

TALLINN UNIVERSITY OF TECHNOLOGY

School of Business and Governance

Department of Business Administration

Ella-Noora Hyvätti

**INTERPRETATION OF ACCOUNTING ETHICS AMONG  
FINNISH ACCOUNTANTS**

Bachelor's thesis

Programme International Business Administration, specialisation finance and accounting

Supervisor: Natalie Aleksandra Gurvitš-Suits, PhD

Tallinn 2019

I declare that I have compiled the paper independently  
and all works, important standpoints and data by other authors  
have been properly referenced and the same paper  
has not been previously been presented for grading.  
The document length is 9606 words from the introduction to the end of conclusion.

Ella-Noora Hyvätti .....

(signature, date)

Student code: 166412TVTB

Student e-mail address: elhyva@ttu.ee

Supervisor: Natalie Aleksandra Gurvitš-Suits:

The paper conforms to requirements in force

.....

(signature, date)

Chairman of the Defence Committee: / to be added only for graduation theses /

Permitted to the defence

.....

(name, signature, date)

## TABLE OF CONTENTS

ABSTRACT .....	4
INTRODUCTION .....	5
1. THEORETICAL BACKGROUND .....	7
1.1. Business ethics and professional ethics .....	7
1.2. Accounting ethics .....	9
1.2.1. Definition and history of accounting ethics .....	9
1.2.2. Importance of ethical values .....	11
1.2.3. Unethical behaviour .....	12
1.3. Accounting ethics and its regulations .....	13
1.3.1. Fundamental standards .....	14
1.4. The nature of accounting in Finland .....	15
2. RESEARCH METHODOLOGY AND FINDINGS .....	19
2.1. Data collection and survey method .....	19
2.2. Analysis .....	20
2.2.1. Distribution of respondents .....	21
2.2.2. Executing current laws and regulations .....	23
2.2.3. Importance of accounting ethics .....	25
2.2.4. Evidence of accounting ethics appearance .....	28
2.2.4. The existence of pressure in accountant's job .....	32
2.3. Conclusion .....	34
LIST OF REFERENCES .....	37
APPENDICES .....	39
Appendix 1. Questionnaire .....	39

## **ABSTRACT**

Primary purpose of this paper is to study ethical behaviour, professionalism and ethical dilemmas of an accountants' and how they are perceived by Finnish accountants. The study is intended to give Finnish accountants the opportunity to express their opinions on accounting ethics, how important accounting ethics is and how they interpret ethics in their job.

Finnish accountants who are part of the Association of Finnish Accounting Firms are obligated to comply with the ethical guidelines issued by the Association. The survey questionnaire for the thesis was carried out in collaboration with the professional accountants from the Association of Finnish Accounting Firms and thesis presents the findings of the survey executed with the Finnish professional accountants. The results indicate accountants' high awareness of the current legislation, opinions on accounting ethics and its importance, behaviour in different ethically difficult situations, and occurrence of pressure in accountants' job.

Keywords: accounting ethics, Finnish accountants, professional ethics, accounting

## **INTRODUCTION**

With nowadays technology, accounting profession has changed recently by giving accountants more time to advise and meet clients, which is why accountants are now required to have expertise in the field of accounting. Accounting profession is shifting towards consultative approach, with accountants becoming financial advisors to the company. With the high expectations towards accountants, the importance of acting among professional ethics increases.

The novelty is the study about Finnish accountants and their ethical approaches. The accountants were given the opportunity to freely express their opinion towards accounting ethics. In addition, Finnish people have stereotypically high working morals and it will be interesting to examine if the hypotheses come true in the field of accounting.

The aim of the thesis is to find out accountant's opinions and attitudes towards accounting ethics and how they interpret ethics in their job. Following research questions were set by the author:

- 1) How Finnish accountants follow current accounting laws and regulations?
- 2) How important accounting ethics is to Finnish accountants and is there a need to teach accounting ethics to new employees?
- 3) How does accounting ethics appear in accounting occupations?
- 4) Is there a pressure of behaving unethically in accountants' job?

To find answers to the research questions the author of the thesis studied the theoretical background of the topic and based on that justified definitions to business ethics, professional ethics and accounting ethics. Another step was to investigate the current accounting laws and regulations, the accounting ethics principles, the nature of accounting ethics in Finland, and accountant's situation in Finnish society. Then author prepared an online questionnaire to professional accountants based on theoretical background. The final step was to gather the answers, analyse them and draw conclusions.

This thesis contains two major chapters. The first chapter represents the theoretical background of accounting ethics by giving definitions to the most important terms. Further, it examines accounting ethics regulations and fundamental principles. An overview of the nature of accounting ethics in Finnish society will close this chapter. The second chapter of the thesis consists of the explanation of the chosen methodology, the survey findings and analysis of the findings followed by conclusions.

# **1. THEORETICAL BACKGROUND**

First chapter gives an theoretical overview about the ethics in accountant's job. All the necessary definitions and the importance of accounting ethics are explained and followed by the regulations and current ethical principles for accountants, both, international and Finnish.

## **1.1. Business ethics and professional ethics**

An important matter in accounting ethics is the understanding what ethics means and what is an ethical action. Ethics is a set of moral principles that gives a guidance to humans on how to behave. Ethics determines how a person understands moral principles, it is everyone's personal moral consciousness which requires competence to face and interpret constantly changing social situations and to act in these situations based on moral understanding (Friman 2004:44).

Creyer & Ross (1997) define that, ethics is a science that examines moral questions, for example, what is right and what is wrong, which values are good and which values should be avoided, and the reasons to choose to do good rather than bad.

Nowadays business ethics is part of every businesses, from not-for-profit businesses and charities to government organizations and commercial businesses. It is essential that companies require the maintenance of basic ethical standards, for example, honesty, objectivity, trustworthiness. Duska (2011) claims that "Good ethics is good business". Business activity would not work if the other party acted dishonestly or disrespectfully nor if the employees cannot trust their employers. Usually employees experience ethical dilemmas when they are in a situation where they need to question their duties and responsibilities and what is right and what is wrong in a specific situation. These situations might be difficult to resolve and that is why business ethics is an important study. (Crane & Matten 2016:4)

Business ethics studies the proper business policies and those business activities, situations and decisions where issues of what is right and what is wrong appear. These questions occur when thinking about how to manage employees fairly, how to recognize dishonest action, or whether to accept bribery or corruption. Acting in ethical way in a business environment is making decision in a way that is consistent with what society and individuals think are good values and right ethical behaviour, this also includes acting accordance with the basic norms and regulations of the society. (Crane & Matten 2016:5-6)

Business ethics can be defined in different ways like in the study of Lewis (1985), where employees and managers were asked to define business ethics. In this study Lewis claims that there is no certain definition to business ethics on which all agree. So, he divided the study of business ethics through four approaches. Firstly, enumerating the rules, standards and principles, defines business ethics the legal and moral base for ethical behaviour. Secondly, by studying a person's decisions and actions it gives the base for the morally rightful behaviour. Thirdly, by comparing how actions corresponds with reality it gives the base to study the truthfulness of the behaviour. And fourthly, by concentrating on the specific situations where persons make ethical decisions. (Lewis 1985:379-383)

To understand the professional ethics, it is essential to understand how the word 'profession' was born. In modern developing civil society there was a need to assure clients that they can trust that they receive relevant expertise and high-quality service (Mayers 2018:14). Clients need to have skilled practitioners to whom they could turn for assistance, and with professionals, the needs would have a greater likelihood to be fulfilled effectively. Professional is an expert who is skilled in the provision of vital services and has a commitment of acting in the best interest of the client. In addition, professionals are expected to perform better than their amateur colleagues and this public's expectation builds unconsciously trust to the word profession (Mayers 2018:15). Profession representatives are required to have certain information and skills to perform tasks professionally and they are also expected to have professional ethical strength to maintain professional reputation. (Airaksinen & Friman 2008: 3) (Smith 2003:47)

Professional ethics is a part of ethical theory, it is a type of applied ethics which gives a guidance for professionals to act towards responsible way. Professional ethics is determined to focus on the professions which have fundamentally significant role in a society, such as legal professions, medical professions, accounting professions and many other professions. These professions have

to deal with difficult ethical issues on a daily basis. It raises questions about professional authority, responsibilities and duties, and the relationship between professional ethics and the moral principles of the society. (Friman 2004:58)

Accountants' job requires maintaining good business ethics as well as good professional ethics. Business ethics is a comprehensive study of how people in a business industry should behave accordance with the good manners and honourable behaviour, while professional ethics is a part of business ethics that studies how a person in a profession should behave accordance with the behaviour suitable for the specific profession. Business ethics and professional ethics are always important topics, because made decisions will inevitably have consequences which concern many other than the decision maker itself.

Further the professional ethics of accountants' will be studied by first giving the definition and then highlighting the importance of ethical behaviour and examining unethical behaviour in accountant's job.

## **1.2. Accounting ethics**

### **1.2.1. Definition and history of accounting ethics**

In accountant's job one of the main tasks is to prepare financial reports that are useful for creditors, investors and other users. Financial reports must present accurate data enabling users to make rational investment and various decisions. Financial reports should present information that is helpful for its users in assessing the amounts, timing and uncertainty of cash receipts about economic resources, and the possible changes in the cash receipts. (Horngren C. Harrison W. & Robinson M. (1996)

Accounting is a profession with a high-standards and ethical principles. According to Smith (2003), accountant must have an ethical understanding and ability at implementing moral judgements so that the he or she is able to consider the effects of his or her actions. Brooks (1995) demonstrates that for accountants it is essential to understand the role of a professional accountant, without it they cannot act and answer important questions in an ethically responsible way. Gowthrope & Blake (1998) argue that all accountants should be able to understand the ethical

consequences of the choices which are made, and they also state that accounting ethics is a legitimate study for accounting students and for accounting practitioners.

According to Elias (2002), the role of accountant is important because they are responsible for the accurate and timely preparation of financial reports to investors, shareholders and managers. Unethical behaviour damages the role of accountant by decreasing the good reputation and credibility of the accountant, and if the creditability of an accountant decreases so will the creditability of the company decrease as well.

