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ETHICS AND PROFESSIONALISM CHALLENGES IN ACCOUNTING PRACTICE: A CASE STUDY OF PRICE WATER HOUSE COOPERS, NIGERIA

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Abstract

Accounting scandals in large organizations generate notoriety and often results in adverse publicity for accounting profession. This study is an attempt to explore and analyze "Ethics and Professionalism Challenges in Accounting" in organizations. The research focuses on the adoption of code of ethics to sanitize the organization and ascertain the level of compliance by the organizations. The research work further reviewed related literature on the subject matter to reveal the opinion and views of various authors on ethics and professionalism in the practice of Accounting. Other areas covered are: Professional ethics and code of ethics in professional leadership, the roles of professional regulations and enforcement of sanctions for contraventions and defaults as well as ethical awareness in all Nigerian organizations. The study employed questionnaires and the use of secondary sources of data primarily from price water House Coopers. The data obtained were analyzed based on frequency of respondent's opinion as tested using Chi-square test (X^2). Other research questions were analyzed using descriptive statistics. In conclusion, an organization with strong ethical practices is the one that each and every individual look forward to work for. Unless and until all these ethics are ingrained in the minds of all those heading the organizations and those practitioners working for these organizations, the world will have to see many more Anderson and Enron cases in the future.

Keywords: Professionalism, Ethics, Whistle blowing, Misconduct, Accounting practice, Scandals

INTRODUCTION

In the last two decades, the electronic and media has continued to inundate the business world with disturbing news relating to crimes, organized crimes, financial bungling and issues that relates to business industries involving large sums and activities of global ethical implications. Business ethics is a subject that largely deals with business plus ethics which are engaged in essential questions related to business and moral values with business transaction with individuals and groups. The study of ethics is gaining importance in some part of the world; it is a regular subject to all management students. The essence of the subject of ethics and professionalism is to;

1. Develop understanding of ethical management concepts
2. Develop conceptual skills so that students can relate to other aspects of Organizations.
3. Assist the students to develop skills to identify ethical issues in business world.
4. Develop, analyze and evaluate ethical performance and managers in business.
5. Develop understanding of social responsibilities and ethical management.

The process of professionalism of a particular vocation or occupation is a complex and difficult project in which "specific strategies sometimes fail". However, once it is achieved, it tends to deliver an enduring status (West 1996, p.91).

Accounting is simply a field of applied ethic, the study of moral values and judgment as they apply to accountancy. Accounting ethics was first introduced by Luca Paciolo and later expanded by the government group's professional organizations and companies.

Ethic talk has never been more prevalent than the first few years of the twenty first century. Corporate scandals have shaken the international business community over the last few years and seem to have reanimated many people's interest in ethnics. As a result, codes of conduct, ethics management programs and ethics office are being created breathless haste. Even skeptical corporate executives are beginning to acknowledge that there may be more to ethics than 'motherhood and apply pie' many have even come around to the idea that ethics is something that has to be institutionalized, resourced and managed. To the extend therefore that they are interested in keeping their organization out of trouble and limiting their potential liabilities, these 'upright' captains of industry now stand ready to invest time, effort and money in the promotion of ethics. In the face of this wave of unprecedented interest, many business communities no longer see business ethics as an oxymoron. In fact, an investment in business ethics has become a prerequisite for an organization's continued participation in formal business networks.

In itself, the claim that ethics and business practice are becoming dissociated may not seem particularly controversial. There are many business ethicists who would not only readily

agree that such a thing is happening, but would also welcome it. Some would argue that ethnics as practice is disappearing because it is an outdate notion. It's true of course, that the association of ethics with business practice is very old idea. It is based on the ancient Greek concept of practical wisdom.

Scope of the study

Ethics in itself deals with human being only. It is only humans who have freedom of choices. Ethics is a normative science. Normative is judging the situation, analyzing the facts, weighing the consequences in terms of an idea and taking judgment. The judgments are taken many times based on what the bent result should be. Ethics deals with human conducts.

In working on a topic such as ethics and professionalism challenges in accounting practice a special reference to price Waterhouse Coopers, the following areas of ethical management will be emphasized.

1. Definition of ethics and professionalism
2. Application of code of ethics in accounting practice
3. Importance of ethics and professionalism business
4. Importance of ethics and professionalism in accounting practice
5. Consequence of failure to abide by ethics and professionalism.

