

Review

The relationship between the code of professional conduct education and improving the students' moral values

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Ethics is an issue that surrounds all aspects of human life. Moral values provides infrastructure such that civilized society and sublime cultural and behavioral society are based on it. Without this infrastructure, civilized society is disintegrated. According to the high position and importance of moral values, improving moral values are an important factor that is considered in all fields of life. This matter especially has a double importance in the commercial fields, including accounting. Because accounting profession as an information system plays a key role in the social and economic development of societies, the society has great expectations from the members of this profession. People need to trust the quality of services provided by accounting profession. To gain trust to these services, we should trust the provider's services and for this, they must be committed to integrity and ethics. So members' intellectual and practical commitment to standards of conduct is essential and one of the effective factors in improving the commitment and quality of accounting services is ethical education for accountants such as code of professional conduct.

Key words: Code of professional conduct, moral values, ethical education.

.INTRODUCTION

One can hardly pick up a business publication today without noting some reference to an accounting scandal. Enron is only one dishonor to the profession, though perhaps the best known; other recent accounting and auditing failures include WorldCom, Microsoft, Peregrine Systems, Rite Aid, Sunbeam, Tyco, Waste Management, W.R. Grace, and Xerox, among many others.

The recent barrage of accounting scandals has, once again, brought attention to the importance of accounting ethics education (Gaa and Thorne, 2004). Also, considering the key role of accounting profession in the social and economic development of communities and the importance of information correctness to investors and creditors, we can conclude that ethics is a central element in accounting profession (Keller et al., 2008).

The correct accounting ethics education should be added to the agenda of universities and other bodies and organizations (Jabarzadeh et al., 2011). This matter especially has a double importance in the commercial fields because students of commercial fields (including

accounting, management and economics) are the future decision makers and their decisions in the future will affect their values. Therefore it is essential to investigate the decision-making process, guide the students of commercial fields, and examine the students' moral values (Hiltebeitel and Jones, 1991).

The importance and effect of ethical issues have been mentioned in numerous researches (Jeffrey, 1993; Armstrong et al., 2003; Mintz, 2006; Breaux et al., 2010). Thorne (2001) points out "the traditional focus of accounting ethics education research has been on developing an understanding of how to increase the cognitive moral capability of students who will soon enter the accounting profession".

Most State Boards of Accountancy require ethics as a

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part of the Continuing Professional Education (CPE) requirement to maintain a CPA license. Considering the movement by NASBA, the continued interest in ethics by accounting firms, and the ethics CPE requirement, it would seem that ethics education in accounting curricula would be an important factor in recruiters' hiring decisions of entry-level accountants (Breux et al., 2010). Thus due to the importance of ethical educations in university courses and the important role it plays in students' moral values, this study examined the relationship between the code of professional conduct education and improving the students' moral values.

ETHICS AND MORAL VALUES

Ethics is an issue that surrounds all aspects of humanlife (Iran's Code of Professional Conduct, 2006). Ethics deserves to be made a component of each and every activity of every individual in dealing with others or dealing with oneself. After the four decades of experimentation and utilization of the distance education system in the world, ethical principles are more highlighted in globalization (Farmahini, 2012).

Ethics is an understanding of the impact of an individual's action on others and the acting of an individual in such a way as to recognize this impact. Thus, from an ethical perspective, a primary consideration is what is best for others. In Arthur Schopenhauer's ethical system, we see the distinction of the "good" from the "bad" person being almost wholly based on the idea that the good person draws less distinction between himself and others than is usually done (Schopenhauer, 1965).

Ethics is seldom a matter of written codes; rather it is a function of personal choice. In other words, ethical decision-making is more than merely observing the law. Our view of ethics may make us agree or disagree with a particular law, but the act of obeying the law is not necessarily an ethical act. A person who treats his fellow human beings well is a good person in that respect, but there is a difference between the person who is good in an altruistic sense, and the person who does good in order to reach some other goal, or to avoid some negative consequence. From this perspective, ethics is the difference between treating people well as a means to an end, and treating people well as an end in itself (Keller et al., 2008).

Moral values provides infrastructure such that civilized society and sublime cultural and behavioral society are based on it. Without this infrastructure, civilized society is disintegrated (Smith, 2003). Moral values include beliefs that will determine what behavior is right and what behavior is wrong. Value is the general tendency to prefer some things to others (Hofsted, 2001). People do not have the same priorities to values. These priorities represent the temperament, personality, unique experiences of life and periphery culture, etc (Cohen, 2002).