In the study of Jajjairam (2017), there was conducted a survey to find out the ethical role of accountants and whether ethics have effect on the organizations culture. The results showed that ethics plays a vital role for the professional accountant and a good reputation of an accountant increases the reputation of the company and decreases frauds and criminal activities inside the company.

Accountant may face some difficult situations while working. Is it ethically acceptable to serve two clients with competing interests at the same time? Is it acceptable not to offer a service when the impartiality obstacle occurs? What if accountant is asked by the client to manipulate the revenues of the company or what if accountant's client is asking to write down their personal spending as a company expense. These are only few examples, and during the pressures of deadlines and budgets the choice of doing right thing becomes more challenging. There are many other ethical issues in accountants' job and that is why ethical training is important in nowadays business world.

In the middle of 1980s, scientific articles began to study the ethical reforming in the profession and defending the ethical training in accounting education. They debated about the way's ethics could be taught and can ethics be taught at all? Is it even possible to change a student's perspective and attitude towards ethics?

Tradeway Commission report and American Accounting Association committee report announced the need for more focus to ethics in a profession of accountant (Loeb 2015). In Loeb's earlier study in the 1988 he stated that accounting ethics should be taught in the college and university classrooms, he defined the goals of such teaching and also, who would be qualified to teach accounting ethics.

After the publication of Loeb 1988 the arising ethical issues forced educational organizations to focus on the ethical training and after 18 years there has happened an increase in the education of ethics in accounting. In the past two decades several undergraduate and business school educations offer different programs of ethical training (Stuart, Stuart & Pedersen 2014). The educational organizations also began to consider the methods of evaluating the students' learning of ethics and the effectiveness of the courses. Nowadays ethics and business ethics is included in the accounting textbooks that has been used in accounting courses in universities and colleagues (Loeb 2015).

Accounting ethics are essential in accountant's job. In the profession of accountant, there are various ethical dilemmas that might occur, and the behaviour of an accountant influences the company's reputation. The need of teaching accounting ethics is increasing in the accounting education programmes. In the chapter 1.2.2. the author will highlight the importance of ethical values.

### **1.2.2. Importance of ethical values**

Ethical values give the base where the modern civil society has built itself and without the ethical values the society would not be the same. In every society there are the basic values that everyone must implement in their own personal life and business life. In the business world the goal of the company is usually to increase or maintain the wealth of its owners and to success in that it requires the public's trust. To maintain the public's trust the company must perform business activities ethically based on the values corresponding society's values. The importance of values in a company can be seen through the actions of the company and not in the words. Every employee of the company must carry out the common values. (Smith 2003)

American Accounting Association President G. Peter Wilson stated in 2002 that in accountant's job there are two values that are the most important values for accountant and these are integrity and professional scepticism (Smith 2003). Based on Wilson, educators need to emphasize more these two values because they maintain the reputation of accountants. In a position of accountant integrity means remaining true and honest in every situation relating to occupation as well as in every professional relationship (IFAC 2005). Accountants must be critical thinkers and trust their

own professional knowledge to determine the validity of a matter and that is why professional scepticism is one of the most important ethical values for accountant (Smith 2003).

Association of Finnish Accounting Firms have the basic common values that every member has to implement in their actions. The values are expertise, sincerity and communality, and customer-oriented approach. To maintain these values the organization aims to increase the attractiveness of the industry, to promote the economic profitability of its customers and to support the personal success of its employees in their careers. The Association of Finnish Accounting Firms emphasizes that accountant working in honourable way is in the end more satisfying than gathering more success and wealth for itself. (Talouhallintoliitto 2019)

In general accountant's profession requires high ethical standards from its author. Accountant handles important and confidential information, so accountants must be trustworthy and responsible. It is essential for accountants to maintain a good reputation for accounting occupation by acting with integrity and professional scepticism. Subchapter 1.2.3. focuses on the unethical behaviour that might occur in the job of an accountant.

### **1.2.3. Unethical behaviour**

Unethical behaviour might sometimes occur when accountant is facing a difficult situation with a pressure of a deadline. Then the result might not be desired. Successful organization encourages their employees to ethical behaviour and discourages them from unethical behaviour. It is not always easy to separate unethical behaviour from ethical behaviour but in accountant's job there are strict rules about few most common dilemmas. (Idris 2011)

There are different types of unethical behaviour that might occur in accountant's job. Most typical unethical behaviour occur when there are dilemmas related to gifts, frauds, corruption, confidentiality, manipulation and business relationships. For example, management might offer money or gifts to accountants to have more favourable reports, inadequate employment in the accounting sector is not qualified enough to handle important financial reports, conflict between colleagues about leaking and sharing confidential information about a client's financial reports, clients ask their accountants to bend the rules, illegal accounting practices and embezzlements, and many other examples. (Low, Davey & Hooper 2006)

Consequences of unethical behaviour can be disastrous for the company and for the accountant itself. Even though unethical behaviour occurs among accountants. According to Idris (2011), there are many reasons why accountant might act unethically:

- 1) Selfish reasons and self-interest
- 2) Conflict of interest inside the company or with a client – accountant may own money to the company or have a significant stake in a company or accountant may serve two clients with a competing interest, so that he or she may not be the best alternative individual to prepare the financial statements according to the ethical standards
- 3) An employee may embezzle assets or funds from his or her employer to advantage the financial gain
- 4) The Chief Financial Officer may prepare financial statements in a way that the company seems to be performing much better than it actually is, and only to make the stock portfolio increase
- 5) An accountant may feel pressured from management or client

Unethical behaviour might be difficult to define in accountant's job because dilemmas are not always that simple. There are various reasons why accountant may act unethically in a situation but often the behaviour is not intended.

### **1.3. Accounting ethics and its regulations**

Distinctive feature for accountant is to act in the public interest according to the ethical principles. The way every accountant understands what is the right ethical way to act is based on their personal values and the values expected by the company. It is not always easy to serve the clients needs and comply with the code of ethics at the same time. There can be a conflict where accountant must remember to act according to the fundamental principles of professional accountants and apply these principles to the certain situation. (Idris 2011)

In the following chapters there are listed the most important fundamental principles and standards that supports and gives the base on the accounting ethics.

### **1.3.1. Fundamental standards**

The International Federation of Accountants (IFAC) is the global professional accounting association serving the purpose of strengthening the worldwide accountancy profession as well as contributing the public trust by developing a sustainable organizations, markets and economies. IFAC supports and develops accountability, transparency and comparability of financial reports. IFAC has more than 175 members in more than 130 countries and all together almost 3 million public accountants. (IFAC 2017)

IFAC has the independent standard-setting boards and among them there is International Ethics Standards Board for Accountants (IESBA) which serves the public interest by developing and setting high-quality ethical standards for professional accountants (IFAC 2017). IESBA presented the code of ethics for professional accountants which sets out fundamental ethical principles that professional accountant must follow in his or her job. The principles give the guidance of behaviour expected of a professional accountant. These fundamental principles are:

- ❖ Integrity – obligates accountants to be honest and sincere in his or her activity;
- ❖ Objectivity – professional accountant should not allow bias or conflict of interest to override the professional judgement;
- ❖ Professional competence and due care – professional accountant must serve his or her client with competence and due care by maintain professional knowledge and skills that are based on the current developments;
- ❖ Confidentiality – professional accountant must respect the confidentiality information acquired as a result of professional services and should not release such information to any third party;
- ❖ Professional behaviour – professional accountant should always act among current laws and regulations by avoiding any action that discredits the profession (The Code 2010).

The Code is internationally approved, and it is intended to share the globally common values and principles that characterizes accountancy across nations and cultures (Stuart, Stuart & Pedersen 2014). Code of ethics binds their members and employees to high levels of ethical conduct and it also provides guidance in performing their professional duties responsibly (Horngren, Harrison & Robinson 1996).

Another code of accounting ethics can be found in the United States. American Institute of certified public accountants (AICPA) has implemented a Code of Professional Conduct which gave the basic ethical standards for accountants in the United States (AICPA 2012). The code provides guidance and rules for every member of the certified public accountant in their performance of their professional practise (Spalding & Oddo 2012).

The AICPA Code of Conduct consists of two parts, the first part includes principles and the second part includes the rules (AICPA 2012). The code also includes interpretations and other guidance for accountants in performing their professional duties. The AICPA binds their members to follow the principles and rules of the code (Ibid.). According to Spalding & Oddo 2012, AICPA Code of Conduct is out of date and some of the rules are poorly crafted and deficient. They argue in their study, that principles-based ethics are more effective to accounting profession than rules-based approach. Thus, according to this study the Code of Ethics for Professional Accountants would serve better the profession than the Code of Professional Conduct.

Every professional accountant should follow ethical standards set by the company, but also understanding of the code of ethics for professional accountants is important because it shares the globally common values among accounting organizations.

#### **1.4. The nature of accounting in Finland**

Finland is a developed country with high business standards. The homogeneous international accounting framework is essential in a globalized world and Finland among many other countries has exercised International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). The Finnish central government budgetary organization has approximately 100 financial administration bodies who handle the governments budget and financial statements. (Oulasvirta 2014)

At the end of the 19<sup>th</sup> century Finnish community law contained accounting obligations. However, the first accounting law was legislated in 1925 and later it was completed by a law on publicity for the financial statements in 1928. The big development in accounting laws occurred in the 1970's

initiated by Martti Saario, Henrik Virkkunen and Jaakko Honko, who imported management accounting into Finnish accounting system. Besides that, Finnish accounting legislation entered into force in 1974 and changed the balance sheet-oriented financial statements into profit and loss-oriented. The primary goal of the financial statements was to calculate the profit. Nowadays the Finnish accounting law is mostly based on common principles of accounting. (Oulasvirta 2014)

Finland became a member of the European Union (EU) in 1995. As a member of the EU, Finland is obligated to follow accounting, auditing and financial reporting requirements addressed in EU Regulations and Directives. EU Regulations are converted into Finnish laws and regulations. Since 2005, all EU listed companies had to follow the standards and interpretations that has been imposed in IAS Regulations and adopted by the EU. (IFAC 2017)

The Ministry of Employment and Economy, together with the Accounting Board, is regulating accounting legislation which is called Accounting Act (2015). The Accounting Boards main mission is to give guidelines and opinions about the Accounting Act (Työ-ja elinkeinoministeriö 2019). The Accounting Act includes the implementation of EU International Accounting Standard (IAS) Regulation (EY N:o 1606/2002) which requires Finnish companies, with a public interest like banks and insurance companies, to follow and fulfil International Financial Reporting Standards (IFRS) and prepare their consolidated financial statements based on IFRS (Kirjanpitolaki 2015). IFRS should be implemented by companies whose securities trade in a regulated market. Non-listed companies are not obligated to apply or use IFRSs, but they must prepare financial reports based on the Finnish Generally Accepted Accounting Principles (Finnish GAAP), which is the basic standard for the financial statements in Finland (IFAC 2017).

