



ACCOUNTING ETHICS EDUCATION IN DEVELOPING COUNTRIES: THE EXTENT OF ACCOUNTING ETHICS EDUCATION IN TURKEY*

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Abstract

In this global world, after USA corporate accounting scandals (Enron, Tyco etc.) the awareness of ethics education spread worldwide. Over the last few decades an increasing number of studies have highlighted the need to incorporate ethics into business education. Furthermore, corporate accounting scandals and corporate failures occurred in Turkey (Imarbank etc.) triggered the interest of people to the subject of ethics in accounting in Turkey. The objective of this paper is to identify the extent of ethics in accounting education in Turkey. In order to achieve this objective web sites of public and private universities in Turkey are visited. In the study content analysis was conducted. According to the results of the study, the number of ethics in accounting courses offered in undergraduate, graduate and doctorate programs are three, nine and two, respectively. It is concluded that even though the education of ethics in accounting has been progressing drastically in developed countries, it still needs further improvement in developing countries like Turkey.

Keywords: Ethics, Turkey, Ethics Education.

1. Introduction

In the aftermath of accounting scandals such as Enron and WorldCom, the importance of ethics education has increased drastically. Over the last few decades a substantive body of research has focused on the ethics education in business schools. An increasing number of studies have highlighted the need to incorporate ethics into business and accounting education. Those studies are based on the assumption that ethics education has a positive impact on the attitudes of the people and it is crucial to enhance students' ability to deal with complex business environments in the future. The merit of ethics education is not underlined only by researchers, but also professional institutions and accrediting agencies emphasized the importance of ethics in accounting. For instance, professional associations such as International Federation of Accountants (IFAC) issued Code of Ethics and accrediting agencies like Association to Advance Collegiate Schools of Business (AACSB) encouraged the inclusion of ethics courses in curricula.

In this global world, after USA corporate accounting scandals (Enron, Tyco etc.) the awareness of ethics education spread worldwide. Furthermore, corporate accounting scandals and corporate failures occurred in Turkey (Imarbank etc.) triggered the interest of people to the subject of ethics in accounting in Turkey. Thus, one may needs to know the extent of accounting ethics education in Turkey. To answer this question, I've conducted a content analysis to establish a benchmark to which ethics is currently taught in Turkish accountancy programs.

The objective of this paper is to identify the extent of ethics education in accounting in Turkey. In order to achieve this objective, websites of both public and private universities in Turkey had been visited and content analysis was used.

The remaining of the paper follows with the explanation of importance of ethics in accounting education, literature review, methodology, results and conclusion. I provided suggestions for further studies in the last part of the article.

2. The Importance of Ethics in Accounting Education

Although some opposition may still exist, ethics has an essential place in accounting education. In the last few decades people witnessed several accounting scandals and collapses of corporations (e.g. Enron and WorldCom). This creates a lack of confidence to accounting profession and management. Additionally those scandals reduce the reliability of financial statements. The integrity of the accounting profession and the credibility of financial statement have been undermined by scandals. Therefore, beforementioned accounting scandals can be acknowledged as an evidence of the needs for improvement in ethics education in accounting. Such corporate failures increased the significance of ethics in the accounting profession.

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The accounting scandals and corporate collapses calls for increased demand for ethics in accounting courses in the accounting curriculum. Eventhough ethics in accounting education cannot teach moral values or fair attitudes, at least it is useful to increase the awarens of ethical issues. Ethics education also enhances the ability of a student to solve ethical dilemmas with a minimum damage. Manager of a company confronts several types of ethical issues and ethical dilemmas day by day. It is crucial for a manager to improve his or her ability to recover such ethical issues as soon as possible with minimum usage of corporate resources. Overall, ethics in accounting education provides basis for awareness of ethical behaviors, identifying ethical issues, and resolving ethical dilemmas.

3. Literature Review

Christensen et al. (2007) conducted a survey to identify how deans and directors at the top 50 global MBA programs respond to questions about the inclusion and coverage of the topics of ethics, corporate social responsibility, and sustainability at their respective institutions. The results of their study demonstrated that approximately one-third of the schools require coverage of all three topics in the MBA curriculum. Moreover, respondents from some schools reported that they require ethics to be taught in combination with other topics.