Objectives of the Study

The objectives of business ethics are to evaluate human behaviors and calling up on the moral standards. The ethical standards also prescribe how to act normally in specified situations. The objectives of business ethics therefore includes;

1. To examine the impact of adoption of code of ethics, to sanitize the organization and to ascertain the level of compliance by the stakeholders.
2. To examine the performances of professional leadership in line with the enforcement of ethical conducts and adherence to them.
3. To ascertain the devastation that ethical misconduct can bring upon an organization, the performance, the leadership qualities and values.
4. To examine the fact that adherence to code of ethics and statutory provision for code of conduct will reduce significantly or not the incidence of ethical misconduct.
5. To recommend some antidote that can enhance good leadership performance and strict adherence to code of ethics and conduct which will bring about confidence and reliance on professionalism and professional values.

CONCEPTUAL FRAMEWORK OF ETHICS AND PROFESSIONALISM

Ethics is the study of morality; it is the value is worth pursuing in life. It is honorable an honorable behavior. Ethics is relative. What is honorable in one society may not be honorable in another. It depends on several factors: world views, descriptive values and moral values. It is a function of the environment. What one sale person may consider being an unethical marketing behavior, another salesperson may perceive it as an aggressive marketing strategy.

The term profession is used in a variety of ways. When people ask of a person, what his or her profession is, it is often a polite way of asking his or her job or occupation. Job and profession are used synonymously. The term is also used in sport and games to differentiate between amateurs and professionals. Here the term professional means that the activity engaged in is one principal career from which one expects to derive ones income and livelihood. In another sense, professionals work is work that is done skillfully. People say of workers who perform well that “they do a thorough professional job” (Jayshree, 1999).

According to Rush worth kidder (2006). President, institute for Global Ethics. Ethics in Accounting September, Ethics in its broader sense, deals with human conduct in relation to what is morally good and bad, right and wrong. It is the application of values to decision making. These values include honesty, fairness, responsibility, respect and compassion.

While implementing and upholding a code of ethics is becoming increasingly more focused upon by many business organizations, adhering to the highest standards of ethical conduct is especially important in the accounting profession, where the financial decisions of a business are directly based on information and judgments provided by their accountants. Main criteria for a professional include the following:

1. A professional is a person that is paid for what they do. Qualification has little to do with a professional as the world’s oldest profession is strictly a monetary gain career. An amateur may be more qualified than an professional but they are not paid, thus they are amateur.
2. Expert and specialized knowledge in field which one is practicing professionally.
3. Excellent manual/practical and literary skills in relation to profession.
4. High quality work in (Example): Creations, products, services, presentations, consultancy, primary/other research, administrative, marketing or other work endeavors.
5. A high standard of professional ethics.

Entrenching an ethical framework in an organization involves a diagnostic study of the existing values in the system; identifying and choosing the values identified.

According to David Okoro MLC (2010) “Roles and responsibility of stakeholders in ensuring good ethical conduct in an organization” *Transparency*, August, pp. 12. Ethics is the basic moral ground rules by which we live our lives. Good ethics is learning what is right and wrong, the doing the right thing. But organizational ethics means understanding what is right or wrong nad then doing what is right. The following are Ten myths about ethics by Prabhakar, k

1. Myth: business ethics is a matter of religion than management

Reality: altering people’s values or soul is not the aim of an organizational ethics program-managing values and conflict amongst them is the aim reality.

2. Myth: Our employee are ethical so we nee not pay attention to business ethics.

Reality: Most of the ethical dilemmas faced by managers in the work place are highly complex. Let us pay examination to the following situations.

a) Significant value conflicts amongst different interest
b) Real alternatives that are equally justifiable and
c) Significant consequences on stakeholders in the situation. Kirane says that when the topic of business ethics comes up, people are quick to speak of the Golden rule, honesty and courtesy. Nevertheless, when presented with complex ethical dilemmas, most people realize there is a wide ‘gray area’ when trying to apply ethical principles.

3. Myth: Business ethics is a discipline led by philosophers, academics, theologians and only a fad for managers and accountants. It has nothing to do with the day to day working organization.

Reality: Ethics is a discipline with pragmatic approach that includes several practical tools.

4. Myth: Business ethics is superfluous. It only asserts the obvious: “do good!” many people feel that code of ethics or lists of ethical values to which the organization aspire are superfluous.