Finland has not legally adopted the IESBA Code of Ethics but there is an interest towards fundamental ethical standards since Suomen Tilintarkastajat ry has adopted the Code for its members in 2015 when the association translated in Finnish language the IESBA Handbook of the Code of Ethics for Professional Accountants. The association also arranges ethical trainings for its new members based on the IESBA Code. Even though Finland has not fully adopted the Code into its legislation, Finnish accountancy organizations are encouraged to exercise ethical guidelines similar as IESBA Code represents them and they are encouraged to adopt the IESBA Code for professional accountants in Finland. (IFAC 2017)

Association of Finnish Accounting Firms (2019), have listed the following ethical guidelines:

“- Professional comply with the current legislation and good practice in the field. Professional acts responsibly in its customer relationship by considering the interest of the customer. Professional is independent in its financial and other activities. Professional operates in a systematic, long-term, careful and professional manner. Professional contribute to maintaining and strengthening good relations. Professional through its own actions promotes the appreciation of the industry. Professional takes care of the well-being of its own and of its colleagues.”

In Finland, the education level for accounting and finance is high-quality, comprehensive and professional. Universities and colleges are a central part of the public innovation system in Finland. High education and research play an essential role in business and in economic growth. In addition, high education increases labour force in Finnish society. In colleges and universities, the education offers many alternatives and possibilities, some of the schools arranges courses in accounting ethics and principles. Furthermore, many Finnish accounting associations, for example Suomen Tilintarkastajat ry, arranges ethical training for new members and employees. The professional level in business practice is important to Finnish community and the maintenance of the high-level business ethics starts from the education. (Nykänen 2008)

Finnish accounting companies usually do not offer both accounting and auditing inside the same business, auditing is performed separately in auditing company. Accountants prepare financial statements and auditors are responsible for evaluating the validity of those financial statements prepared by accountants. Accounting profession in Finland is well developed occupation with high standards. KLT-degree in Finland is a highly respected degree in the field of financial administration and accounting profession. A person who has the KLT-degree stands for accounting professional whose job descriptions are more challenging and more diverse than accountant in general. KLT-degree has an important meaning in the Finnish accounting organization. To pass the degree it requires many years of experience from the accountant and at least college degree. An estimated one-fifth of those working in a field of accounting have completed KLT-degree. (Suomen Taloushallintoliitto 2019)

The situation of employment for accountants is good in Finland. In a year 2018, Finnish financial sector is growing at an annual rate of 2-3% and the net sales in the financial sector are around one billion euros a year (Työ- ja elinkeinoministeriö 2019). The growing industry has a good employment situation for accountants and in many municipalities in Finland it is difficult to find skilled professional accountants. Some accounting offices have a constant need for professional

accountants. The Finnish financial administration employed around 13,000 people in a year 2017 and around 12,000 in a year 2018. Financial administration offers occupations in companies in different industries, and the employees calculate the half-million Finnish wages monthly. (Taloushallinto 2019)

In the future, an increasing number of employees working in the financial administration will be working in the accountancy companies because companies are outsourcing their financial management so that they can focus on their core business (Taloushallinto 2019). Because of technology development and digitalisation, the tasks in the financial administration are moving towards expert services, consulting and developing business strategies (Ibid.). Demand for professional and skilled accountants is increasing in the financial sector and clients require credibility, ethical and responsible behaviour from their financial advisors. In return, accountants are receiving more and more accreditation from their clients and the authority of the accountant as advisor is increasing to the same level as the authority of a lawyer or a doctor. (Taloushallintoliitto 2019)

In general, it can be concluded that there is a strong place for accountant profession in Finnish society. The understanding of business ethics and accounting ethics starts from the education, continues in the workplace and stabilizes in the legislation. With high work morals and strong ethical guidelines Association of Finnish Accounting Firms offers well educated and responsible professional accountants to Finnish companies.

Finland has not a long history with globally common standards in accounting, but its membership in the EU has given the obligation to follow accounting reporting requirements which are set in the EU Regulations and Directives. Finnish accounting organizations have mostly their own ethical guidelines for their members, nevertheless accounting organizations are well familiar with the IESBA Code of Ethics. Awareness of the accounting ethics and its executing adds additional value to Finnish accounting organizations.

## **2. RESEARCH METHODOLOGY AND FINDINGS**

Second chapter includes explanation of the chosen research method, and validity and reliability of the research. It is followed by the analysis and results of the survey and conclusion will finish this chapter.

### **2.1. Data collection and survey method**

The author has used quantitative research method is used in this study by organizing a questionnaire which enables to describe and interpret the object statistically with numbers and is suitable for large groups of people. (Hirsjärvi, Remes & Sajavaara 1997)

The objective of the study was to find out accountant's opinions and attitudes towards accounting ethics and how they interpret ethics in their job. The goal was to reach large group of accountants in order to gather valid results for the study. Questionnaire is the best alternative option to get enough responses for this study because it can be shared to large groups and there can be asked many questions.

Questionnaire is a technique to collect a quantitative data through survey on a certain topic. For this, author thought of going through quantitative data collection to carry out the research. Written questionnaire with 165 respondents gives the needed data, numbers and percentages to make analyses and conclusion for the research questions. The questionnaire is a favourable way to collect the data because the larger sample size the more information and more realistic result. (Hirsjärvi, Remes & Sajavaara 1997:195)

The author arranged online questionnaire which was shared among Finnish accountants via Association of Finnish Accounting Firms. The questionnaire includes 23 multiple choice questions (Appendix 1), where the author has prepared ready-made, numbered response options and the respondent chooses one response opinion that best describes his or her opinion. There were two different multiple-choice question type: 16 single choice questions where the respondent was asked to choose one option from the list and 7 linear choice questions where respondent was asked to rate on a scale 1 to 5. Language for the questionnaire was Finnish because the target group was only Finnish accountants. Respondents stayed anonymous, which gave them freedom to express their opinions without any judging.

The questionnaire consisted of 5 different sections. First respondents were asked about their background information, then about their attitude towards accounting law and accounting ethics, their experience of ethical dilemmas at the workplace, pressure of behaving ethically in their job, and lastly how the respondents experience accounting ethics in the workplace.

Target audience for this research was professional accountants. Respondent consisted of professional accountants in different positions and auditors were not included, because as mentioned in the theory chapter these are two different occupations in Finland. In addition, students were not included in the target audience because the study focuses on accounting ethics from professional accountant's point of view, so the results might have been different if students were counted as a part of the target group.

The author reached 165 Finnish accountants by contacting 82 biggest accounting firms in Finland. To find the contact information of the accounting companies, author used Association of Finnish Accounting Firms- webpage, where there were listed all Finnish authorized accounting companies. The author contacted 82 companies via email and asked if they would like to share the online questionnaire among their employees. Even though this was the busiest time for accountants the questionnaire reached 165 responses from professional accountants. The online questionnaire was available from 19.03.2019 to 08.04.2019.

The online questionnaire was available for accountants for 21 days. After enough responses were received, in this study 165 responses, the author gathered the data and analysed it and based on the data analysis gave results and answers to the research questions.

## **2.2. Analysis**

The author divided analysis of the research into five sections based on the research questions. Sections provide survey findings to different research questions which makes it easier to understand how the results can be linked with the research problems.

### 2.2.1. Distribution of respondents

Target group was professional accountants and in the Table 1. the author gathered the main characteristics of every respondent. It is essential for the study to see what kind of background the professional accountants have. Meaning the work experience, education and job position of the accountant. Later in the study the author will separate the responses from accountants from different job positions. That way the study will show the similarities and differences that accountants from different positions have. Respondents sex was not asked because it did not matter in this study.

Table 1. Distribution of respondents

	<b>Amount</b>	<b>%</b>
<b>Age:</b>		
19-29	28	17%
30-40	43	26%
41-50	44	27%
over 50	50	30%
<b>Total</b>	<b>165</b>	<b>100%</b>
<b>Education:</b>		
University degree	49	30%
College degree	58	35%
Upper secondary degree	57	34,4%
Other	1	0,6%
<b>Total</b>	<b>165</b>	<b>100%</b>
<b>KLT-degree:</b>		
Yes	73	44%
No	92	56%
<b>Total</b>	<b>165</b>	<b>100%</b>
<b>Occupation:</b>		
Accountant	96	58%
Chief accountant	51	31%
Other	18	11%
<b>Total</b>	<b>165</b>	<b>100%</b>
<b>Experience:</b>		
under 1 year	8	5%
1 to 5 years	27	16%
5 to 10 years	31	19%
10 to 15 years	24	15%
over 15 years	75	45%
<b>Total</b>	<b>165</b>	<b>100%</b>

Source: prepared by the author

Table 1. represents the distribution of the respondents. Study collected 165 responses where the age distribution was very even between the respondents. The largest group was accountants who were over 50 years old which is 30%. The second largest group was from 41 to 50 years old, which was 27% and almost the same number of accountants was from age 30-40 years old, which was 26%. The smallest group of respondents were from the age 19 to 29 years old with 17%.

Every respondent had either university degree, college degree or upper secondary degree. This represents us that large proportion of accountants in Finland are educated in the business field. The largest group had college degree in business with 35%. Almost as many accountants, in this study 34,4%, had upper secondary degree in business and 30% of the respondents had university degree. Only one respondent had a different degree which was a combination of high school and business degree.

