Available online at http://cusitjournals.com/inder.php/CURJ
CITY UNIVERSITY RESEARCH JOURNAL
Vol (9), No. (4)

Major Causes of Breaching Accounting Ethics in Organizations: A grounded Theory Study

Ilyas Shairf,[1] Muhammad Junaid[2] and Fazal Malik[3]

Keywords:
Accounting Ethics,
Grounded Theory,
Financial Scandals,
Stakeholders' Theory,

ABSTRACT
This study explores the perceptions of key stakeholders of accounting practice in Khyber Pakhtunkhwa, Pakistan regarding breathe of accounting ethics (AE). Accounting has a critical role in all organizations however, non-teaching of AE leads to accountants' unethical conduct and manipulative practices that result in financial scandals. This study endeavors to comprehend perceptions of key stakeholders regarding AE via systematically supporting its numerous sides. Literature emphasizes AE since accounting information has a decisive role in individual, corporate, (inter)national decisions. Stakeholders' theory lens is applied that was initially developed to understand short and long run influences of any business organization on all interested parties. Qualitative research approach is used, and data is gathered from 25 participants through open-ended interviews from participants comprising of accounting professionals, academicians, students, their parents, employers, and recruiting agencies. Constructivist grounded theory is opted for analysis of data. Findings show that stakeholders of accounting education perceive AE very significant in their individual and organizational decisions. Ethical problems of accountants are deeply-rooted in weak accounting education and regulatory mechanism. Recommendations of the study include independence of accountants, strong regulations, ethical training of accounting students, fair HR organizational policies, restrictions on professionals for parallel audit and accounting services to their clients and reforms in tax policies.

INTRODUCTION

Accounting is an integral part of any organization for successful, transparent and efficient running of its operation. It recognizes, quantifies, and provides financial information to stakeholders for making informed decisions (Andon, Chong, & Roebuck, 2010; Earl, 1983; Senate, 1976; Willmott, 1986). Its effective use ensures transparency in procurement, use, and record of resources in the corporate world (Andon et al., 2010). Thus, organizations cannot thrive without effective use of accounting, as it brings transparency in use of resources by sharing correct financial information with all stakeholders. Accountants can (mis)guide the consumers of accounting data although, they as custodians of accounting information, are supposed to provide correct picture to all stakeholders. They can present true, better or worse picture of an organization depending on their sincerity to organizational stakeholders (Duska, Duska, & Ragatz, 2011). When accountants either

[1]*PhD Scholar, Qurtuba University of Science and Information Technology, Peshawar Campus*
[2]*Assistant Professor, Institute of Management Studies, University of Peshawar*
[3]*PhD Scholar, Qurtuba University of Science and Information Technology, Peshawar Campus*

hide true accounting information or share incorrect details with organizational stakeholders, it develops greed and unethical conduct in them where they work for their personal benefit at the cost of organizational interest. Self-centered accountants have unethical conduct and sacrifice organizational interest over personal interest (Uyar, Kuzey, Güngörmüs, & Alas, 2015). Businesses suffer where top management prefers personal benefit over organizational interest (Roy, 2017, p. 7). However, it is an under researched area especially in developing counties where ethical issues are much more serious. Effective role of accounting is necessary for real development that will ensure economic progress, increasing literacy, employment, governance, life expectation, and reducing environmental ruin (Hopper, Lassou, & Soobaroyen, 2017). Corporate governance framework depends on the regulatory, legal, ethical and organizational environment of the society (Kooskora, 2008). Thus, for real development, regulatory responsibilities of organizational accountants must be met for which they need moral education and friendly environment for implementing AE.