Reality: Values of codes of ethics to an organization lie in its priority and focus regarding certain ethnical values in that work place.

5. Myth: Business ethics is a matter of preaching, and is meant for people who are unethical.

Reality: in organizations, many times good people can take bad actions, particularly when stressed or confused, stress or confusion is not excuse for unethical actions. Managing ethics in the work place include everyone working as a team to help each other and remain ethical and to work through confusing and stressful ethical dilemmas.

6. Myth: Many believe business ethics is a recent phenomenon because of increased attention to topic in popular and management literature.

Reality: however, business ethics was written about even 2000 years ago, at least since Cicero wrote about the topic in his “on duties” of the social responsibility movement that started in the 1960s.

7. Myth: Ethics cannot be managed.

Reality: In reality, they are managed indirectly. For example in the work place. What Jamshdji Tata has told is still mantra for the rest of the organization, even after one hundred years after his death. Strategic priority (Profit maximization), expanding marketing share, cutting costs, and so on) can have very strong influences on morality. Laws, regulations and rules directly influence behavior to be more ethical, usually in a manner that improves the general good and/or minimize harm to the community.

8. Myth: Business ethics and social responsibility are the same.

Reality: The social responsibility movement is one aspect of the overall discipline of business ethics.

a) It is application of ethics to a corporate relationship with the community.
b) The way to determine responsibility in business dealings.
c) The identification of important business and social issues and
d) A critique of business.

9. Our myth is not in trouble with the law, so we are ethical.

Reality: One can often be unethical, yet operates within the limits of the law, for example, withhold information from supervisors, inflate travel bills, complaining about others and pretending that they are the most efficient, and so on.

10. Myth: Management ethics in the workplace has little practical relevance.

Reality: Management ethics in work place involves identifying values to guide behaviour in the organization, and establishing associated policies and procedures to ensure those behaviours are conducted. One might call this “value management is also very important in other management practices, for example, managing diversity, total quality management and strategic planning.

Consequences of Ethical Misconduct

Good business conduct is generally the expectation of the society regarding how individuals and corporate organizations conduct their affairs. Professional bodies set ethical standards attract sanctions which may include withdrawal of practicing licenses of such members. The survival of an enterprise and the need to protect the larger society from the negative consequences of ethical misconduct calls for adoption of ethical scandals. The aim of this disclosure is to

examine how ethical misconduct could impact negatively on an organization. The rise and collapse of Enron corporation, USA would be received as a case study.

Ethical misconduct or unethical conduct is any illegal act or misconduct, or any activity which constitutes a conflict of interest. It is a violation of policies and procedures or the code of conduct of an organization. Ethical misconduct could be:

a) Specific wrongdoing
b) Violation of policies and procedures
c) Outright illegal activities
d) Lack of oversight and leadership

Ethical conduct therefore, is adherence or compliance to lay down procedure and practices or code of conduct of an organization. The following commission or omission is the typical cause of ethical misconduct.

a) Failure to understand the role of business ethics in an organizational culture.
b) Lack of effective leadership.
c) Short term focus.
d) Shifting of responsibilities to lawyers and accountants as in the case of Enron corporation, USA
e) Belief that it would not happen to us.
f) Ineffective ethics, compliance program in an organization.
g) Corruption and greed.
h) Stressful competitive business environment.

Ethical misconduct can destroy corporate reputations and customer confidence. Indeed gross ethical misconduct can cause an organization to go bankrupt. Some examples of organizations that have suffered corporate reputation damage or collapsed as a result of ethical misconduct are:

a) Enron corporation, USA 2001
b) Lehman Brothers Bank, USA 2008
c) Freddie Mack and Fannie mae mortgage Bank, UK 2008
d) Northern Rock Ban, UK 2008
e) Tyco international, USA
f) Daewoo Group
g) Cadbury Nig. Ltd
h) Innovates Securities Ltd
i) Power Holding Company of Nigeria
j) NITEL etc.

Prudent business must plan to manage ethical conduct by assessing stakeholders' vulnerability organizations to mitigate and manage associated risks. Ethics are important not only in business but in all aspect of life because it is an essential part of the foundation on which civilized society is build. A society that lacks ethical principles is bound to fail sooner or later.

