

PROFESSIONAL ETHICS AND MORAL COMPETENCE UNDER THE PERSPECTIVE OF ACCOUNTING SCIENCE STUDENTS OF AN INSTITUTION OF HIGHER EDUCATION IN AMAZON REGION

ABSTRACT

The study aims to assess the moral competence, through the application of Moral Judgment Test (MJT) from Kohlberg among undergraduate students of Accounting of a higher education institution in the Amazon region of Brazil. The MJT is an instrument developed by Kohlberg which presents some moral dilemmas to respondents. Moral development is measured from the responses obtained in the interview. This study compared all graduation courses, applying the instrument in 30% of students in each period. On moral development were evaluated factors such as gender, influence by initial periods and late periods, and academics of the general course. The results were obtained from the percentage C-index, which ranks the moral development: low (1-9), medium (10 to 29), high (30-49) and very high (greater than 50). In this research some academics were below this classification, not reaching any of the established levels. The fact that many scholars concentrated on the middle level of moral competence should be cause for alert for teachers and coordinators in order to seek strategies that change this picture.

Keywords: Moral competence. Moral Judgment Test (MJT). Ethics.

1 INTRODUCTION

Because of the complexity that businesses have acquired in recent decades, the counter gained greater importance within the company, and gradually the bookkeeper function - for which the profession was known - was turning (MACHADO, NOVA, 2008).

The accountancy course in Brazil was officially implemented in the government of Juscelino Kubitschek, shortly after the 2nd World War, "when it was needed the development of local productive forces in all its technical and administrative extension" (PELEIAS *et al.*, 2007, p. 27). Thus, through Decree-Law nº7,988, of September 22, 1945, the upper reaches of Accounting and Actuarial arises, lasting four years, which

gave its graduates the title of Bachelor in Accounting. Since then the course has evolved according to social, economic and political of the country.

Due to the fierce market competition, organizations are not bothering to require standards of ethical behavior as conservative of its employees (WELLS; SPINKS, 1998). For dealing with interpersonal relationships of individuals living in a society, ethics is a subject always present in our daily lives. Endowed with a moral conscience and knowing how to distinguish between right and wrong, fair and unfair, humans are able to assess their own actions. In order to assess whether the moral development will influence the professional life of academics, this study aimed to study the prospect of professional ethics and moral responsibility of students in general, for periods and by gender. To assess the moral competence, ethical instrument was applied Moral Judgment Test (MJT) Lawrence Kohlberg. Originally the MJT instrument includes two stories that confront the interviewee with ethical dilemmas, having this to evaluate arguments against and in favor of the attitudes of the main character. Kohlberg, who died in 1986, was an professor of Social Psychology and Education at Harvard University, where he conducted much research on moral development. "After Piaget - a pioneer in the psychology of moral development - perhaps the most important psychologist in the matter is Kohlberg, whose research completed and extended to the first" (DUSKA, 1994, p. 53).

This article is divided into three parts, the first entirely theoretical, bringing a discussion with the concepts of authors adopted about ethics and moral, code of ethics and professional ethics, and also some data from a study applied in an institution of Higher Education in southern Brazil, with academic accounting, reflecting their prospect on professional ethics. The study proceeded with the application of ethical

instrument MJT in all periods of the accounting course, and ended in the presentation of results.

2 THEORETICAL

The evolution of accounting is linked to the progress of humanity. In Brazil, the development of this science began in the nineteenth century, in Rio de Janeiro, with the formal establishment of the Trade Classes and Commercial Institute (PELEIAS *et al.*, 2007). The school has undergone several changes were in admission criteria for new students, whether in their school grade, or duration, even in the nomenclature.

In 1945, by Decree-Law nº 7988 of September 22, it implemented the course that gave the title of Bachelor of Science in Accounting to graduates, that had four years. In the 60's the Federal Council of Education (CFE) was created and were fixed the Basic Guidelines of National Education. The CFE divided the courses in basic education and vocational training, fitting into this second course of Accounting. During this period, the course was strongly influenced by the European School, but from 64, there have been changes due to the adoption of the american educational model.

From the 90s, the most significant changes occurred. In 92 CFE set the minimum content and the duration of the undergraduate courses, establishing for the course in accounting 2.700 hours. It also stipulated standards for institutions to draw up curricula for the courses in order to define the professional profile to be formed.