As it can be seen in Table 1. 73 respondents which is 44% has the KLT-degree and 92 respondents which is 56% did not have KLT-degree. The results showed that none of the 19-29-year-old respondents did not have KLT-degree and almost every respondent who has KLT-degree is over 41 years old. This represents that to pass the KLT-degree examination accountant need to have years of experience in the field of accounting. In this study the amount of KLT accountants is very favourable because it shows that large proportion of respondents in this study are highly educated to their job.

All the respondents were working in the field of accounting. For the author of the study this was a favourable result because all the responses show the opinion of accountant and that was one of the goals in this study. Out of 165 responses 96 which is 58% of the respondents were accountants, 51 or 31% are chief accountants and 18 or 11% were working in other position. The group of other professions included financial advisors, office managers, payroll clerks and one chief executive officer. These responses were taken into consideration because they are professions that work on the field of accounting and are familiar with the profession of accountant.

Out of the responses 75 or 45% which is almost half of the 165 respondents had a work experience longer than 15 years. This result correlates with the KLT-degree question. The longer work experiences the larger possibility that the accountant has KLT-degree. 15% of the respondents has

a work experience from 10 to 15 years, 19% has a work experience from 5 to 10 years, 16% has a work experience from 1 to 5 years and 5% has a work experience under one year.

### 2.2.2. Executing current laws and regulations

To find out how well accountants are familiar with accounting laws and regulations in Finland the respondents were asked four single choice questions where the answer options were “yes”, “no”, or “not sure”. The purpose of these four questions was to find out accountants awareness of the current laws and regulations and how they act in order to fulfill the norms and if they have witnessed any other accountant acting against the current laws and regulations. This shows results on how accountants in Finland follow current laws and regulations in their work. The results are divided between different positions to point out the differences and similarities.

Table 2. Respondents answers to the question “Are you familiar with the current accounting laws and regulations?”

<b>Occupation:</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Total:</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	
Accountant	75	78%	21	22%	96
Chief accountant	48	94%	3	6%	51
Other	14	78%	4	22%	18
<b>Total:</b>	<b>137</b>	<b>83%</b>	<b>28</b>	<b>17%</b>	<b>165</b>

Source: prepared by the author

Table 2. represents that 83% of the respondents are familiar with the current accounting laws and regulations and 17% are not familiar. A further distribution of answers by position shows that, chief accountants were the largest group that are familiar with the accounting laws and regulations by 94% of them answering “yes” to the question. In accountants and others there were equal percentage by 78% who are familiar with the current accounting laws and regulations and 22% of them are not familiar with the current laws and regulations.

Table 3. Respondents answers to the question “Do you always act in accordance with the laws and regulations?”

Occupation:	Yes	Yes	No	No	Total:
	Amount	%	Amount	%	
Accountant	92	96%	4	4%	96
Chief accountant	50	98%	1	2%	51
Other	18	100%	0	0%	18
<b>Total:</b>	<b>160</b>	<b>97%</b>	<b>5</b>	<b>3%</b>	<b>165</b>

Source: prepared by the author

Table 3. indicates that 160 or 97% of the respondents feel that they always act according to the laws and regulations and only 5 respondents which is 3% feel that they do not always act according to the laws and regulations. As the Table 3. shows there is no significant difference in the answers between different position. Even though, as the Table 2. represents, 17% of the respondents are not familiar with the current accounting laws and regulations many of them still feel that they follow and act according to the laws and regulations.

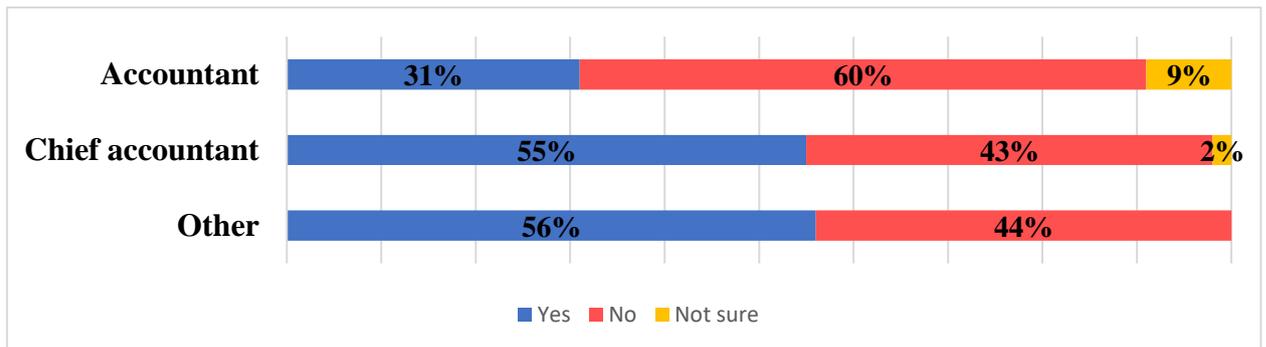


Figure 1. Respondents answers to the question “Have you ever been asked to act against the laws and regulations?”

Source: prepared by the author

Another question was asked to find out whether respondents have been asked to act against the laws and regulations. The results are presented in a Figure 1. where 31% of accountants and 55% of chief accountants have been asked to act against the laws and regulations. Other respondents

have also experienced by 56% being asked to act against the laws and regulations. There are 9% of accountants and 2% of chief accountants who are not sure whether they have been asked to act against the laws and regulations or not.

Table 4. Respondents answers to the question “Have you ever witnessed any other person acting against the current laws and regulations?”

<b>Occupation:</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Not sure</b>	<b>Not sure</b>	<b>Total:</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	
Accountant	18	19%	73	76%	5	5%	96
Chief accountant	18	35%	29	57%	4	8%	51
Other	10	56%	8	44%	0	0%	18
<b>Total:</b>	<b>42</b>	<b>25%</b>	<b>114</b>	<b>69%</b>	<b>9</b>	<b>6%</b>	<b>165</b>

Source: prepared by the author

Table 4. summarise the results of people who have been witnessed other person acting against to the laws and regulations. In total 114 respondents stated that they have not seen anyone acting against the laws and regulations and 42 respondents have witnessed other persons acting against the laws and regulations. Only 9 respondents were not sure if they have witnessed this or not.

When distributing the answers by job position type there can be seen that 19% of accountants, 35% of chief accountants and 56% of others have witnessed other person acting against the laws and regulations. Majority of the respondents have not been witnessed any action against to the laws and regulations by 76% of accountants, 57% of chief accountants and 44% of other job positions.

### 2.2.3. Importance of accounting ethics

In order to find out the respondents’ attitudes and opinions towards accounting ethics and its importance the questionnaire included first two linear choice questions where respondent had pick one answer that describes the best his or her opinion on a scale 1 to 5, where 1 absolutely disagrees

and 5 totally agrees. These questions were followed by one single choice question where the answer options were “yes”, “no” or “not sure”.

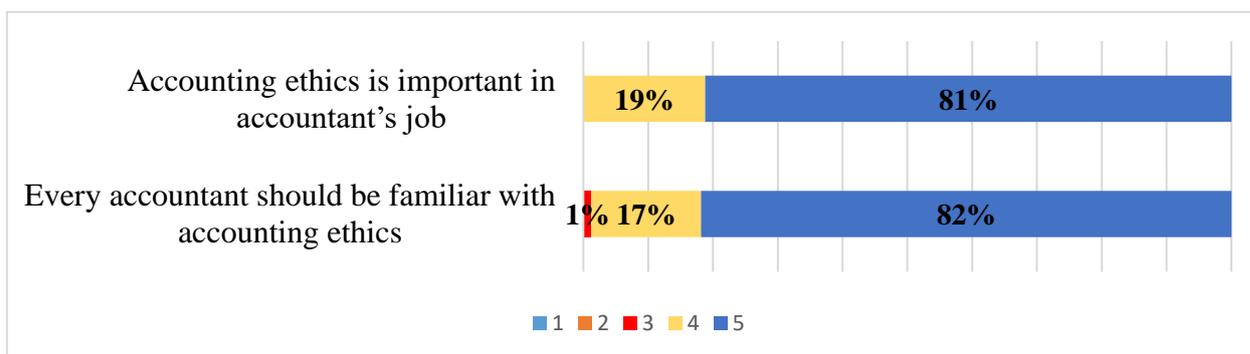


Figure 2. Importance of accounting ethics. (On a scale 1 to 5, where 1-Absolutely disagree and 5-Totally agree.)

Source: based on authors own calculations

In Figure 2. there are two claims where respondents had to give their opinion on. The first claim “Accounting ethics is important in accountant’s job” received in total 81% answers which totally agreed to the claim and rest 19% agreed with the claim as well by answering “4”. There were no answers to “3”, “2” or “1” which represents that all respondents were agreeing with the claim.

The second claim “Every accountant should be familiar with accounting ethics” had similar responses as the first state by 82% in total were totally agree with the claim, 17% chose “4” and 1% chose “3”. No answers were given to “2” or “1” which means that respondents did not disagree with the claim.

In the Table 5. below, the same linear choice questions are summarised, but the answers are divided between the different job positions in order to point out the average answers. Total average 4,80 in both claims, and small distribution between different job position averages, states that despite different job position every respondent feel that accounting ethics is important in accountant’s job, and every accountant should be familiar with accounting ethics. A small difference is between chief accountants’ and accountants’ answers. As Table 5. shows chief accountants answers increase the total average result because their answers were above the total average and accountants’ answers are below the total average.

Table 5. Importance of accounting ethics

Claim:	Accountant	Chief accountant	Other	Total:
Accounting ethics is important in accountant's job	4,78	4,88	4,78	<b>4,80</b>
Every accountant should be familiar with accounting ethics	4,70	4,86	4,83	<b>4,80</b>

Source: prepared by the author

The following linear choice questions were asked to find out how respondents think should the accounting ethics be taken more into consideration in the workplace and should employer and the management emphasize the importance of ethical behaviour. The respondents were asked to rate on a scale 1 to 5 whether they totally agree (5) or absolutely disagree (1) with two different claims.