Ethics and Whistle Blowing

In the works of R. V. Badi and N. V. Badi (2008). Whistle blowing basically is done by an employee where he finds that ethical rules are broken knowingly or unknowingly and imminent danger for the company, consumers or the public. When an employee is working in an organizations part of the group where the decisions are made and executed. The whistle-blowing needs a relook at the same work and request breaking with the very group that the whistle blower viewed as critical to financial success of the whistle blowing may involve destabilizing one's life and placing the entire organization under scrutiny. The conditions in which whistle blowing is morally justified as stated by R. V. Badi and N. V. Badi are:

1. A product or policy that will commit serious and considerable harm to the public.
2. When employee identifies a serious threat of harm to the customers, employees, other stakeholders, state and things against his or her moral concern.
3. Immediate supervisory action is taken in spite of best efforts of the employees to remedy the situation of ethical actions.
4. The employee must have documented evidence that is convincing to a reasonable level, so the fact can be proved to outside public and the test of the law.
5. Valid reasons to believe that reveals the wrongdoing to the public will result in the changes in the organization are necessary to remedy the situation. The chance of succeeding must be equal to the risk and danger the employee takes to blow the whistle.

Whistle blowing is derived from the practice of English Bobbies who would blow their whistle when they noticed the commission of a crime. The whistle would alert both the law enforcement and the general public of danger. Ideas about whistle blowing vary widely. Whistle blowers are commonly seen as selfish martyrs for public interest and organizational accountability, others view them as overzealous ambition and glory.

Some check lists to encourage the whistle blowers:

1. Create an ethical, open culture
2. Establish safe routes for communication of concerns.
3. Protect the whistle blower.
4. Establish a fair and impartial investigative procedure.

5. Remind staff of other duty of confidentiality.
6. Safeguard against the abuse of the policy.
7. Involve the staff in developing the policy.
8. Review the policy.
9. Create reward package
10. Appoint an ethics officer.

To encourage whistle blowers, there must be a code of conduct of business conduct and ethics which is published and communicated. Top management must make it clear that the organization will not tolerate fraud and corruption and will deal any violator of the law. The code should encourage employees who become aware of possible wrong doing to report that information to designated parties inside the organization, and assure them that the concern will be treated seriously and that they will be protected. Apart from reinforcing an ethical environment, encourage an open communication culture where employees are not afraid to speak up. Also, guidelines are made available to avoid reporting trivial issues.

RESEARCH METHODOLOGY

Research Design

The research design is the plan to be followed during the study, the approach and method will collect relevant data, describe, analyze and interpret the result of analysis and make relevant recommendation. For the study purpose, a descriptive research descriptive design is adopted.

Population

This means the totality of the respondents from whom our sample will be taken the target population of the study are the various staff of Price Water House Coopers. Jury of experts of financial analysis such as financial journalists, debtors and government collection staff.

Sampling Frame

Price water house Cooper's international limited which has been operating in Nigeria since 1953, with the international partnership of price water house coopers which is the largest accounting consultancy firm in the world, with approximately 140,000 employees in 150 countries in 1999. The company offers auditing services, tax and legal advice, business process outsourcing, and management consulting services. The partnership was created in 1998 from the merger of two Big six accounting firms: Price Water House and Coopers and Lybrand. It has currently three branches spread across Nigeria in Abuja, Lagos and Port Harcourt, Located at central business district, Victoria Island and GRA Phase 11 respectively.

Sampling method used

The researcher selected a sample size of 55 respondents from the target population. Information collected from the sample size was analyzed and references were generated about the population under study. The method adopted by the researcher was simple random sampling technique, which gives equal chances to the entire enumeration unit being selected in the sample. This method removes bias that may have been introduced if left to subjective judgment of whom should be in the sample.

Research Instrument

This is the technique used to elicit information from the respondents. In this study, the structured questionnaire with close-ended method was adopted as well as personal review of key staff. The questionnaires were in two sections;

Section A: contained personal information of each response.

Section B: contained information from where we selected data for our hypothesis testing in order to be able to answer the relevant research question. The questionnaire were designed in such a way that specific variable to be tested in the hypothesis were adequately covered. The secondary data were however sourced from the company's published financial statement.

Method of Data Collection

The data used for the study were sourced through primary and secondary sources. The primary data were collected through personal interview and the questionnaires administered for the purpose. The secondary data were obtained from the company's annual financial statement and the annual reports and financial journal. The process of data collection involves the researches' visits to the respondents to collect filled and distributed questionnaires.