Recent data from the Ministry of Education (MEC) in partnership with the National Institute of Educational Studies and Research (INEP), released on September 9, 2014, about 2013 higher education census show that the course in Accounting is among the most popular courses for undergraduates, taking fourth place in the ranking

with 328,031 professionals future. The accounting department alone represents almost 5% of all undergraduate courses in the country.

This increase in demand for the accounting profession reflects an appreciation of the category, since there earlier in the course of its implementation was very little estimated. However, as stated earlier, the course has undergone several changes in order to adapt to the changes and developments taking place in society itself, such as globalization. This fact makes today there is growing concern about ethics in organizations.

2.1 Ethics and Moral

Characterized ethics as a science that studies the actions of concomitant human beings with moral as well as their behavior, their morals and conduct in the society in which it is inserted. Philosophically it is a speculative science in this field since there is no exact results in the analysis of human conduct and his actions all have to do with their attitudes towards their community. Cortina (2005) believes that often the word ethics is used as a synonym for moral. The word ethics comes from the Greek *ethos*, meaning "way of being", while moral comes from the Latin *mor*, meaning "custom" as well defines Coimbra (2002, p. 75). Both allude to human relationships of a particular group, but differ at the time that ethics is the science and moral is the object studied. In short, ethics sticks to the field of theory, in the manner of thinking of individuals who would be accepted without this interfering with the harmonious coexistence that society. The moral acts in the material sphere, practical, the act; it covers the factors that formed the moral act of man, so, previous experiences, the way of life, the learned and acquired habits that make a person take certain actions in certain situations.

In modern ethics, Kant (cited CAMPOS *et al.*, 2002, p. 5) a leading modernist philosophers, says that "human beings are selfish, ambitious, destructive, aggressive, cruel and full of pleasures for which we kill, lie and we steal, but never glut ourselves." He believes that there is no natural goodness and that we must submit to duty to become moral beings. In contemporary Nietzsche (cited CAMPOS *et al.*, 2002, p. 7) believes that ethical values come from emotion and not reason. Thus, the strong man is one who is not subject to moral and repressive proposal and that does not repress his impulses and desires. However, not always this lack of attitudes of repression produces good consequences.

2.2 Moral Development according Kohlberg

The theory of human moral development is based on understanding the individual's behavior face situations and daily dilemmas, investigating their values and how far they go. One of the forerunners of the moral development field, Lawrence Kohlberg turned to the study of moral development and boosted this theory. In research to different groups of individuals among themselves, he used the interview as a method and adopted a system that respondents had a moral dilemma situation (DUSKA, 1994), in which questions were formulated to be judged individually and later justified the answers from each individual. These responses were the tool used by Kohlberg for the research of moral development. He studied also an answers cataloging system so that these, after a rating, indicate the stage or moral development level reached by the interviewee.

Duska (1994), brings as example one of Kohlberg dilemmas known as "Heinz Dilemma", where Heinz seeing his wife languish and not getting the money to buy the

newly discovered drug, invades a pharmacy at night and steals to treat her. Duska presents dilemmas made on the aforementioned story: Heinz should steal the medicine? Why? What's worse: let die or steal? What does it mean to you the value of life?

From the responses obtained in interviews, Kohlberg identified six stages which are three levels of moral judgment, each level consists of two stages. The levels are: pre-conventional, conventional and post-conventional. In the pre-conventional level, moral judgment is made based on the direct consequences of their action and contemplates two stages, stage one, where the subject follows the rules only for fear of punishment and this stage was called, by Kohlberg, the stage of heteronomous morality, and the two stage where the patient has a self-centered thinking and think only of their own interests, so it is considered the stage of individualism. Already in the conventional level, which contemplates the stages three and four, the individual obeys the norm even without consequence for the compliance or noncompliance of it. He accepts the world views and expectations of society. The three stage is known as the "good boy" because the individual feels the need to deliver what people expect. In stage four, the individual values the social order, and believes that everyone should cooperate with the social organization. In the post-conventional level, which are comprised five and six stages, individuals living under their own principles of right and wrong and once the rules are not absolute but changeable, if not agree with a given rule can disobey it. The six stages of development is within this level of moral competence, and is considered by its maker, the more evolved level, since it is characterized by universal ethical principles. The MJT is resistant to distortions, so, the interviewee can not handle (increasing or decreasing) the result C of the score, even if it receives a particular type of instruction. Originally drafted in German (Moralisches

Urteil Test - MUT) in the 70s by Georg Lind, the MJT has studies for adaptation in 27 languages and has proved very useful to measure the effects of moral competence programs.

