

ASSOCIATIONS BETWEEN THE RELIGIOUS BELIEFS AND ETHICAL-REASONING ABILITIES OF FUTURE ACCOUNTING PROFESSIONALS

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This paper was aimed at examining the associations between the ethical-reasoning abilities and religious beliefs of accounting students. The accounting-specific Defining Issues Test (Rest, 1979) was used to assess participants' ethical reasoning abilities. Results revealed significant associations between religious beliefs and ethical reasoning abilities. Accounting students with religious beliefs revealed higher levels of ethical reasoning abilities than their counterparts who did not hold religious beliefs. However, no significant difference in ethical-reasoning abilities was found among respondents with different religions overall.

Keywords: ethical reasoning abilities, religious beliefs, accounting students.

It is commonly believed that an individual's religious beliefs play an important role in ethical decision making because personal values and standards are often related to the individual's religious background (Graafland, Kaptein, & Schouten, 2006). Individuals who have strong religious beliefs are more likely to follow their religious standards when facing an ethical dilemma. Consequently, in the workplace it is necessary for managers and employees to understand how people with different religious beliefs have different perceptions of ethical issues. An analysis of the relationship between religious beliefs and perceptions of business ethics could be useful for providing guidelines for those who need to execute their code of conduct in a business context.

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Appreciation is due to anonymous reviewers.

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After some significant accounting scandals around the world, such as Enron, WorldCom, Arthur, Anderson, various bodies have appealed to the public for a greater emphasis on accounting ethics; following this, a wave of discussion involving accounting ethics has taken place (Haas, 2005). Since most accounting students will be future accounting professionals, the impact of religious beliefs on accounting students' ethical reasoning abilities should be an important topic to consider in accounting ethics education. Although studies of religious beliefs and ethical reasoning have been conducted by a number of researchers, much remains to be learned about the related issues with regard to accounting students. Therefore, the purpose of this study was to explore the relationship between ethical-reasoning abilities and religious beliefs of accounting students.

Kohlberg's (1981) ethical development theory is the most widely used for analyzing individuals' ethical-reasoning abilities. According to Kohlberg's theory, *ethical reasoning is the extent to which consideration should ideally be given to resolve an ethical dilemma*, and it describes *the sophisticated cognitive moral structure that an individual is potentially capable of utilizing* (Thorne, 2000). The development of ethical-reasoning abilities can be divided into three major levels and six stages: (1) preconventional level (including stage one: obedience and punishment orientation and stage two: instrumental purpose and exchange); (2) conventional level (including stage three: interpersonal accord and conformity and stage four: social accord and system maintenance); and (3) postconventional level (including stage five: social contract, utility, individual rights and stage six: universal ethical principles). Individuals respond differently to ethical issues in accordance with their stage of ethical reasoning, and those who are at a higher ethical stage are more likely to resist the pressure of conforming to the judgments of others. Kohlberg's theory has been used extensively to examine the levels of ethical-reasoning abilities of accounting students and professionals (Jones, Massey, & Thorne, 2003).

Religion has been recognized as one of the most important factors that can affect an individual's behavior. McDaniel and Burnett (1990) indicate that religion is a commitment to principles which are believed to be made by God. Bell (1980, p. 333) states that religion provides answers to the fundamental existential question which human groups encounter. It also offers rites for participants to celebrate and to bond in these acts of celebration from generation to generation. It is, therefore, believed that the impact of religion on social development and human behavior is significant. Past research examining individuals' ethical-reasoning abilities indicates that religious belief is a variable that has a significant impact on the development of ethical reasoning (Forte, 2004).

Religious beliefs and practices may provide guidance and direction for people in finding solutions to ethical problems. In several studies it has been indicated that individuals who are strongly committed to their religious beliefs are capable

of making decisions according to their moral convictions (see e.g., Conroy & Emerson, 2004; Kennedy & Lawton, 1998; Lam & Shi, 2008). That is, it is proposed that individuals with religious beliefs will tend to be more perceptive of ethical problems than those who do not hold religious beliefs. They may be more likely to hold traditional views on ethical issues, to accept universal moral standards, and to be concerned about the welfare of others (Thomas, 2002). Accordingly, there is likely to be a positive association between ethical-reasoning abilities and religious commitment (Wimalasiri, 2004), which leads to the following research hypothesis:

Hypothesis: Accounting students with religious beliefs will score higher on ethical-reasoning abilities than their counterparts who do not hold religious beliefs.

METHOD

MEASURE

To measure individuals' ethical-reasoning ability, the Defining Issues Test (DIT) developed by Rest (1979) has traditionally been employed in ethical-reasoning research (Thorne, 2000). The DIT is a set of ethical dilemmas to which an individual responds, and the total of these responses yields a Principled Score (P-score). The higher the P-score, the higher the stage of ethical reasoning the individual has reached (Rest, 1979). A number of studies have relied on the DIT to assess the ethical-reasoning abilities of accounting students or professionals (see e.g., Earley & Kelly, 2004; Thorne, 2000).