Allocation of Questionnaires and Rate of Returns

The data were analyzed through the administration of the questionnaires to the staff of Price Water House Coopers Abuja Nigeria. Out of all the 70 questionnaires sent out to Abuja branch office, only 55 were properly completed and returned. This gave us 80% rate of return as against 100% expected from the total sample chosen for the study. The percentage and Chi-square analysis was adopted in the testing of the hypothesis stated in the study.

The remaining 15 (that is 20%) of the questionnaires were either not returned or inappropriately completed.

DATA ANALYSIS

Descriptive Statistics

Ethics is an industry wide Phenomenon

Table 1. Pervasiveness of Ethics

RESPONSES	NUMBER	PERCENTAGE
Yes	35	64%
No	20	36%
Total	**55**	**100%**

From the table above, 35 (that is 64%) of the total respondents agreed that ethics is an industrial wide phenomenon and not restricted to some selected organizations. However, 20 (that is 36%) disagreed with the above view. They believed that ethical conduct exist firmly in organizations that are conscious and careful with their activities.

When it comes to avoiding unethical or preventing unethical conducts, the manager is instrumental

Table 2. Ethics & Role of Managers

RESPONSES	NUMBER	PERCENTAGE
Yes	35	64%
No	20	36%
Total	**55**	**100%**

From the table above, whether the activities of the organization can be proved to be ethical or unethical; 35 (that is 64%) of the respondents said that it is purely the decision of the manager of the organization. 20 (that is 36%) of the respondents however disagreed with this view on the ground that other staff and

Ethical misconduct are as a result of default on the part of the employee or the customers

Table 3. Ethical misconducts & Causes

RESPONSES	NUMBER	PERCENTAGE
Yes	35	46%
No	20	36%
Total	**55**	**100%**

From the table above, 40 (that is 72%) of the respondents are of the view that ethical misconduct result from the abuse of the system either on the part of the employee or the customer. An abuse could be caused by improper review and documentation or excesses from part of the customers or employees. However, 15 respondents do not share this view.

Strict adherence to code of ethics and statutory provisions for code off conducts will reduce significantly the incidence of ethical misconduct

Table 4. Adherence to code of ethics and statutory provisions

RESPONSES	NUMBER	PERCENTAGE
Yes	35	82%
No	20	18%
Total	**55**	**100%**

From the above table, 45 (that is 82%) of the correspondents agreed that strict adherence to code of ethics and statutory provisions for code conduct will curb unethical behaviour. Whereas, 10(i.e. 18%) of the respondents are of the views that strict adherence to code of ethics and code of conducts for ethics may not be necessary to curb unethical behaviour.

Testing of the Hypothesis 1

The Question 5 section B would be used to test this hypothesis: Insider abuse is a critical contributing factor to the incidence of ethical misconduct.

Table 5. Insider abuse is a critical contributing factor to the incidence of ethical misconduct

VARIABLE	YES	NO	TOTAL
Male	25	10	35
Female	5	15	20
Total	**30**	**25**	**55**

Computation of Expected Frequencies

$$E = \frac{RT \times CT}{GT}$$

$$E_{11} = \frac{35 \times 30}{55} = 19.09, \quad E_{12} = \frac{35 \times 25}{55} = 15.91$$

$$E_{21} = \frac{20 \times 30}{55} = 10.91, \quad E_{22} = \frac{20 \times 25}{55} = 9.09$$

Computation of Chi-Square (X^2) Total

$$X^2 = \frac{E(O-E)^2}{E}$$

$$= \frac{(25-19.09)^2}{19.09} + \frac{(5-10.91)^2}{10.91} + \frac{(10-15.91)^2}{15.91} + \frac{(5-9.09)^2}{9.09}$$

= 1.83 + 3.20 + 2.20 + 3.84

= 11.07

Calculation of Degree of Freedom

D.F = (C – 1) (R-1) = (2.1) (2.1) = 1

Level of significance = 0.05

Table Value; X^2 0.05. 1 = 3.841

Decision Criteria

X^2	X^2	D.F	LEVEL OF SIG.
Calculate	0.05.1	10	35
11.07	3.841	1	0.05

Accept HO. If X^2 calculate X^2 0.05.1; otherwise reject.

Inference

Since the calculated value of X2 = 11.07 is greater than the table value = 3.841; we reject the null hypothesis which states that insider abuse is not a major constraint in checking occurrence of ethical misconduct.