Background of the Study

Ethical conduct of organizational management raises its goodwill, though its value fluctuates through sharing financial results in from of accounting figures in a specific way. Business ethics strongly create, maintain and increase brand loyalty and goodwill of businesses (Rizvi, Tanveer, Saleem, & Latif, 2012). Since medieval times, the role of accounting has remained very vital in management of power relationships and recording operative events (Riccaboni, Giovannoni, Giorgi, & Moscadelli, 2006). Research shows that organizations indulge in goodwill management through sharing financial information (Wang, 2016). By exhibiting organizations as profitable and healthy, following ethics in operational accounting can attract investors and create goodwill, and vice versa. For example accounting data can show firm's output and operative effectiveness (Coate & Mitschow, 2015). Prospective net cash inflows can be used to make rational investment decisions (Harrison & van der Laan Smith, 2015; Williams & Adams, 2013). Therefore, among many aspects of accounting, its use for enhancing goodwill is the central problem, especially today, which means that its data are interposed; thus, giving accounting professional a great power to build (un)favorable image of their organizations.

Manipulative Accounting Practices

Accounting has the power to change opinions and make good and bad organizational impressions. By fraudulently reporting financial accounting records to various interest groups, Enron became the seventh biggest company of USA in a short span of 15 years yet, it finally collapsed (Ken McPhail, 2009). Enron was continuously awarded America's best working place and most pioneering firm (Kulik, O'Fallon, & Salimath, 2008). Hence, stakeholders' perceptions of an organization rely on quality of accounting data while organizations may reap short run benefits like winning prizes and rise in organizational goodwill through manipulations.

Accounting Scandals

Ignoring AE in practice of accounting has led to various accounting scandals and death of famous corporations. The collapse of Enron; the 7th biggest US company as well as its auditor; Andersen among the global 'Big Five' accountants firms occurred due to the preparation and unqualified audit of fraudulent accounts, respectively (Ken McPhail, 2009). Failures of organizations like Enron, Tyco or WorldCom, Parmalat and One-Tel etc. are (in)directly linked to accounting (Al-Aidaros, 2012; Martin, 2007; Vladu, Amat, & Cuzdriorean, 2017). Therefore, all organizations must ensure implementation of AE on their accounting professionals, otherwise they may cross ethical boundaries in performing their professional duties due to multifaceted reasons.

Reasons for Unethical Conduct of Accountants

Accounting data is not straightforward numerical display of the numbers but requires the accountants to interpret various things before they decide on what to include and in which way to include. Many authors have rejected the idea that accounting is a neutral subject for objectively reporting financial transactions (Riccaboni et al., 2006). Critical accounting theory studies information hiding and ignores aversion of accountants to provide full information instead of their inability to do the same, as critical reporting assists in discharging organizational duty and stabilizing environment (Oluwadare & Samy, 2015). However, some companies conceal actual accounting information from organizational stakeholders by preparing multiple sets of accounts for different users. Turkish firms prepare three sets of books of account for external reporting; financial institutions with rosy picture and tax authorities with no or less than actual income (Nashui, 1984). Summarily, accountants make subjective valuations, must not hide information from stakeholders still, they prepare multiple sets of accounts for various users that creates a general perception that accounting is merely an assessment and technical tool.

Accounting is considered as a numerical tool that shows the exact situation. Accounting assesses firm's output and operative effectiveness (Coate & Mitschow, 2015). According to Aristotle accounting figures should be real which guide fair market valuation till date (Klein, 2015). Nevertheless, accounting students view accounting as an exclusively technical subject (Hughes, 2010). Accounting graduates and employers recognize significance of accounting technical skills (Jackling & De Lange, 2009). Thus, they practice it technically while ignoring accounting ethics in their professional lives however, certain remedies can control unethical conduct of accountants.

Ensuring Transparency through Double Entry System and Accounting Standards

Accounting organizations have affected qualitative changes to ensure the transparency of accounting data through such steps as double entry system, standardization, and audit etc. Existence of double entry book keeping is more than 5000 years old (Mattessich, 1994), although, its origination was dated back to 11th century in Korea (Jun & Lewis, 2006). Accounting standards were developed to control accountants' information hiding and window dressing of firms financial results (Cooper, Lee, Bishop, & Parker, 1997). These standards were initially privately developed and were poorly designed and unregulated where manipulation was possible (Duska et al., 2011). Thus, to ensure transparency, custodianship of stakeholders' interest and control information concealing, double entry bookkeeping was introduced. It was mandatory for organizational accountants to present financial information in a standard format and provide to auditors for checking.