2.3 The Code of Ethics, Professional Ethics and the Prospect of Academics.

Despite being a recurring theme the discussion on the ethical issue has been given in the field of rhetoric, especially with regard to ethics in professional activity. The news media constantly reports about corruption and deception in business; society has charged more responsibility of professionals, however, are the entrepreneurs themselves, that in order to compete on a par with the fierce competition, are failing to require certain ethical standards of its employees (WELLS; SPINKS, 1998).

Each organization adopts a system of values and behavior (its code of ethics) ensuring uniformity between the parties and a greater organizational integration. Such a system would aim to maintain order among shareholders, owners, customers, suppliers and members of the community where the company operates. It is the time where heterogeneous become smooth. For Arruda *et al.* (2003, p. 65) the "ethical problems are developed through a process involving all members of the enterprise and that passes through the sensitization step, awareness, motivation, training, [...]." Studies address the professional ethics under the vision of ensuring a specific and effective conduct ensuring uniformity of the parties that make up the company (SA, 2004).

For the accounting profession, the code of ethics of the accounting professional (applicable to accounting technicians and accountants) was approved by Resolution

CFC nº803/1996, which in its chapter one, art. 1, sets out the way in which professionals in the accounting, while in professional practice and issues related to the profession should be guided.

Even if the subject is sometimes in the field of rhetoric, ethics is an essential element in the success of individuals and organizations. To compete in the market, the company needs to maintain a strong ethical reputation, so entrepreneurs need to understand that actions taken by its management and staff will reflect directly on the image of their organization.

For the professional with higher level of education, activities can occur both in the public sphere and the private sphere by the practice of expertise, audit activities, controlling, teaching and research. In any area of operation, the counter daily deals with one of the most precious assets of the economy: information. "This simple fact shows that in the practice the ethical values of the accounting officer at any level, are constantly put to the test" (LISBON, 1997, apud FREITAS *et al.*, 2011, p. 29). The confidentiality of information to which they have access is one of the main aspects to be observed by accounting professionals. In a study as 232 students of accounting, in a private university in southern Brazil by Peleias *et al.* (2007), it was found that the vast majority of academics do not work in the accounting industry and believes that ethics refers to the way a person acts in a certain situation.

3 METHODOLOGY

For the development of this research, we used the instrument "Moral Judgment Test (MJT)", by Lawrence Kohlberg, which was applied at random to 30% of students in each course period of Accounting of a higher education institution located in the

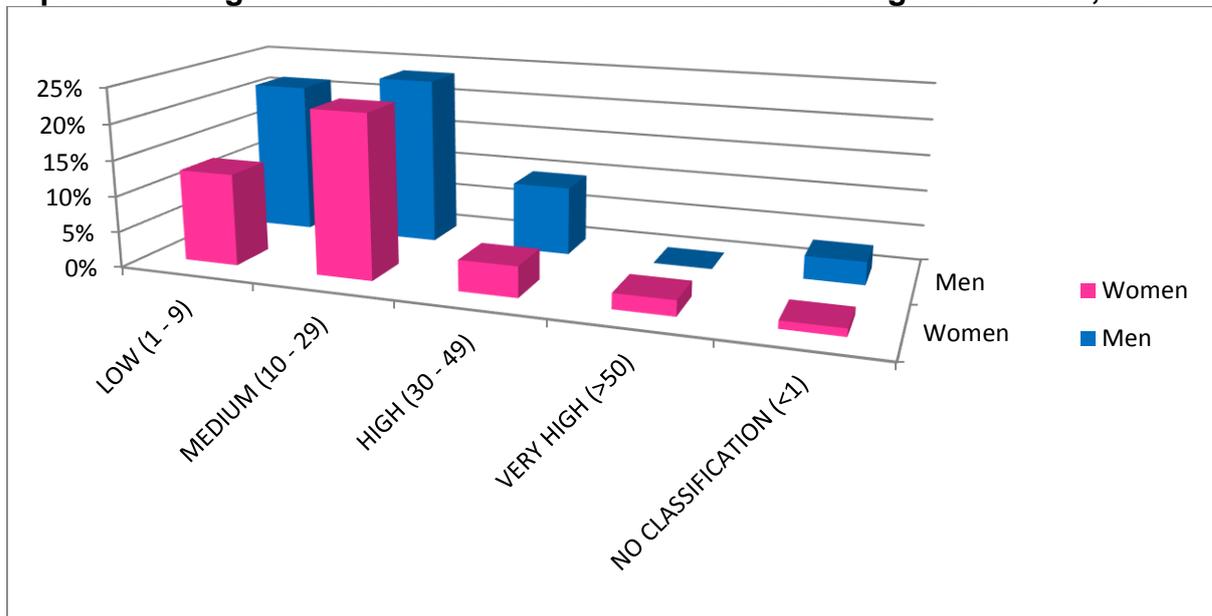
capital of the State of Rondônia, the Amazon region of Brazil. The questionnaire was preceded by an explanation of the instrument and its importance for the study. The MJT instrument aims to measure the moral responsibility of the respondent, the object of this study and therefore its influence on professional ethics. aim also assess the moral capacity of the individual upon submission of counter-arguments, allowing the choice of the variables listed in the presented cases, listed at six levels. Such levels range from knowledge of the individual between right and wrong and the consequent punishment to the stage where the individual accepts the laws and obedience agreements and recognizes its principles from his consciousness. Kohlberg identified six guidelines that form the basis of the six stages he sets about moral development.