THE RELATIONSHIP BETWEEN MORAL VALUES AND PERSONALITY, BEHAVIOR AND SOCIAL INTERACTIONS

This study's fact has been mentioned in numerous researches that moral values shape the current behaviors and future attitudes, and have strong impact on a person's professional choice and job behavior (Brief et al., 1979; Mumford et al., 2003; Walker et al., 1982).

Persons' interactions result from internalization of society values during the individual's growth period.

Values are transmitted through families from one generation to another and finally affect the individual and collective beliefs and behavior. Values play an essential role in shaping, controlling and predicting the actions and attitudes of the population and are the central element in cultural structure of societies. The effect of values is visible in different dimensions (political, social, economic and religious) of people's life in short-term and long-term (Faramarzi, 1999). Eleanor (1980) believes that moral values are values that define good or bad item in a group and in addition they determine executive guarantee in a social group.

THE NECESSITY OF ACCOUNTING ETHICS EDUCATION

Due to the fact that accounting profession as an information system plays a key role in the social and economic development of societies, this matter especially has a double importance in the commercial fields, including accounting (Kaish and Gilad, 1991; Keller et al., 2008).

Society has great expectations from the members of this profession. People need to trust the quality of services provided by accounting profession. To gain trust to these services, we should trust the provider's services and for this, they must be committed to integrity and ethics (Keller et al., 2008). So members' intellectual and practical commitment to standards of conduct is essential (Iran's Code of Professional Conduct, 2006). Also, due to increasing illegal and immoral activities and recent financial scandals, the correct accounting ethics education should be added to the agenda of universities and other bodies and organizations (Jabarzadeh et al., 2011).

Armstrong et al. (2003) believe that it is essential to pay more attention to ethics in accounting profession and also it should be taught more in accounting education. Shaub and Fischer (2008) argued that three values are central to accounting ethics education, one of which is to tell the truth, that is, "the second common value that should be readily embraced by the accounting profession is a commitment to tell the truth".

The US accounting profession uses several mechanisms to promote truthfulness, such as harsh penalties for violating the AICPA code of ethics, certification, a conservative culture of professionalism,

professional skepticism, Securities and Exchange Commission's (SEC) rules, and such laws and regulations as Sarbanes–Oxley (SOX). But such attempts apparently have not eliminated the belief that there is still considerable deceptiveness in financial reporting (Bayou et al., 2011).

One of the effective factors in improving the commitment and quality of accounting services is ethical educations for accountants such as code of professional conduct. Students benefit from the inclusion of ethical issues in the classroom, and classrooms are the best laboratories that students can benefit from all the advantages of the information contained in it (Jeffrey, 1993).

Class discussions based on role-plays and case analysis enable students to demonstrate learning in a visible way by reflecting on the facts and interaction they have with other students in the discussions and in the student to student debates on the issues. The periodic out-of-class review sessions support student learning by allowing them to bring up questions in a supportive group setting that they might be reluctant to discuss in class (Mintz, 2006).

Mintz (2006) explained how virtues such as honesty and integrity that are essential to accounting professionals in meeting their ethical obligations can be connected to a reflective thought process, using discussion techniques supported by role-plays and cases, to teach ethics to accounting students. Results showed that reflective learning enables students to evaluate the meaning of new ideas and situations based on prior understandings and it helps to transform their thinking. When linked to virtue-based reasoning, these techniques support the ethical analysis of conflict situations encountered by accounting professionals. The techniques described in his paper to teach students reflective learning are designed to facilitate a continuous process of evaluation and change. While reflective learning techniques can be applied in a number of settings, the focus here has been on its use to create and deliver a new ethics course.

Practice of professional accountancy may not foster additional gains in moral reasoning; perhaps it is time to call for mandatory continuing professional education in ethics. Since the effects of ethics interventions diminish over time, accountants might attain their highest state of ethical awareness if ethics issues are made a part of their continuing education programs. Many state boards require a certain amount of continuing education to be completed in specific practice areas on an annual or biannual basis. Why not ethics? The point of these requirements is to help professionals to maintain and enhance their competence. Ethics continuing education must be more than just “doing the time”. Unless the ethics intervention is appropriately designed, it may not be effective. Therein lies an opportunity and challenge for accounting educators (Lagrone et al., 1996).

To increase accounting students' moral motivation, Armstrong et al. (2003) recommended exhorting students to good behavior, pointing out that they, indeed, are masters of their moral selves, and encouraging them to take pride in their profession. He also advocated the use of accounting exemplars to help instill moral virtues in accounting students. Finally, he urged all accounting faculty to recognize that they also play an important part in their students' moral maturation. Accounting faculty are the leaders of that branch of the accounting community to which students are first exposed, the academic accounting community. As such, they are responsible for setting the moral tone of the community and providing a nurturing environment in which ethical motivation and ethical behavior can flourish. As explained in his paper, directly enhancing students' ethical behavior is probably beyond the scope of academic accountants.