Testing of the Hypothesis 2

The Question 7 section would be used to test this hypothesis: instability of macroeconomic a policy is a contributory factor to the problem of ethical misconduct.

Table 6. Instability of macroeconomic a policy is a contributory factor to the problem of ethical misconduct

VARIABLE	YES	NO	DON'T BELIEVE SO	TOTAL
Male	32	2	1	35
Female	13	7	2	20
TOTAL	**45**	**9**	**3**	**55**

Computation of Expected Frequencies

$$E = \frac{RT \times CT}{GT}$$

$E_{11} = \frac{35 \times 45}{55} = 19.09$, $E_{12} = \frac{35 \times 9}{55} = 5.73$

$E_{13} = \frac{35 \times 3}{55} = 1.91$

$E_{21} = \frac{20 \times 45}{55} = 16.364$, $E_{12} = \frac{20 \times 9}{55} = 3.27$

$E_{23} = \frac{20 \times 3}{55} = 1.09$

Computation of Chi-Square (X^2) Total

$$X^2 = \frac{E(O - E)^2}{E}$$

$$= \frac{(32 - 28.64)^2}{28.64} + \frac{(13 - 16.36)^2}{16.336} + \frac{(2-5.73)^2}{5.73}$$

$$\frac{(7-3.27)^2}{3.27} + \frac{(1-1.91)^2}{1.91} + \frac{(2-1.09)^2}{1.09}$$

$= 0.39 + 0.69 + 2.43 + 4.25 + 0.43 + 0.76 = 8.95$

Calculation of Degree of Freedom

D.F = (C – 1) (R-1) = (3.1) (3.1) = 2

Level of significance = 0.05 *Table Value;* X^2 0.05. 2 = 5.99

Decision criteria

X^2 Calculate	**X^2 0.05.2**	**Level of sign**
Calculate	0.05.1	10
11.07	3.841	1

Accept HO. If X^2 calculate X^2 0.05.2, else reject HO.

Inference

Since the calculated value of X^2 = 8.95 greater than the table value 5.99, we reject the null hypothesis which states that chances in macroeconomic policies do not contribute to the

incidence of ethical misconduct and therefore upheld that alternative hypothesis which states that changes in macroeconomic policies contribute to the incidence of ethical misconduct.

Testing of the Hypothesis 3

The question 9 section would be used to test this hypothesis: A good corporate social responsibility plan can reduce significantly the incidence of unethical misconduct

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Table 7. A good corporate social responsibility plan can reduce significantly the incidence of unethical misconduct

VARIABLE	YES	NO	TOTAL
Male	25	10	35
Female	5	15	20
Total	**30**	**25**	**55**

Computation of Expected Frequencies

$$E = \frac{RT \times CT}{GT}$$

$$E_{11} = \frac{35 \times 30}{55} = 19.09, \quad E_{12} = \frac{35 \times 25}{55} = 15.91$$

$$E_{21} = \frac{20 \times 30}{55} = 10.91, \quad E_{22} = \frac{20 \times 25}{55} = 9.09$$

Computation of Chi-Square (X^2) Total

$$X^2 = \frac{E(O - E)^2}{E}$$

$$= \frac{(25 - 19.09)^2}{19.09} + \frac{(5-10.91)^2}{10.91} + \frac{(10-15.91)^2}{15.91} + \frac{(15-9.09)^2}{9.09} = 11.07$$

Calculation of Degree of Freedom

D.F = (C – 1) (R-1) = (2.1) (2.1) = 1

Level of significance = 0.05 *Table Value;* X^2 0.05. 1 = 3.841

Decision criteria

X^2 Calculate	X^2 0.05.1	D.F	Level of sign
11.07	3.841	1	0.05

Accept HO. If X^2 calculate X^2 0.05.1; otherwise reject.

Inference

Since the calculated value of X^2 = 11.07 is greater than the criteria table value of 3.841, we reject the null hypothesis which states that the strategic management of code of ethic policy cannot reduce the incidence of ethical misconduct held the alternative hypothesis which means that the strategic management of code of ethical policy reduce the incidence of ethical misconduct.