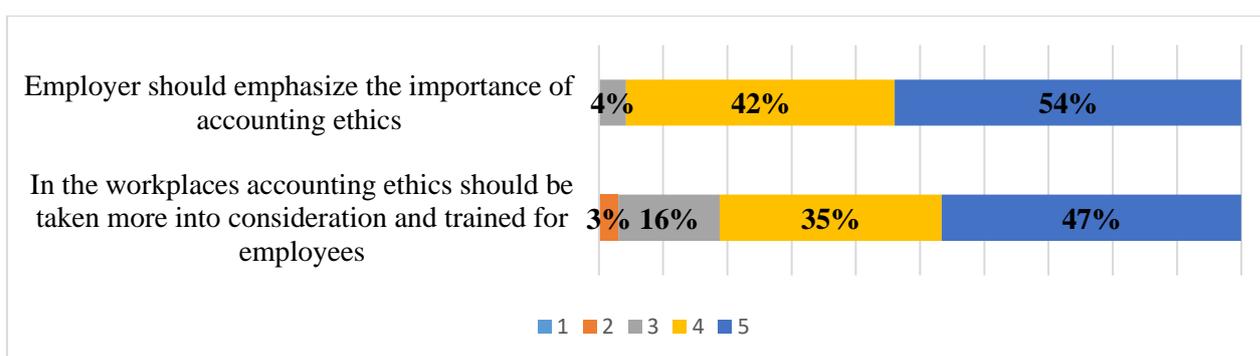


Figure 3. Accounting ethics importance in the workplace

Source: based on authors own calculations

According to Figure 3. none of the respondents disagreed with the first claim that employer should emphasize the importance of accounting ethics. The largest group 54% of the respondents answered "5" which totally agreed with the claim, second largest group with 42% of the respondents answered "4" and the rest 4% of the respondents answered "3". This means that all of the respondents feel that it is essential that employer emphasizes the importance of accounting ethics in the workplace.

The second claim in Figure 8. stated that accounting ethics should be taken more into consideration in the workplace and also trained for employees. The largest group 47% of the respondents totally agreed with the claim by answering "5". Second largest group 35% answered "4" and 16% answered

“3”. The rest 3% did not exactly agree with the claim and they answered “2”. None of the respondents were absolutely disagreeing with the claim. The distribution of the answers is bigger in the second claim but still majority agrees with it and here it can be concluded that the respondents think that there should be more focus on accounting ethics in the workplace and training accounting ethics would be favourable.

#### 2.2.4. Evidence of accounting ethics appearance

In order to find out how accounting ethics appear respondents’ job and how respondents react to ethical dilemmas the questionnaire included four single choice questions and three linear choice questions.

First question investigated how many respondent have been in a situation where they had to give up for a job task to avoid having to act against professional ethics. Table 6. represents the answers divided with job positions. In total 53 respondents or 32% have gave up for a job task to avoid having to act against professional ethics and from them 20 were accountants, 29 were chief accountants and 4 were from other job positions. The larger amount of respondents, in total 102 or 62%, have not been in a situation where they had to gave up for a job task to avoid having to act against professional ethics and from them 66 were accountants, 22 were chief accountants and 14 were from other job position.

Table 6. Respondents answers to the question “Have you ever given up for a job task in order to avoid having to act against professional ethics?”

<b>Occupation:</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Not sure</b>	<b>Not sure</b>	<b>Total:</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	
Accountant	20	21%	66	69%	10	10%	96
Chief accountant	29	57%	22	43%	0	0%	51
Other	4	22%	14	78%	0	0%	18
<b>Total:</b>	<b>53</b>	<b>32%</b>	<b>102</b>	<b>62%</b>	<b>10</b>	<b>6%</b>	<b>165</b>

Source: prepared by the author

The following questions link together by first examining with single choice question that have the respondent ever been in a certain ethically difficult situation, which follows a linear choice question that examines what respondents think is ethically acceptable behaviour in the situation they were asked about before.

Table 7. Respondents answers to the question “Have you ever been asked to share confidential information?”

Occupation:	Yes	Yes	No	No	Total:
	Amount	%	Amount	%	
Accountant	37	39%	59	61%	96
Chief accountant	33	65%	18	35%	51
Other	5	28%	13	72%	18
<b>Total:</b>	<b>75</b>	<b>45%</b>	<b>90</b>	<b>55%</b>	<b>165</b>

Source: prepared by the author

According to Table 7. 75 or 45% of the respondents have been in a situation where they have been asked to share confidential information to a third party. From the 75 respondents, 37 were accountants, 33 were chief accountants and 5 were from other job positions. Chief accountants have the highest percentage 65% of respondents who have been in this situation, 39% of accountants and 28% of respondents from other positions have been asked to share confidential information.

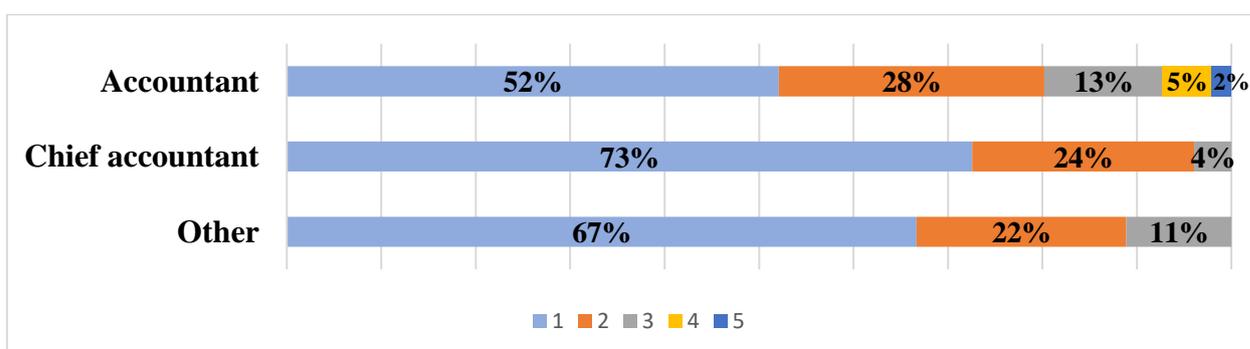


Figure 4. “Is it ethically acceptable to share confidential information to a third party?” (On a scale 1 to 5, where 1 - Not acceptable and 5 - Totally acceptable.)

Source: based on authors own calculations

The following question links to the previous question by asking is it ethically acceptable to share confidential information to a third party. The answers are summarised in Figure 4. where the respondents had to choose on a scale 1 to 5 whether they find it acceptable or not. Figure 4. indicates that chief accountants were most strict about the confidentiality rule by 73% answering that sharing confidential information is not acceptable and there were no respondents among chief accountants who would say sharing confidential information is totally acceptable which means that chief accountants were less likely to share confidential information. From accountants the distribution of the answers was larger, 52% feel it is not acceptable but only 2% feel it is totally acceptable, so accountants group is more likely to share confidential information compared to chief accountants. Other respondents answers were more similar with chief accountants answers than to accountants answers, 67% said it is not acceptable and no one said it is totally acceptable.

Table 8. Respondents answers to the question “Have you ever been in a situation where you have been asked to take on a job that has threatened the principle of objectivity?”

<b>Occupation:</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Total:</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	
Accountant	21	22%	75	78%	96
Chief accountant	19	37%	32	63%	51
Other	3	17%	15	83%	18
<b>Total:</b>	<b>43</b>	<b>26%</b>	<b>122</b>	<b>74%</b>	<b>165</b>

Source: prepared by the author

Table 8. represents that only 43 respondents in total have been in a situation where they have been asked to take on a job that has threatened the principle of objectivity. 21 accountants, 19 chief accountants and 3 from other position have been in this situation. Majority of the respondents, in this case 122 have not been asked to take on a job that has threatened the objectivity.

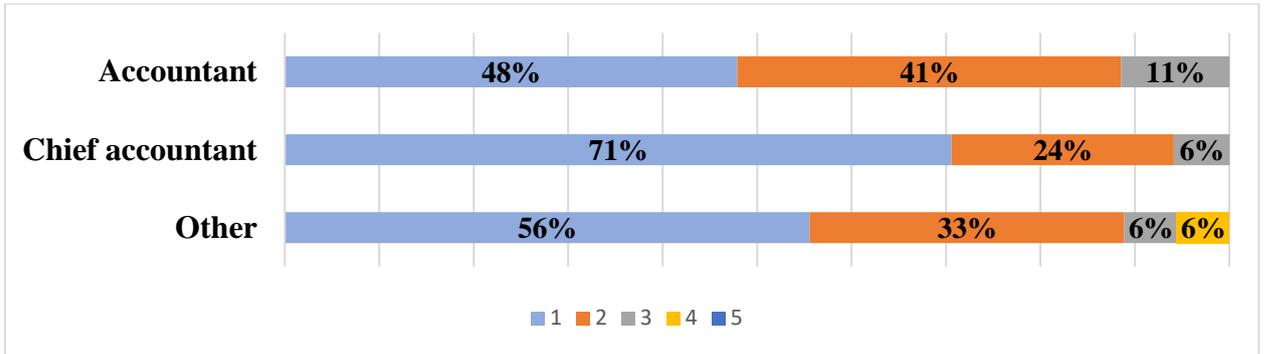


Figure 5. “Is it ethically acceptable to take on a job that threatens your objectivity?” (On a scale 1 to 5, where 1 - Not acceptable and 5 - Totally acceptable.)

Source: based on authors own calculations

Figure 5. indicates that chief accountants are less likely to take on a job that threatens objectivity because 71% of them found it ethically unacceptable. 48% of accountants and 56% of others found it also unacceptable. None of the respondents held it totally acceptable behaviour to take on a job that threatens the objectivity.

Table 9. “Have you ever been offered gifts or bribes?”

Occupation:	Yes	Yes	No	No	Total:
	Amount	%	Amount	%	
Accountant	8	8%	88	92%	96
Chief accountant	5	10%	46	90%	51
Other	1	5%	17	95%	18
<b>Total:</b>	<b>14</b>	<b>8,5%</b>	<b>151</b>	<b>91,5%</b>	<b>165</b>

Source: prepared by the author

According to Table 9. only 8,5% of all the respondents were offered gifts or bribes and 91,5% in total were never been offered gifts or bribes. Not more than 8 accountants, 5 chief accountants and 1 other respondent have been offered gifts or bribes.