The results of this study were obtained through the tab where the moral competence of the subject is classified according to the percentage obtained in C-index. The classification is available in Low, from one to nine; Average, ten to twenty-nine; High, thirty to forty-nine, and Very High, for they hold larger percentage fifty. In this study, some respondents were below these percentages, not fitting into any of the classifications.

4 PRESENTATION AND ANALYSIS OF RESULTS

With the discard of six questionnaires, for not filling, it was considered valid ninety-four questionnaires. Concerning the performance of moral competence by gender (Figure 1) and periods (Figure 2) there were no significant variations in the results achieved in each of them. Already in the moral competence of student performance in general (Figure 3), there was a huge percentage difference in the final classification of a level to another.

Graphic 1 Performance by gender in moral competence of scholars of a particular higher education institution in the Amazon region of Brazil, 2014.

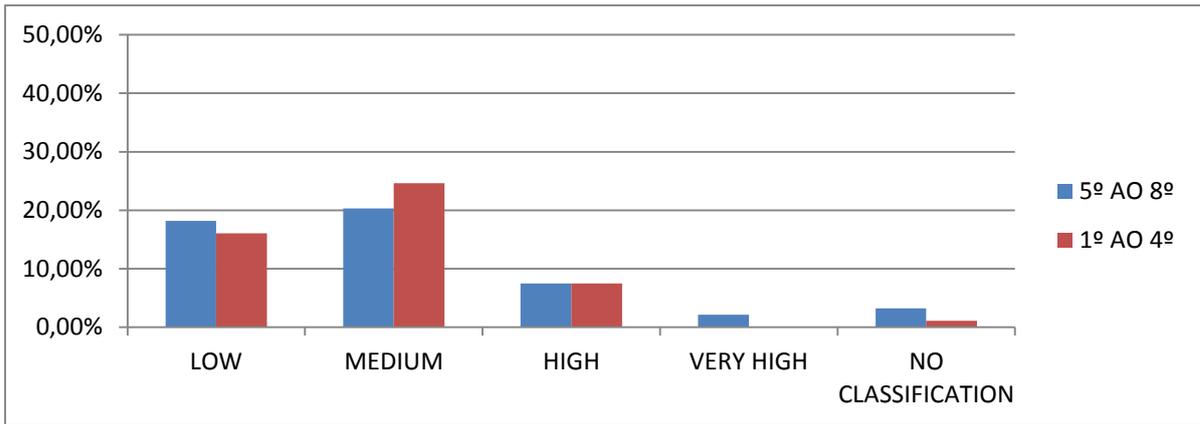


Source: developed by researchers.

In performance by gender, excelled the average level of moral competence, with 22.74% for men and 23.54% for women. There was no significant difference, only 0.8% between one gender and another, although men represent a smaller portion of this research.

In the other levels, the results are again very similar, for example, at the top level. Among those detained performance less than one and were unrated, women were the majority, fitting three this, and only one man. It is also worth noting that men were the ones who had representatives - shy, in fact - the very high level of moral performance, even these are minority.

