO: 0990-0279

IORG #: IORG0011497

14<sup>TH</sup> NOVEMBER, 2023

Ms Ewurama Serwaa Owusu Mensah  
Department of Accounting  
University of Cape Coast

Dear Ms Mensah

**ETHICAL CLEARANCE – ID (UCCIRB/CHLS/2023/62)**

The University of Cape Coast Institutional Review Board (UCCIRB) has granted Provisional Approval for the implementation of your research **Determinants of Ethical Behaviour of Professional Accountants in Ghana**. This approval is valid from **14<sup>th</sup> November 2023 to 13<sup>th</sup> November 2024**. You may apply for an extension of ethical approval if the study lasts for more than 12 months.

Please note that any modification to the project must first receive renewal clearance from the UCCIRB before its implementation. You are required to submit a periodic review of the protocol to the Board and a final full review to the UCCIRB on completion of the research. The UCCIRB may observe or cause to be observed procedures and records of the research during and after implementation.

You are also required to report all serious adverse events related to this study to the UCCIRB within seven days verbally and fourteen days in writing.

Always quote the protocol identification number in all future correspondence with us about this protocol.

Yours faithful

Kofi F. Amuquandoh  
Ag. Administrator

ADMINISTRATOR  
INSTITUTIONAL REVIEW BOARD  
UNIVERSITY OF CAPE COAST