Accountability and Independence of Auditors

Auditing and auditors' independence are extremely needed for authenticity of organizational accounts. Autonomy of auditors increases correctness of accounts (Rennie, Kopp, & Lemon, 2014). They are tasked to check and report on integrity and fairness of firm's accounting records (Young, 2013). The earliest accounting records were found properly audited (Stone, 1969). And after the debacle of Spanish economic disaster in 1847-48, audit of financial statements was declared mandatory for organizations (Lloréns, 2000). For higher credibility and reliability of financial statements, auditors must be independent (Rennie et al., 2014). Less corporate transparency and independence of audit resulted in accounting scandals and corporate ruins (Low, Davey, & Hooper, 2008). Accounts' audit and auditors' freedom are basic needs for correct organizational accounts yet multifaceted ethical guidelines are integral for all accountants.

Abiding by Accounting Ethics

It is established that ethics play an important role in keeping accounting data dependable and true. Thus, organizations they have devised various ethical guidelines for accountants to follow. Accountants, as professionals, are required study ethics because of: i) their failure to scrutinize complex issues due to individual insufficient moral beliefs; ii) facing confusion in deciding what to do because of contrary moral values; iii) to rationally grasp their views; and iv) to specify basic ethical standards which are valid to act upon (Duska et al., 2011). Education of AE relates it to ethical problems, helps learn various aspects of AE, aids in recognizing problems and their moral outcomes, endorses ethical conduct, and creates a sense of ethical duties and ability to deal with professions' moral conflicts (Caliyurt, 2008; Hiltebeitel & Jones, 1992). Thus, study of AE has multilayered benefits for accountants as they understand effects of their (im)moral professional conduct for different groups and so fulfill their ethical duties still, AE are bypassed in accounting education.

Lack of Focus on Ethics in Accounting Education in Pakistan

In accounting education, technical aspects are focused upon, while ethical ones are ignored. This results in a reduced trust of stakeholders on accountants who must have ethical and honest conduct as they may subjectively report and interpret organization accounts in various ways. Focusing technical aspects of accounting while ignoring ethics in accounting education lowers public trust for accountants '(;). Instead having the only idealistic and unmeasurable learning objective of creating more ethical students, both ethics and technical learning should be treated at par (). Intangible traits of honesty and integrity are integral for accountants –(). Even transactions' computerized accounting recording is not limited to collecting and recording data in economic reports since accountants are ethically liable to make best use of subjective willpower and fairly present firm's financial position (). Thus, despite its centrality and critical role, educators ignore teaching of AE in accounting degree programs which demands quick attention to the issue.

Academic remedy to the ethical issues in accounting is necessary as AE is a growing area, however deprival of students from its teaching and practice has made accounting as a mere calculation tool. Academia can assist in eliminating accountants' crossing of ethical boundaries (Uysal et al., 2010) for accounting students must realize the importance of ethics before becoming business executives (Chunhui Liu, Lee J. Yao, & Hu, 2012). AE results in long-lasting growth of accountancy (Masten, 2012; Messikomer & Cirka, 2010). To ethically groom business graduates, AE is vital in curricula (Burns, Tackett, & Wolf, 2015; Michaluk, 2011) nevertheless, its inculcation in curricula is debatable among scholars (Burns et al., 2015). Thus, for controlling crisis, higher educational institutions must ensure awareness and education of AE for the survival of the profession.

Scope of the Study

This study, empirically, attempts to understand the issues surrounding breach of AE in Pakistan. Researchers (Marzuki, Subramaniam, Cooper, & Dellaportas, 2017) have been emphasizing on studying cultural and regulatory aspects in developing and developed nations for better understanding of their commitment to accounting ethics education. Thus, this exploratory study will examine reasons for bypassing of AE by accounting professionals in their professional roles.