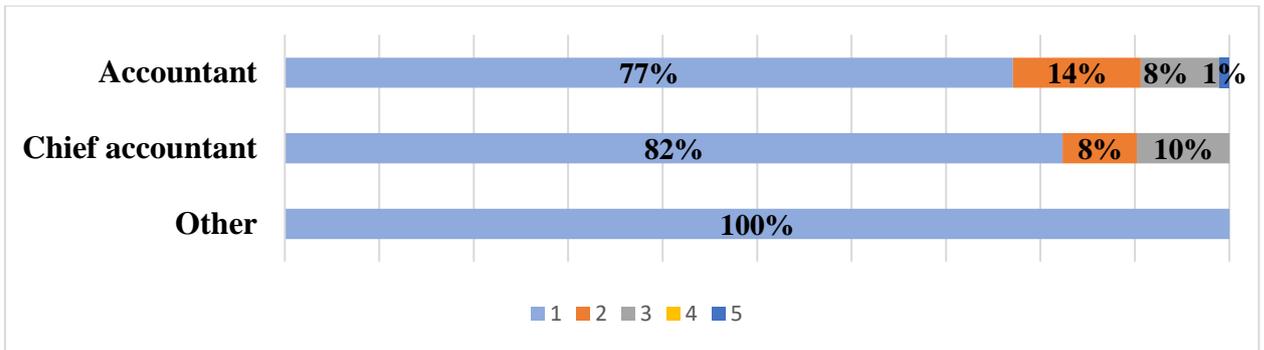


Figure 6. Responses to the question “Is it ethically acceptable to receive gifts or bribes?” (On a scale 1 to 5, where 1 - Not acceptable and 5 - Totally acceptable.)

Source: based on authors own calculations

Following question was asked to find out respondents’ attitude towards receiving gifts and bribes. Figure 6. represents the answers where majority of the respondents did not think receiving gifts or bribes is ethically acceptable. 77% of accountants, 82% of chief accountants and 100% of other respondents did not find this acceptable and none of the respondents thought that receiving gifts or bribes would be totally acceptable. Only 1% of accountants think that receiving gifts is ethically acceptable.

#### 2.2.4. The existence of pressure in accountant’s job

The following part of the survey examines with two single choice question, if pressure occurs in the respondent’s job and does the pressure cause the respondent to act unethically in his or her job. In order to study whether there is more pressure in other job position the author divided the answers between different job positions (Table 10).

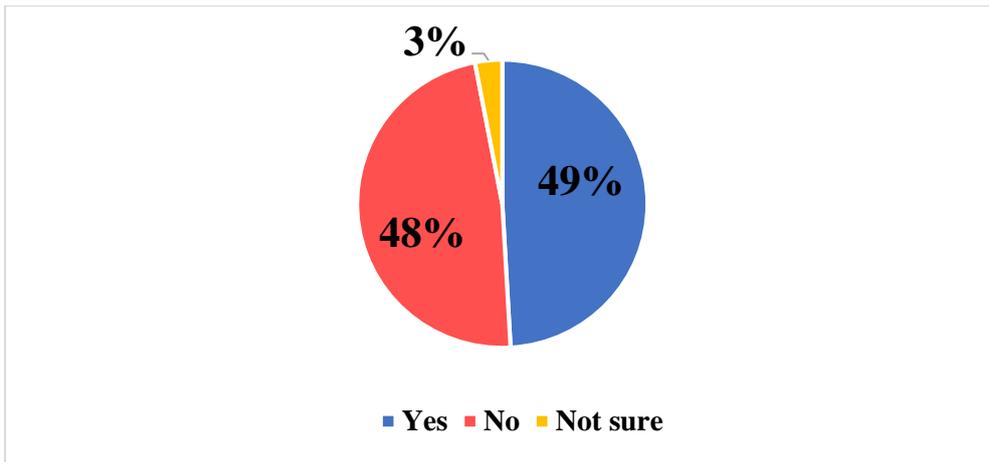


Figure 7. Responses to the question “Have you ever experienced a pressure in your job?”

Source: based on authors own calculations

According to Figure 7. 49% of the sample or 81 respondents have experienced a pressure in his or her job while 48% or 79 of the respondents have never experienced any pressure in their job. The rest 3% were not sure whether they have been under a pressure or not. In Figure 7. the answers divide equally but the following Table 10. represents the answers to the same question but it indicates the distribution in the answers between different job positions.

Table 10. Evidence of the pressure in respondents’ job

<b>Occupation:</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Not sure</b>	<b>Not sure</b>	<b>Total:</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	
Accountant	39	41%	53	55%	4	4%	96
Chief accountant	37	73%	13	25%	1	2%	51
Other	5	28%	13	72%	0	0%	18
<b>Total:</b>	<b>81</b>	<b>49%</b>	<b>79</b>	<b>48%</b>	<b>5</b>	<b>3%</b>	<b>165</b>

Source: prepared by the author

According to Table 10. chief accountants experience more pressure in their job by 73% of answering “yes” to the survey question. From accountants 41% have experienced pressure and from other respondents only 28% have experienced pressure. It can be concluded that chief accountants are more likely to have more stressful work tasks than other groups.

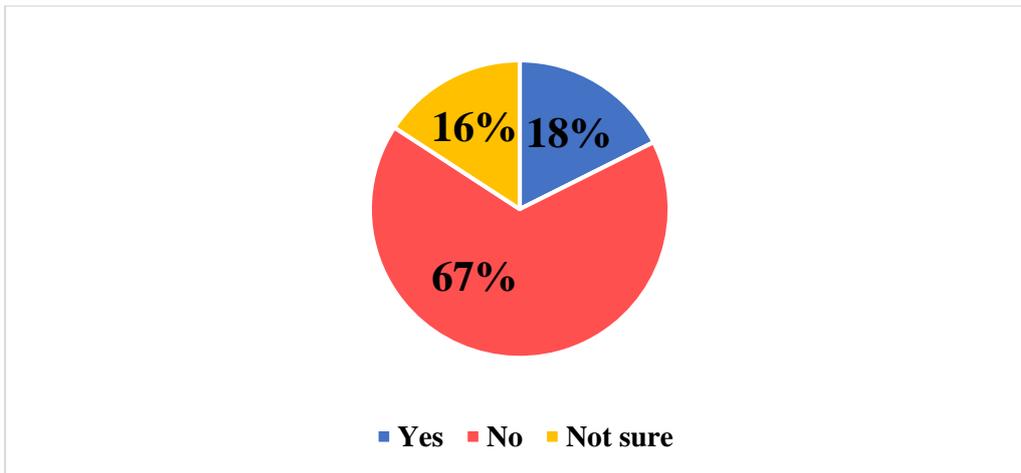


Figure 8. Responses to the question “Has the pressure of your work made you behave unethically?”  
Source: based on authors own calculations

Another question was asked about the appearance of pressure in respondents job. Figure 8. summarises the responses to the question indicating that in total 67% of the respondents does not feel that the pressure in his or her job has caused them to act unethically. From the respondents 18% feel they have behaved unethically because of the pressure in the job and the rest 16% are not sure whether the pressure has an influence on their ethical behaviour.

### 2.3. Conclusion

The aim of the thesis was to identify Finnish accountants’ opinions and attitudes towards accounting ethics and how they interpret ethics in their job. Four research questions were presented in the paper’s introduction. In order to examine the research questions, the author organized an online questionnaire where the target group was Finnish professional accountants.

The sample demographics of the study was valid in order to provide accurate and relevant results. The online questionnaire gathered 165 responses from professional accountants where 57% of the respondents were older than 41 years old and had over 10 years’ experience in a field of accounting. All the respondents were professional accountants working in a different job positions which 58% were accountants, 31% chief accountants and 11% were other job positions like financial advisors, office managers and payroll clerks.

The survey findings revealed how Finnish professional accountants interpret accounting ethics in their job. The study gives an empirical evidence of how accounting ethics can be seen in the work environment of a Finnish accountant. Next the author will give answers to the research questions based on the study made.

First research question examines how Finnish accountants follow current accounting laws and regulations. In total 97% of the respondents stated that they always act according to the laws and regulations which tells that Finnish professional accountants are law-abiding. Nevertheless 25% of the respondents have witnessed other person acting against the laws and regulations and in total 53% of the respondents have been asked to act against to the laws and regulations. Even though Finnish professional accountants feel that they are law-abiding and act according to the laws there can still be seen unlawful action among Finnish accountants. From different job positions chief accountants (35%) have been witnessed unlawful action more than accountants (19%) which is a matter that could be examined even further.

Second research question was aimed to find out how important accounting ethics is to Finnish accountants and is there a need to teach accounting ethics to new employees. According to the questionnaire total average likeliness of thinking that accounting ethics is important was surprisingly high 4,8 (from a scale 1 to 5). This proves that every respondent agrees that accounting ethics is important, and with the same average 4,8 the respondents think that every accountant should be familiar with accounting ethics. Finnish accountants also think that employer should emphasize the importance of accounting ethics by 54% of the respondents totally agreeing and 42% partly agreeing with the state. Whether the accounting ethics should be taught in the workplace, only 3% of the respondents disagreed with the state and 16% were not sure. This indicates that the majority (81%) feels that accounting ethics should be taken more into consideration in the workplace.

The appearance of accounting ethics in different accounting occupations is examined in the third research question. According to the questionnaire ethical dilemmas do appear in Finnish accountants' job since 32% of the respondents have given up a job task to avoid having to act against professional ethics. The respondents have been in ethically difficult situations related to issues with confidentiality (45%), objectivity (26%) and bribery (8,5%). Chief accountants face these ethically difficult situations more often than accountants and other respondents, which is a

topic that could be examined even further. Nevertheless, chief accountants are the most ethically strictest group since, according to the questionnaire, they are less likely to share confidential information to a third party (1,3 average on a scale 1 to 5) and they are less likely to take on a job that would threaten the principle of objectivity (1,4). Accountants group is more likely to share confidential information (1,8) than chief accountants' group, and take on a job that would threaten the principle of objectivity (1,6). Still all respondents showed strong commitment to the ethical principles. Additionally, respondents from all different job positions seem to agree with each other that bribery is totally unacceptable. The average likeliness of accepting gifts or bribes was very low (1,2), and only 8,5% of the total respondents has been offered gifts in their job. This result was expected because Finnish professions do not usually involve illegal activity or corruption.