The study of Arfaoui et al. (2016) explores the influence of ethics education on accounting students' level of ethical reasoning in Tunisia. They tested the effectiveness of an ethics intervention before and after ethics education with a control group. In their study they used DIT (Defining Issues Test) in order to identify the effectiveness of ethics training. The results of their research are given that students participating in the experiment did not achieve higher levels of moral reasoning after participating in further training on ethics.

Davis and Welton (1991) conducted a survey to three groups of students enrolled in various accounting courses. The students are grouped as (1) freshman and sophomore (lower division) business students, (2) junior and senior (upper division) business students, and (3) graduate students in business. The questions were designed to evaluate how much ethical reasoning change from beginning to end of the college experience. Analysis of results of the study reveals that no single aspect of a person's college environment influences his/her perspectives on ethical behaviour. Neither formal ethics training nor gender was shown to be significant factors in evaluating a person's ethical perceptions. Overall, the study indicates that the enhancement of ethical behavior comes from multiple exposures to the business environment via college and not from any single element.

Madison and Schmidt (2006) wanted to focus on how the largest accountancy programs were handling ethics education. They mailed a questionnaire to chairpersons of accountancy programs in USA and Canada. The respondents were classified as AACSB accredited – non AACSB Accredited and public-private. the results reveal that chairs in all institutional categories agreed that ethics education is “of great importance,” both in the business and the accountancy curriculum, and that most chairs felt it was even *more* important in the accountancy curriculum. Findings indicate that most institutions currently incorporate ethics education into the accountancy curriculum instead of having stand-alone, ethics-specific classes. Furthermore, most chairs preferred the integration approach to teaching ethics rather than offering stand-alone classes.

Nicholson and DeMoss (2009) study was conducted by a questionnaire mailed to deans in 380 AACSB International accredited business schools in North America. The results indicated that, the content level in programs is not adequate to meet the needs of business graduates, In addition, they found that smaller schools' and private schools' coordinators felt that they have more inclusion of ethics and social responsibility in their curricula, in comparison to public schools.

Yanık, Yıldız and Günce (2013) conducted a questionnaire to university students in Turkey. They concluded that there is no statistically significant difference between male and female students in their general perception of ethics and ethical values. Additionally, home town of the students creates no statistically significant difference for general perception of ethics and ethical values of honesty, professional competence, professional behavior and impartiality.

Dellaporas et al. (2014) searched to investigate the nature of ethics education in the Australian accounting curriculum and to analyse the barriers to enhancing ethics education. They prepared a questionnaire to gain the opinions of Heads of Departments of Australian universities. According to the study, major obstacles to the enhancement of ethics education are the lack of qualified staff and research opportunities.

Low, Davey, and Hooper (2008) investigated whether students believe ethics education can influence their ethical behaviour. Based on the results of the survey, students believe that ethics education



does not have a significant influence on their ethical attitude. On the other hand they support that it is still essential to have ethics course in their college programme.

4. Methodology

The purpose of the study is to identify the extent of ethics in accounting courses offered by both public and private universities. The research population is composed of curriculum of undergraduate, graduate and doctorate programs offered by Turkish public and private universities. With this aim, curriculum of undergraduate, graduate and doctorate programs were examined through the website of universities.

The Council of Higher Education (YOK) provides a list of universities in Turkey. The list of The Council of Higher Education (YOK) reveals that as of June 2017 there are 180 universities in Turkey. Content analysis was used for the purpose of the study. I've visited 114 public and 66 private universities' website in order to compile the data for current study.

Of 180 universities, 151 of them offer business administration undergraduate program within various faculties. As shown in Table 1 121 universities offer business administration undergraduate programs under the Faculty of Economic and Administrative Sciences. Faculty of Business Administration is in the second order with the frequency of 25. Table 1 summarizes the frequency of Business Administration programs by faculties.