METHODOLOGY

This study employs qualitative research approach by empirically looking at the reasons as to why AE are breached. Despite its difficult performance, qualitative inquiry is needed in management research, as management realities are complex (Point, Fendt, & Jonsen, 2017). Qualitative research designs suit when there is a need of understanding and delving deep into human practices which are by nature quite complicated (Lehnert, Craft, Singh, & Park, 2016). Thus, qualitative research methods are opted based on their advantages and fitness in accounting ethics where choice of grounded theory is quite relevant for this exploratory study.

Grounded Theory

GT is a widely used method where researchers try to understand social constructions of research respondents (Kathy Charmaz, 2008). GT is a sound choice for researchers from various disciplines because of explanation of particular methods/procedures to ensure higher reliability for interpretive inquiries (Camic, Rhodes, & Yardley, 2003). GT is considered as the most essential and positivist approach in the modernist qualitative methods (Kathy Charmaz, 2008). It is the most commonly used qualitative method by social scientists (Buckley & Waring, 2013, p. 152). So, GT as a qualitative approach is highly acceptable due to its reliability for discipline of accountancy where choice of appropriate sampling procedures is integral in research studies.

Sampling and Data Collection Procedures

For this study accounting education's core stakeholders were split into the categories of students, teachers, employers, employees, their parents and recruiting agencies, among whom learned, accessible and most relevant persons were selected. Three students, six teachers, six employers, six employees, three parents and one person from recruiting agency were interviewed. Participants' in-depth interviews are the most suitable choice for widely diverse or geographically scattered study population, where respondents have less willingness and ability to travel, possess communication issues, or status problems (Ritchie, Lewis, Nicholls, & Ormston, 2013). For collection of data, purposeful sampling technique is used as participants are selected due to their exposures of the central phenomenon (Creswell, 2014). Some researchers allow this approach where they nominate respondents for studies based on their personal judgment (Hughes, 2010). Objective of sampling in GT is theory construction rather than population representativeness (Hoque, Parker, Covaleski, & Haynes, 2017). Thus, researchers in this qualitative study used purposive and theoretical sampling techniques where data are collected in cyclical ways.

Scholars analyze the data gathered from their respondents and co-construct theory in constructivist GT where researcher's prior knowledge of the topic is not obligatory. Due to reflexivity and dependence of constructivist GT, researchers and their respondents co-construct data (Bryant & Charmaz, 2007). In GT researchers focus on their data collection and generate middle-range inductive theories via consecutive data analysis stages (Kathy Charmaz, 2005). Researchers of the study have used voice recording and note-taking responses. Audio recording of respondents interviews preserves raw data for prospective analysis where, the interviewer may focus upon question and answer process (O'Leary, 2004). Notes were particularly taken in interviews where either voice recording was not allowed or possible (Sengupta & Sahay, 2018). Keeping vitality of correct and real data, researchers properly recorded responses and focused on participants to ask next question from them for where except three interviews researchers audio recorded interviews of all. In GT the idea of saturation was presented to denote the point where no novel ideas arise—classes and relations among them are adequately grounded and validated (Dai & Free, 2016; Green & Thorogood, 2013). Therefore, respondents were interviewed till the time of saturation for collection of data followed by data analysis.

Data Analysis

This exploratory study endeavors to understand perceptions of accounting education's key stakeholders that why accountants breach accounting ethics in their professional duties by using grounded theory. GT is suggested for studies where researchers intend to describe what is happening, or they study social problems or situations to realize the underlying process (Tweed & Charmaz, 2012). Researchers in GT approach iteratively generate theory out of the data. Theory in GT develops due to constant back-and-forth movement of researcher in collection and analysis of data (K Charmaz, 1995; Kathy Charmaz, 2005, 2011; Kathy Charmaz & Belgrave, 2012; Kathy Charmaz & Belgrave, 2007; Kathy Charmaz & McMullen, 2011; Glaser & Strauss, 1967, 2017; Miles, Huberman, Huberman, & Huberman, 1994; Saldaña, 2015; Smith & Pohland, 1969; Starks & Trinidad, 2007; Tweed & Charmaz, 2012). GT explores "6 Cs" of social processes (contexts, contingencies, causes, consequences, covariances and conditions) to know the relationships and forms among these elements (Glaser & Strauss, 1967). GT is chosen as it has already been utilized in Pakistani setting for an accountancy study. GT is selected for the study as researchers usually use extensive data, in-depth interviews, observe memos, describe contexts, record events, note feelings and track ideas (Parvaiz, 2014). Thus, GT is opted in the study where data were constantly compared and thematically analyzed.