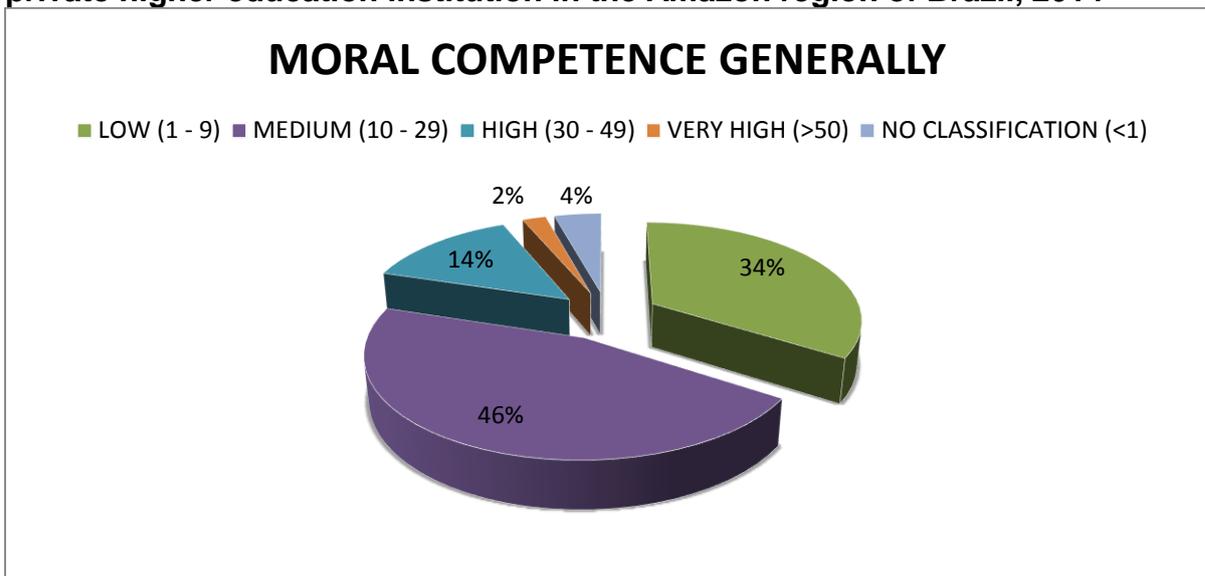
Graphic 2 - Performance for periods in moral competence of academics from a private higher education institution in the Amazon region of Brazil, 2014



Source: developed by researchers.

Concerning performance for periods, for study purposes they were arranged as follows: initial period (1st to 4th) and final periods (5 to 8). As in performance by gender, there was no significant variation between them. The average level stood out, with students of the final periods a slight percentage lead, but the interesting thing is that representatives of the very high level belong to the students of earlier periods. Another interesting fact, is the percentage occurred tie the two groups come in at the top level of moral development.

Graphic 3- Overall performance of moral competence of academics from a private higher education institution in the Amazon region of Brazil, 2014



Source: developed by researchers.

All levels were represented, some as the "high" and "very high" less expressive way. The level that stood out was the average level of moral competence, followed by the low level of moral competence.

There were very significant differences in the final classification of a level to another, for example, the difference between the level over rated, the average level for the second-ranked, was 12%. The medium and low levels were the most classified demonstrating the delay and the need to develop and address more often the ethics of science in higher education institutions.

5 CONCLUSION

The results of this research, which attested average level of moral competence for academic accounting of an institution of higher education in the Amazon region of Brazil, should be interpreted with due consideration of the study is pioneering in this matter. There are other similar studies, aimed at other labor and student categories; but in applying the same ethical instrument MJT accounting students in order to measure the moral development thereof, they were not found other work to completion this. So, so you can find more properly the data obtained here, we need more extensive studies with the application of MJT in the same group at different times of course.

The fact that the accounting professional deal daily with what is probably considered the most valuable asset of any organization, information, requires a morally competent professional. A wrong decision taken by this professional, with or without malice, with or without the knowledge and support of the entrepreneur / director, can lead to bankruptcy a business that took years to get where it is, and worse, affect drastic way of life employees and any commercial partner.

With the result of the study, so, the high percentage of students classified in medium and low levels, in contrast to the few students who qualified in the high and very high levels, it is clear that academics are well developing the technical skills of the profession, but they are not being properly equipped to the moral implications that the profession is likely to require. To the counter, in addition to technical knowledge, it is also necessary to require an intellectual tool such as moral development, so that it can break any ethical obstacle that arises in the profession.

These data demonstrate the delay and how important is the development of ethics in higher education institutions, as well as the state and federal councils of accountants; after all, as well questions Kraemer (2001, p.40), "how will be the accounting professional in the future? They will be the ones that offer the best prices and the most modern computers, or offering cutting-edge work, moral and useful to the customer? ".

Therefore, the responsibility of all those who care about the importance of moral competence of academic accounting, find and adopt the best way to apply these lessons to their pedagogical practices.

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