Table 1: Number of Business Administration Undergraduate Programs by Faculties

Faculty	Public University	Private University	Total Number of University
Faculty of Economic and Administrative Sciences	84	37	121
Faculty of Business Administration	15	10	25
Faculty of Political Science	2	-	2
Faculty of Social Science	1	-	1
Faculty of Leadership and Management	1	-	1
Faculty of The Humanities and Social Sciences	-	1	1
Total of the Faculties	103	48	151
Faculty does not exist	8	10	18
Website is not available	3	8	11
Total of the Universities	114	66	180

Curriculums, course descriptions and course syllabuses (if available) of abovementioned business administration programs were examined. During the investigation, it was observed that most of the universities posted the curriculum of the program on their websites. Nonetheless, some of them publish neither course descriptions nor course syllabuses. The number of universities that issued or not issued curriculums and course descriptions are summarized in Table 2.

Table 2. Number of Universities Which Posted Curriculum, Course Descriptions or Course Syllabuses of Business Administration Undergraduate Program on Their Websites

	Public University			Private University		
	Available	Not Available	Total	Available	Not Available	Total
Curriculums	84	30	114	41	25	66
Course Descriptions or Course Syllabuses	58	56	114	27	39	66

This study compiles the data of the universities that post curriculums of business administration program. Therefore in total 125 (84 + 41) universities' business administration program are included in the analysis. In order to achieve the objective of this study, curriculums, course descriptions and course syllabuses (if available) were reviewed.

In a graduate and doctorate level, I've collected the data of courses offered by Institutes of Social Sciences. As of June 2017, 145 universities have Institutes of Social Sciences, 32 of which do not offer accounting related master programs.



Table 3. Number of Institutes of Social Sciences that Offer or Do Not Offer Accounting Relevant Masters Programs

	Public University	Private University	Total
Number of Institutes of Social Sciences Which Offer Accounting Relevant Master Program	74	39	113
Number of Institutes of Social Sciences Which Do Not Offer Accounting Relevant Master Program	27	6	33
Total Number of Institutes of Social Sciences	101	45	146
Number of Universities That Do Not Have an Institute of Social Science	13	21	34
Total Number of Universities in Turkey	114	66	180

Universities provide several master programs under the Institute of Social Sciences. As provided in Table 4 there are five different master programs which are relevant to accounting education.

Table 4. Number of Accounting Relevant Master Programs

	Public University	Private University	Total
Masters of Business Administration (MBA)	58	31	89
MSc in Accounting and Finance	9	4	13
MSc in Accounting	4	-	4
MSc in Accounting and Auditing	2	4	6
MSc in Accounting and Financial Management	1	-	1
Total Number of Master Programs	74	39	113
Program Does Not Exist	27	6	33
Information is Not Available	10	13	23
Website is Not Available	3	8	11
Total Number of Universities in Turkey	114	66	180

Throughout the examination of curriculums, course descriptions and course syllabuses of 113 master programs listed in Table 4, it is recognized that the curriculum of only 86 (52+34) master programs are available on websites. Nevertheless, only 60 (29+31) of the master programs' course contents or course descriptions are posted on website. 86 master programs whom curriculum is available on website constitute the population of the analysis.

Table 5. Number of Master Programs that Have or Have Not Made Available Curriculum, Course Content or Course Syllabus

	Public University		Private University		Total	Public University		Private University		Total
	Curriculum		Curriculum			Course Content or Syllabus		Course Content or Syllabus		
	Available	N/A	Available	N/A		Available	N/A	Available	N/A	
Masters of Business Administration (MBA)	38	20	27	4	89	20	38	26	5	89
MSc in Accounting and Finance	8	1	4	-	13	6	3	3	1	13
MSc in Accounting	4	-	-	-	4	1	3	-	-	4
MSc in Accounting and Auditing	1	1	2	1	5	1	1	2	1	5
MSc in Accounting and Financial Management	1	-	-	-	1	1	-	-	-	1
Economics	-	-	1	-	1	-	-	-	1	1
Total Number of Master Programs	52	22	34	5	113	29	45	31	8	113

The similar analysis was conducted for doctorate programs that are offered under Institute of Social Sciences of universities. The number of the Institute of Social Sciences which offer accounting related Ph. D. programs is given in Table 6.



Table 6. Number of Institutes of Social Science that Offer or Do Not Offer Accounting Relevant Ph.D. Programs

	Public University	Private University	Total
Number of Institutes of Social Sciences Which Offer Accounting Relevant Ph.D. Program	58	35	93
Number of Institutes of Social Sciences Which Do Not Offer Accounting Relevant Ph.D. Program	43	10	53
Total Number of Institutes of Social Sciences	101	45	146
Number of Universities That Do Not Have an Institute of Social Science	13	21	34
Total Number of Universities in Turkey	114	66	180

List of the names of accounting related Ph.D. programs are given in Table 7.