Teachers should utilize the learners' learning model based on the cultural perspective to achieve their particular learning goals (Beecher and Sweeny, 2008). Although ethics is important to the profession, it may be to the students and profession's benefit to educate accountants on ethics through CPE courses and internal firm ethics training. More research should be performed to examine whether or not the profession values on-the-job ethics training should be given more attention than ethics coursework in college curricula (Breux et al., 2010).

This research showed that accounting students do not always resolve accounting-specific moral dilemmas using their most principled reasoning. Thus, educational practices may be revised to encourage accounting students to increase their tendency to resolve accounting-specific moral dilemmas at their cognitive moral capability. Evidence showed that accounting students do not use their full cognitive moral capability in the resolution of accounting-specific moral dilemmas. This does not suggest a deficiency in their moral cognition, rather this evidence suggests an opportunity for educators to consider alternative approaches that encourage accounting students to use more principled considerations for resolving accounting specific moral dilemmas. Significant inroads into increasing the moral reasoning of accounting students may be made by identifying educational interventions that increase accounting students' propensity to use principled considerations in their prescriptive and deliberative reasoning processes. To encourage the use of more principled reasoning, accounting students could be educated to consider their prescriptive assessment of an accounting dilemma even when deliberative resolutions are requested. Additionally, educators may also encourage accounting students to compare their prescriptive and deliberative responses to accounting-specific dilemmas to provide insight into which factors may impede the use of principled considerations in resolving accounting dilemmas. Testing of these suggestions and

additional exploration of other education interventions that promote accounting students' use of principled considerations may help ensure future accounting professionals adhere to a high moral standard in their resolution of moral dilemmas (Thorne, 2001).

Unexpectedly, the results also suggested that the association between the demographic characteristics of the sample of cooperative accounting students and cognitive moral capability is not necessarily similar to that reported in previous accounting ethics research. This may be due to the homogeneity of the sample used in his research and in the research on accounting students in general (Shaub, 1994). Of particular interest, the negative association between years of education and cognitive moral capability and the higher cognitive moral capability of male accounting students compared with their female counterparts differs from what was found in previous accounting research. Additional exploration of these findings may provide further insight into factors that affect the moral reasoning of accounting students. Finally, the results of his study also suggested that cooperative education may differ from other forms of accounting education in its effect on the moral reasoning of accounting students. However, longitudinal research and research that specifically compares the moral reasoning of cooperative to non-cooperative accounting students, while eliminating potential contamination from institution-specific effects (Bernardi and Arnold, 1997), is required to obtain a full understanding of the effect of cooperative education on accounting students' moral reasoning (Thorne, 2001).

THE IMPORTANCE OF ETHICS EDUCATION BEFORE ENTERING INTO THE ACCOUNTING PROFESSION

The ethics education for accounting students makes that they face with ethical problems before entering into the accounting profession and prepares themselves to appropriate behavior with the real-world situations and strengthen their decision making skills and their professional behavior (Helps, 1994).

After finishing the education courses, people who have certain beliefs become professionals and unfortunately, the moral sensitivity reduce (Charon and Fox, 1995). Thus, it is essential that students are educated in the field of ethics before they enter into the profession.

CODE OF PROFESSIONAL CONDUCT REQUIREMENT

Code of professional conduct is a source of morality that is usually referred to in accounting profession, and is governing on the profession (Everett et al., 2005). Code of professional conduct contains general criteria and basic principles that should be met by all the professional accountants in order to achieve the desired objectives of the accounting profession which include access to the

best principles and professional standards, execution operations at the highest possible level in accordance with these principles and criteria, and generally supply public interests (Iran's Code of Professional Conduct, 2006).

The first step in establishment of honesty culture is the establishment of the code of professional conduct that clearly defines the realm of acceptable behavior and red line (Joseph, 2007).

CONCLUSION

Students of commercial fields (including accounting, management and economics) are the future decision makers and their decisions in the future will affect their values (Hiltebeitel and Jones, 1991). This fact has been mentioned in numerous researches that moral values shape the current behaviors and future attitudes and have strong impact on a person's professional choice and job behavior (Brief et al., 1979; Mumford et al., 2003; Walker et al., 1982).

According to the high position and importance of moral values, improving moral values are an important factor that is considered in all fields of life. It can be said that one of the resources that can affect the students' moral values is ethical educations in college curricula. Therefore, it was suggested in this study that relevant authorities have heightened consideration to the accounting ethics issues such as code of professional conduct education in lessons of accounting field.

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