The last research question was aimed to find out is there a pressure of behaving unethically in accountant's job. According to the questionnaire, the pressure occurs in (49%) respondents' job. Nevertheless, only a few (18%) respondent stated that the pressure has caused them to act unethically. It can be concluded that the pressure occurs in Finnish accountants' job, but it does not have a large effect on the ethical behaviour. In addition, from the survey finding it can be noted that chief accountants (73%) feel more pressure than accountants (41%) or other positions (28%). Based on the results chief accountants are more likely to have more stressful work tasks.

Finnish accountants' have high awareness for the legislation as well as for ethical principles. Accountants, chief accountants and others addressed high professional knowledge towards ethical behaviour and professional competence. The pressure of work does not seem to have significant impact on the accountant's ethical behaviour. Nevertheless, the unethical and unlawful action occasionally occurs in the workplace. To prevent these situations that lead to unethical behaviour the company should have proper internal controls in place and the management should establish a work culture in which the unethical behaviour will not be tolerated. Lastly, to ensure that unethical behaviour will not occur in the workplace these actions should be properly investigated.

## LIST OF REFERENCES

- Airaksinen T. & Friman M. (2008), *Asiantuntija-ammattien etiikka*. Hämeenlinna: Hämeen ammattikorkeakoulu.
- American Institute of Certified Public Accountants (2012), *The Code of Professional Conduct*.
- Ammattinetti, Taloushallinto (2019), retrieved from  
<http://www.ammattinetti.fi/ammattialat/detail/6d91ff7ac0315a8d0144dd9038a77bb1?link=true>
- Brooks L. (1995), *Professional Ethics for Accountants*. United States of America: West Publishing Company. *Business Ethics*, 40(1), 33-45
- Crane A. & Matten D. (2016), *Business Ethics*. 4<sup>th</sup> edition. United Kingdom. Oxford: Bell & Bain Ltd.
- Creyer E & Ross W. (1997), *The Influence of Firm Behaviour on Purchase Intention: Do Consumers Really Care about Business Ethics?* *Journal of Consumer Marketing*, Vol. 14 Issue:6, pp. 421-432.
- Elias, R. Z. (2002), *Determinants of earning management ethics among accountants*. *Journal of*
- Friman M. (2003), *Ammatillisen asiantuntijan etiikka ammattikorkeakoulutuksessa*. Jyväskylä University Printing House.
- Generally Accepted Accounting Principles (2019), retrieved from  
<https://www.accounting.com/resources/gaap/>
- Gowthroe C. & Blake J. (1998), *Ethical Issues in Accounting*. United States of America. New York: Routledge.
- Hirsjärvi, Remes & Sajavaara (1997), *Tutki ja kirjoita*. Vol. 15. Kustannusosakeyhtiö Tammi
- Hornigren C. Harrison W. & Robinson M. (1996), *Accounting*. 3<sup>th</sup> ed. New Jersey: Prentice-Hall.
- Idris O. A. (2011), *Unethical Behavior by Professional Accountant in an Organization*. *Research Journal of Finance and Accounting*. Vol 2, No 2.
- International Ethics Standards Board for Accountants (2018), *Handbook of the International Code of Ethics for Professional Accountants*. International Federation of Accountants.

- International Federation of Accountants (2017), Handbook of International Education Pronouncements. United States. New York: IFAC
- International Financing Reporting Standards (2019), retrieved from <https://www.ifrs.org/issued-standards/>
- Jaijairam, P. (2017), Ethics in Accounting. Journal of Finance and Accountancy.
- Kirjanpitolaki (2015), retrieved from <https://www.finlex.fi/fi/laki/ajantasa/1997/19971336>
- Lewis, P. V. (1985), Defining 'business ethics': Like nailing jello to a wall. Journal of Business ethics. 4(5). pp. 377-383.
- Loeb S. E. (2015), Issues Relating to Teaching Accounting Ethics. In Research on Professional Responsibility and Ethics in Accounting. Published online: 10 Mar 2015; 1-30
- Loeb, S. (1988), Teaching students accounting ethics: some critical issues, Issues in Accounting Education 3, 316–29
- Low M. Davey H. & Hooper K. (2006), Accounting scandals, ethical dilemmas and educational challenges. Critical Perspective on Accounting Vol 19, Issue 2 p. 222-254
- Mayers C. (2018), The Professional Ethics Toolkit. USA. Hoboken: John Wiley & Sons, Inc.
- Murphy Smith L. (2003), A Fresh Look at Accounting Ethics. Vol. 17 No. 1. American Accounting Association. Accounting Horizons. pp.47-49
- Nykänen P. (2008), Yliopistovertailu, Yritysnäkökulma. Keskuskauppakamari.
- Oulasvirta L. (2014), Governmental Financial Accounting and European Harmonisation: Case Study of Finland. Vol. 4 Issue 3. School of Management, University of Tampere.
- Spalding A. D. & Oddo A. (2012), It's Time for Principles-Based Accounting Ethics. Springer Science + Business Media B.V. 2012
- Stuart I. Stuart B. & Pedersen L. (2014), Accounting Ethics. United Kingdom. West-Sussex: John Wiley & Son Ltd.
- Suomen Taloushallintoliitto (2019), KLT-tutkinto, retrieved from <https://taloushallintoliitto.fi/kl>
- Työ-ja elinkeinoministeriö (2019), retrieved from <https://tem.fi/en/accounting>

# APPENDICES

## Appendix 1. Questionnaire

165 vastausta



Vastauksia ei hyväksytä

Viesti vastaajille

Tähän lomakkeeseen ei voi enään vastata.

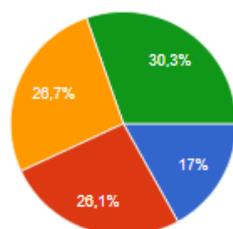


TIIVISTELMÄ

YKSITYISHENKILÖ

### Minkä ikäinen olet?

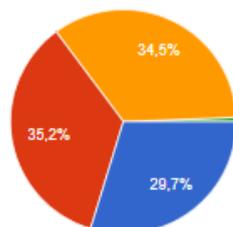
165 vastausta



- 19-29
- 30-40
- 41-50
- yli 50

### Suoritettu tutkinto:

165 vastausta

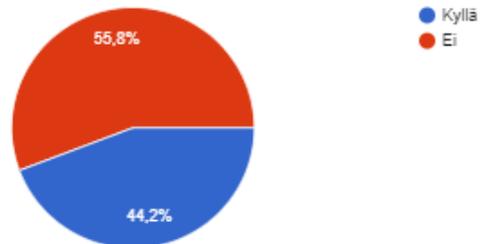


- Yliopistotutkinto
- Ammattikorkeakoulututkinto
- Merkonomin tutkinto
- YO-Merkonomi

## Appendix 1 Continued

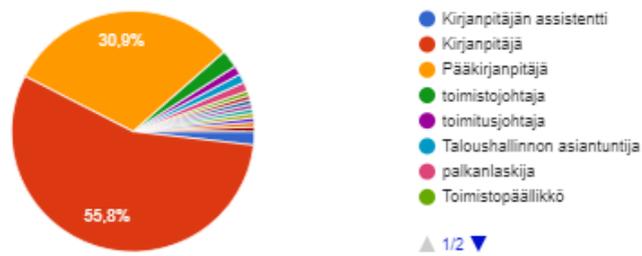
Onko sinulla KLT-tutkinto?

165 vastausta



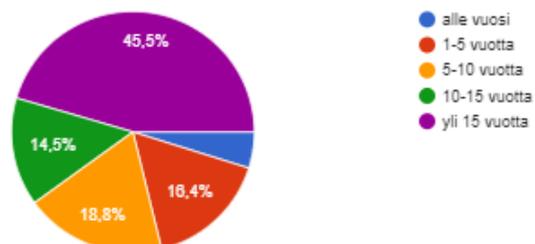
Mikä on sinun työtehtävänimike?

165 vastausta



Työkokemuksesi?

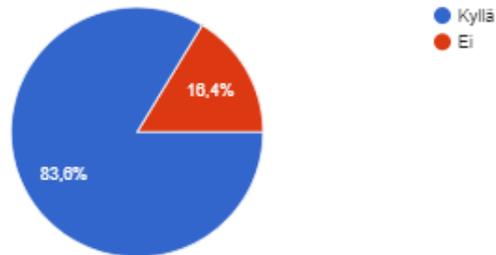
165 vastausta



## Appendix 1 Continued

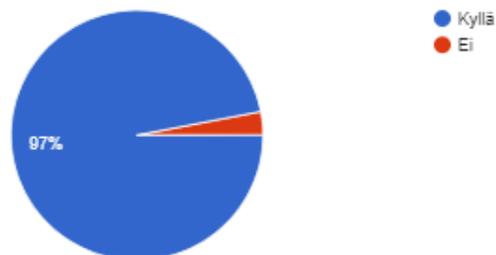
Oletko perehtynyt voimassa olevaan kirjanpitolakiin ja säädöksiin?

165 vastausta



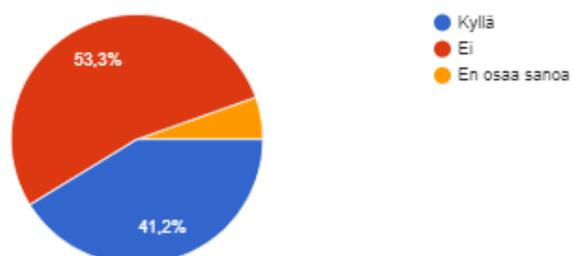
Toimitko työssäsi aina voimassa olevien lakien ja säädösten mukaan?

165 vastausta



Onko sinua koskaan pyydetty toimimaan vastoin voimassa olevia lakeja ja säädöksiä?