The DIT examines individuals' ethical reasoning by providing hypothetical scenarios of ethical dilemmas in common situations. However, some researchers argue that introducing accounting-specific scenarios into the DIT instrument may provide better outcomes in accounting ethics research (Earley & Kelly, 2004; Thorne, 2000). Scenarios based on realistic situations might generate involvement by respondents which will facilitate the elicitation of realistic responses, a degree of involvement that is more unlikely to be gained by the traditional DIT. Ethical reasoning might be affected by individuals' professions, disciplines, and professional rules (Thorne, 2000; Trevino, 1986). Therefore, when accounting professionals encounter ethical dilemmas in accounting activities, the formulation and exercising of professional judgment will be integrated into their ethical reasoning. Because of this concern, Thorne (2000) developed the accounting-specific ethical-reasoning test which is an instrument with realistic situations that evoke accounting professionals' responses. To measure accounting students' ethical-reasoning abilities, in the current study the accounting-specific DIT (ADIT) developed by Thorne (2000) was used.

PARTICIPANTS

Participants were undergraduate junior and senior accounting students in Taiwan. These accounting students had studied accounting to a level sufficient to enable them to complete the accounting-specific instruments used in the study. Anonymous questionnaires were administered to the participants, and they were informed that participation was voluntary and responses would remain anonymous. They were also informed that there were no absolutely right or wrong answers in the questionnaire so that they should simply respond based on their own thoughts and beliefs regarding each scenario or question. The questionnaires were distributed to 554 accounting students at two universities in Taiwan. A total of 449 returned the questionnaires and after the incomplete responses were removed, a total of 427 valid questionnaires remained. Of these respondents, 273 reported that they did not have a specific religious belief. Among the 154 students with religious beliefs, 78.6% ($n = 121$) named Buddhism and Taoism as their major religions. In general, Buddhism and Taoism are two important doctrines of traditional Chinese culture.

RESULTS AND DISCUSSION

Table 1 provides a summary of the P-scores measured by the ADIT for accounting students. The results in Table 1 show that the overall mean of P-scores for respondents with religious beliefs is 37.43 while the mean P-score for students without religious beliefs is 34.21. A t test with independent samples also revealed a statistically significant difference in overall P-score means between these two groups ($t = 3.80, p < 0.01$). Therefore, the research hypothesis was supported in that accounting students with religious beliefs gained higher scores on ethical-reasoning abilities than those who do not hold religious beliefs. Religious beliefs may be helpful for promoting accounting students' ethical-reasoning abilities. However, it should be noted that students whose reasoning on ethical issues is at the higher levels do not necessarily behave ethically. Any conclusions drawn regarding the relationship between religious beliefs and ethical actions should be made cautiously.

To explore whether accounting students with different religions reveal different levels of ethical-reasoning abilities, Table 2 shows the mean P-scores for students with different religions. Results of a one-way ANOVA revealed no significant differences in mean P-scores among the three groups of accounting students with different religious beliefs ($F = 0.01, p > 0.1$). Therefore, we can conclude that different religions may have the same influences on the development of ethical-reasoning abilities in accounting students.

TABLE 1
MEANS P-SCORES OF ALL ACCOUNTING STUDENTS (N = 427)

<i>P</i> -score	With Religious Beliefs (<i>n</i> = 154)	Without Religious Beliefs (<i>n</i> = 273)
<i>M</i>	38.43	33.64
<i>SD</i>	12.17	13.08
<i>Mdn</i>	35.17	32.75

TABLE 2
MEANS P-SCORES FOR ACCOUNTING STUDENTS WITH RELIGIOUS BELIEFS (N = 154)

<i>P</i> -score	Taoism (<i>n</i> = 73)	Buddhism (<i>n</i> = 48)	Christian/Catholicism (<i>n</i> = 33)
<i>M</i>	38.39	38.62	38.24
<i>SD</i>	12.87	11.65	12.01
<i>Mdn</i>	35.21	35.36	34.92

CONCLUSIONS

The findings of this study contribute to a better understanding of the relationship between the religious beliefs and ethical-reasoning abilities of accounting students. Religious beliefs are significantly correlated with accounting students' ethical-reasoning abilities. Accounting students with religious beliefs tend to present at the higher levels of ethical-reasoning abilities. Therefore, higher education institutions may encourage or provide assistance for accounting students to discover their religious orientation and strengthen belief in their religious affiliation during their college study. These results can help researchers and educational institutions validate how religious beliefs influence students' ethical reasoning of accounting ethics.

It should be noted that, like any other research on ethics, this study has the potential to suffer from responses that state what is socially desirable. However, the fact that the survey was voluntary and anonymous may have minimized this problem to some extent. In addition, this study has limited external validity as the sample was restricted to Taiwan, and therefore this will limit the generalizability of the results. In future research more countries could be included for more in-depth understanding of the influences of religious beliefs on accounting students' ethical-reasoning abilities. It would also be interesting to find out whether accounting students with different religious beliefs actually behave differently in real accounting situations.

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