SUMMARY OF THE MAJOR FINDINGS

1. That a company's ethical environment affects the ability of its workers to work free form distraction with the greatest productivity. Most employees encounter unethical or questionable behaviour in their work places. Employees are more likely to observe ethical lapses on the job often than not. The fact is that most employees have encountered unethical or questionable behaviour in their place of work. The type of ethical lapse most commonly seen are high risk activities such as giving preferential treatment to employees, customers or suppliers, sharing company secrets with others; embarrassing or mistreating co-workers publicly; and sending inappropriate or offensive electronic communications – all of which have potential legal liability or reputational risk tied to them and are among the types of activities that have been at the center of many recent high profile corporate scandals.
2. That most workers lose significant time due to ethical misconducts in the organization. Time loss ranges from hours to days to weeks as people mull over incidents, spend time talking about incidents with others, or file reports and formal complaints. Further, there is a ripple effect. When a worker, observing an unethical behaviour, tells an average of say eight people out of which three lose work time. This suggests that organizations must more rigorously craft their code of ethics to address such issues and reduce time loss.
3. That productivity loss from unethical behaviour could be significant to business per year. While the Naira cost of this productivity loss is hard to measure precisely, the total hours could be significant or on the level of billions of hours off lost time. An accurate calculation of the cost of lost productivity deserves further study, as the repercussion from such losses can significantly affect companies in reduced profits, increased litigation, and greater turnover of employees and diminished organization workplace morale.
4. That an ethical misconduct can result in reputational damage to company and loss of stakeholders' trust. The number of employees with knowledge of current unethical situations and the fact that they talk about them widely, both internally and externally,

deserves careful consideration. Employees must be able to trust that they can report incidents in complete confidence or they will continue going outside the company to lodge their complaints or seek advice.

5. That the implication companies must consider is the likely decrease in efficiency and quality of output when people's attention is divided. Experiencing anger or being personally offended by e-mails or instant messages, for instance, are barriers to effective performance. Employees' lack of the skills needed to handle ethical misconduct on their own distrust of the company's willingness to deal with such misconduct can lead to workplaces interpersonal conflict and heightened stress, which take a toll on work quality.
6. That ethical misconduct can diminish a company's ability to attract and retain employees. A prior ethical study on employee engagement confirmed this; findings that nearly one-third of all surveyed reported having left job at some point in their career because of ethical issues. Further more employees would prefer to work for a company that is ethical.

CONCLUSION

In view of the findings in this study effort, the following conclusions are evident. The study reveals that insider abuses are the main determinants of unethical misconducts in Nigeria. Therefore, the need to redesign the code of conducts and proper documentation of code of ethics and its administration has become persuasive. In this regards, efforts should be made to incorporate a matrix to improve the code of ethics and professionalism in Nigerian organizations. This will ensure strict control of ethical conduct and its implementation.

A study like this is elaborate and cannot be fully dealt with in a single research. There are much deeper areas of ethical misconduct relating to other areas and peculiar to certain industries and countries. This will give other researchers an ample opportunity to deal with.

RECOMMENDATIONS

After a critical study of ethics and professionalism challenges in accounting practice, the following recommendations demand some attention.

1. We recommend that company leadership and management must strive to determine how they want to influence their culture for greater success. This process requires serious discussion about the company's fundamental values and operational process given its industry, employees and other factors. In the end, the company must seek to

define specific cultural ideas and values that it wants associated with its corporate character to help achieve enduring success.

2. For change to occur, we also recommend that company leadership and management must develop and earn the trust of employees. This begins with honest and transparent two-way decisions that inspire people to embrace the company's values.
3. We equally recommend that companies must embark on engaging employees in broad-based educational efforts. Individuals must be able to recognize how their day-to-day behaviour affects other people at work and how the actions they take on behalf of the company reflect on the company's reputation and credibility to engender trust on market place.
4. We also recommend that employees must feel comfortable raising issues about ethics with their supervisors and managers, and they must be aware of how to report incidents. Above all, employees must feel confident that management will respect individuals who report ethical misconducts, and that incidents will be invested and resolved fairly, without favouritism. Clear procedures and responsive reporting systems, build trust and reinforce the central message that the company values it culture.
5. We recommend that companies should ultimately seek to build what might be called "ethical leadership" throughout the organization by educating employees to go beyond merely complying with laws to adopting principled workplace behaviours, consistent ethical reasoning and sound decision-making skills that can sustain a winning long term business culture.
6. We recommend that companies must analyze the extent to which misconduct occurs in work place. Such an evaluation is best done in the context of broad-based "cultural assessment" that examines every aspect of the company's culture.

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