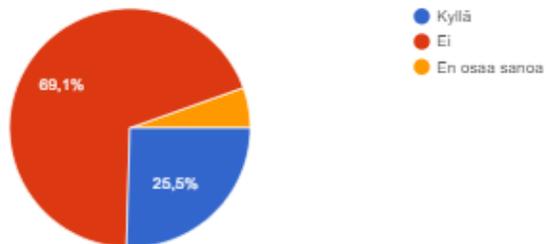
165 vastausta



## Appendix 1 Continued

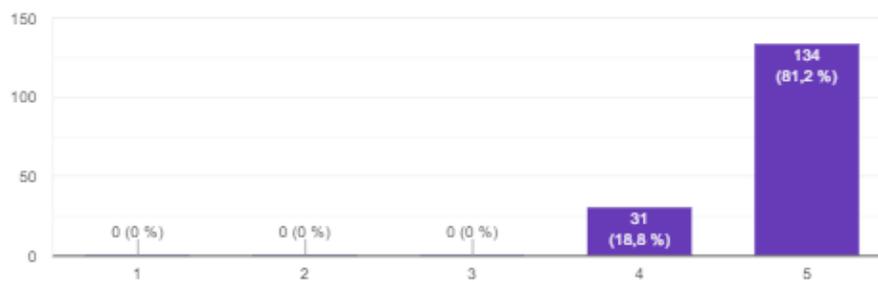
Oletko joskus työssäsi todistanut toisen henkilön toimivan vastoin voimassa olevia lakeja ja säädöksiä?

165 vastausta



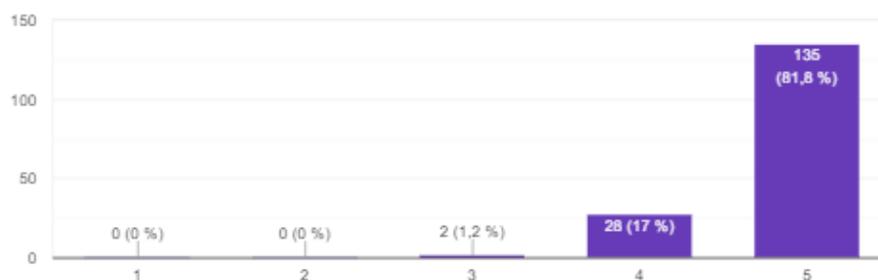
Ammattieettisyys on tärkeää kirjanpitäjän työssä.

165 vastausta



Jokaisen kirjanpitäjän tulisi olla tietoinen ammattieettisyyden periaatteista.

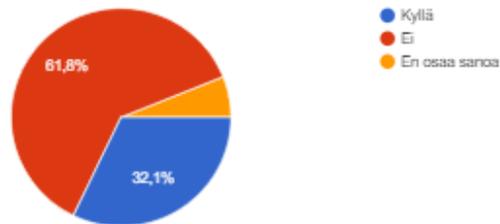
165 vastausta



## Appendix 1 Continued

Oletko joskus työssäsi joutunut jättämään työtehtävän tekemättä jotta et joutuisi toimimaan vastoin ammattieettisiä periaatteita?

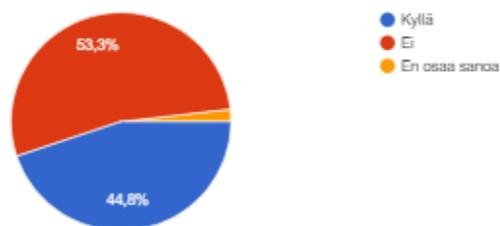
165 vastausta



### Osa 3.

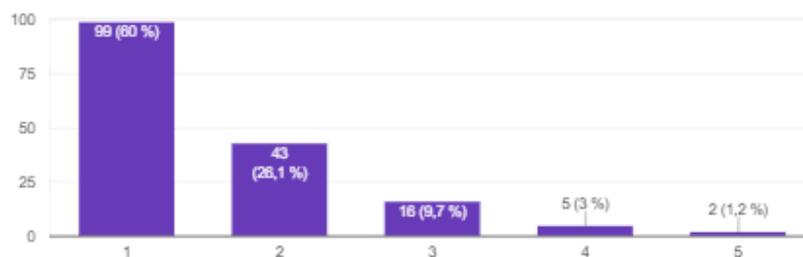
Oletko koskaan ollut tilanteessa, jossa sinulta on pyydetty salassapitovelvollisuuden alaista tietoa?

165 vastausta



Onko eettisesti hyväksyttävää antaa luottamuksellista tietoa kolmannelle osapuolelle tai kollegalle?

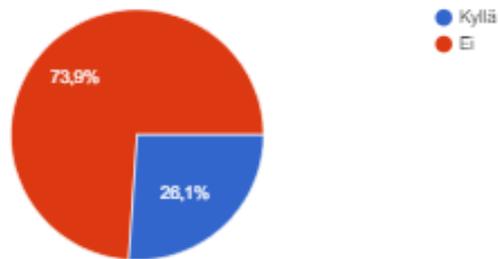
165 vastausta



## Appendix 1 Continued

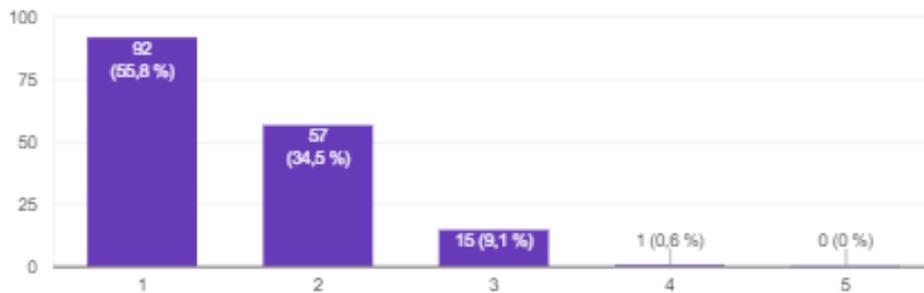
Oletko koskaan ollut tilanteessa, jossa sinua on pyydetty ottamaan työtehtävä, joka on uhannut puolueettomuus periaatetta?

165 vastausta



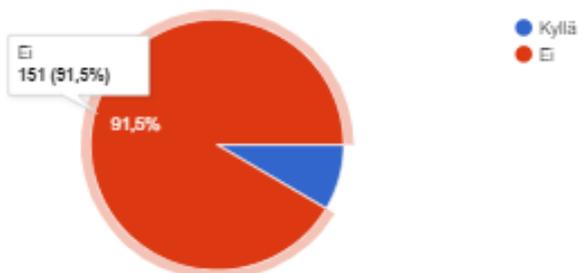
Onko eettisesti hyväksyttävää ottaa vastaan työtehtävä, joka uhkaa puolueettomuuttasi?

165 vastausta



Oletko ollut tilanteessa, jossa sinulle on tarjottu lahjuksia?

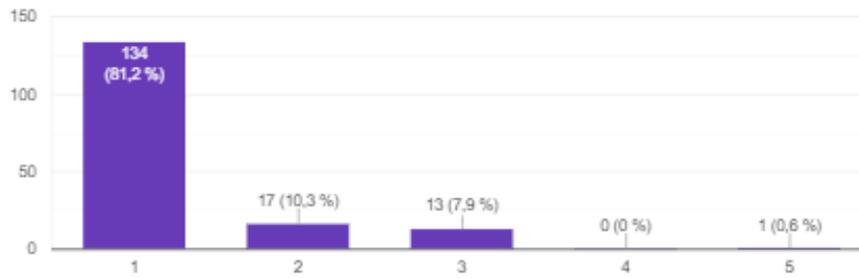
165 vastausta



## Appendix 1 Continued

Onko eettisesti hyväksyttävää ottaa vastaan lahjuksia asiakkaalta?

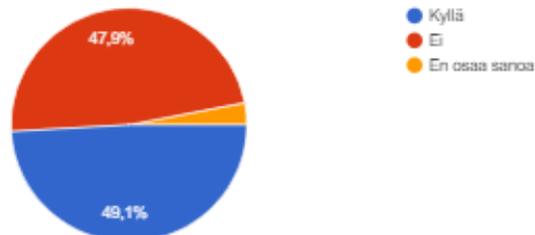
165 vastausta



### Osa 4.

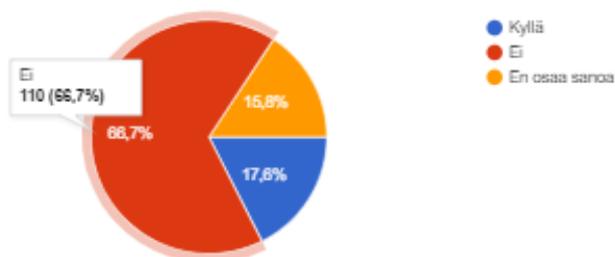
Onko työsi koskaan aiheuttanut sinulle painetta toimia vastoin ammattieettisiä periaatteita?

165 vastausta



Oletko koskaan kokenut toimineesi vastoin ammattieettisiä periaatteita?

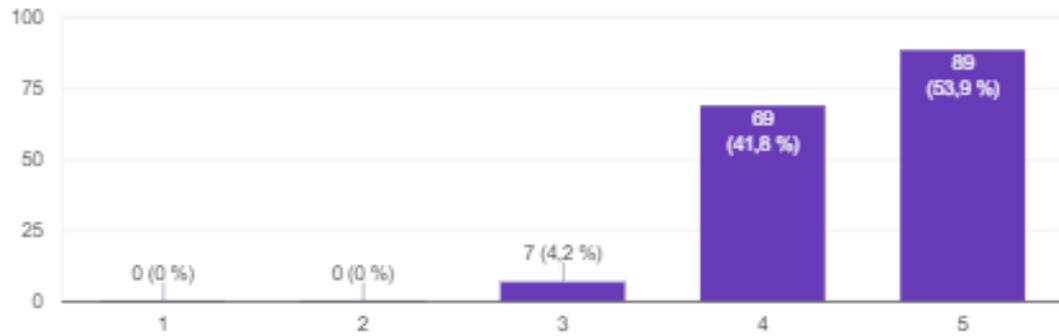
165 vastausta



## Appendix 1 Continued

Työnantajan tulisi korostaa ammattieettisyyden tärkeyttä.

165 vastausta



Tulisiko työpaikoilla ottaa enemmän huomioon ammattieettisyys ja sen kouluttaminen työntekijöille?

165 vastausta