Table 7. Number of Accounting Relevant Ph.D. Programs

	Public University	Private University	Total
Ph.D. in Business Administration	51	26	77
Ph.D. in Accounting and Finance	5	4	9
Ph.D.in Accounting	2	-	2
Ph.D.in Accounting and Auditing	-	4	4
Ph. D. in Economics	-	1	1
Total Number of Programs	58	35	93
Program Does Not Exist	43	10	53
Information is Not Available	10	13	23
Website is Not Available	3	8	11
Total Number of Universities in Turkey	114	66	180

I've visited the web site of 93 Ph.D. programs. However, I've reached the curriculum of only 71 (43+28) doctorate programs on the websites of universities. 71 doctorate programs which have a curriculum available on website constitute the population of the analysis. Among those Ph.D. programs, course contents and course syllabuses of 50 (28+22) Ph.D. programs are examined.

Table 8. Number of Ph.D. Programs that Have or Have Not Made Available Curriculum, Course Content or Course Syllabus

	Public University		Private University		Total	Public University		Private University		Total
	Curriculum		Curriculum			Course Content or Syllabus		Course Content or Syllabus		
	Available	N/A	Available	N/A		Available	N/A	Available	N/A	
Ph.D. in Business Administration (MBA)	37	14	21	5	77	23	28	18	8	77
Ph.D. in Accounting and Finance	4	1	4	-	9	3	2	3	1	9
Ph.D. in Accounting	2	-	-	-	2	2	-	-	-	2
Ph.D.in Accounting and Auditing	-	-	2	2	4	-	-	1	3	4
Ph. D. in Economics	-	-	1	-	1	-	-	-	1	1
Total Number of Doctorate Programs	43	15	28	7	93	28	30	22	13	93

5. Result and Conclusion

As of June 2017 there are 114 public and 66 private universities in Turkey. In order to identify the extent of ethics in accounting education in Turkey, websites of all universities are visited. Furthermore, curriculums of 125 (84+41) undergraduate programs, 86 (52+34) master programs and 71 (43+28) doctorate programs are reviewed in order to identify the extent of ethics in accounting education in Turkey. According to the examination of the curriculum of such programs it is concluded that only 3 undergraduate, 9 master and 2 Ph.D. programs include ethics in accounting course.



Table 9. Frequency of Ethics in Accounting Courses Offered by Universities in Turkey

	Public				Private			
	Core	Elective	N/A	Total	Core	Elective	N/A	Total
Undergraduate	0	1	2	3	0	0	0	0
Masters	0	6	1	7	0	2	0	2
Doctorate	0	2	0	2	0	0	0	0

Table 10. Percentage of Ethics in Accounting Courses Offered by Universities in Turkey

	Public			Private		
	Number of Universities Offer Ethics in Accounting Course	Number of Universities That Post Curriculum on Website	Percentage	Number of Universities Offer Ethics in Accounting Course	Number of Universities That Post Curriculum on Website	Percentage
Undergraduate	3	84	0.03	0	41	0.00
Master	7	52	0.13	2	34	0.06
Doctorate	2	43	0.05	0	28	0.00

Even though business ethics and ethics in accounting education has recently become part of the core requirements of the business school curricula in most developed countries, the results of the study reveal that it still needs further improvement in developing countries like Turkey.

In this study, content analysis was used. The results of the study are primarily descriptive instead of normative or prescriptive. Even so, I believe that descriptive results will provide important information for universities to assess where they stand. Additionally, the study is valuable to administrators who make strategic decisions about their own management programs. Overall, the study is essential for the improvement of ethics in accounting education.

6. Recommendation for Future Studies

Approximately more than half of programs offer ethics in accounting courses as an elective. Correspondingly, understanding students' intentions with regard to their enrolment in ethics courses is a critical issue to be addressed in Turkey. Researchers interested to this subject may prepare questionnaires and conduct a survey to students to identify the factors that affect the enrolment for elective ethics in accounting courses.

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