Grounded Theory Coding Procedures

Researchers using GT may face certain difficulties whose proper control results consistency in researches since itis an effective research method where researchers collected and analyzed data parallelly. GT has certain pitfalls control of which brings rigor in qualitative studies although, maintaining this accuracy is usually very difficult (Hoque et al., 2017). Via concurrent data collection and analysis, researchers may avoid assembling of very blurred, general and rubbish data and save their energies (K Charmaz, 1995). For the qualitative analysis of collected data, researchers of the study decomposed, abstracted and reorganized data through using coding. Researchers in GT, crack, abstract and rearrange data in new way via using open, axial and selective codes(Bhal & Leekha, 2008). Corbin and Strauss initially had termed GT codes as open, axial and selective, however, Charmaz used the terms of initial, focused and theoretical codes respectively for the same

(Cho & Lee, 2014). Scholars using GT must collect and analyze their data in parallel and be clear on different versions of codes. Open coding, abstracting categories, emerging themes, correlating the details and theory demarcation are six stages of GT analysis (Cho & Lee, 2014; Harry, Sturges, & Klingner, 2005). Codes clarify data nature through explanation(K Charmaz, 1995). Thus, researchers of the controlled downsides of GT through simultaneous data collection and analysis of data where Charmaz's constructivist version of grounded theory was opted due to the available liberty in analysis of the data which assisted in finalizing findings of their studies.

FINDINGS AND DISCUSSION

Weak Institutions and Breaches in Accounting Ethics

Emerging findings of this theme are that weak formal institutions promote corruption. Insecure jobs of accounting professionals compel them to cross ethical boundaries. Discriminating recruitment, selection and promotion policies lead to AE breaches. Social factors are unconducive for AE practice. Weak regulatory bodies trigger avoidance of taxes. Officials breach AE ignorantly.

Table 1 Theme

Theme	Categories
Weak institutions and breaches in accounting ethics	
1	**Weak Formal Institutions Promote Corruption**
2	**Insecure Jobs Compel Accountants for AE Breaches**
3	**Biased Selection and Promotion Policies Result in Unethical Practices**

Source: Author

Weak Formal Institutions Promote Corruption

Grounded findings of this category are that weak formal institutions trigger embezzlement. Faulty organizational structure and goals work as a catalyst in breaching ethical boundaries in accountancy. Greedy and unethical accountants exploit organizational weaknesses for increasing their illegal income.

…public sector… system is [run through] documents; that documents should be complete…[performance is not an objective] (R30, L77).

Due to corrupt system everyone becomes corrupt (R33, L61) … even then, we expect that others will pay tax (R9, L109).

Respondents agreed that weak regulations lead to frauds and unethical accounting practices. Embezzlement is growing where accountants commit serious discrepancies in accounting records. However, rather than reporting them, auditors do their adjustment and furnish unqualified audit reports. In private sector accountants work effectively provided and there is a check on them. Government accounting system is weak due to its focus only on documentary proofs and political interference in official activities.

I pressurize staff to do certain actions as I have the power to delay their salaries. (R3, L174).
Auditors found a variance of Rs. 9 million. Instead finding the difference they asked us to visit them for adjustment of accounts so that they could prepare our annual reports. (R11, L310)
(Due to weak institutions the accountant can] …. manipulate accounting entries. (R5, L49).

(As a business owner) … My little strictness led to heavy recovery [Rs. 5500000] in just 1.5 hour. They can recover the remaining balance from customers (R19, L274).

… in FATA … MNA who, instead removing these three [corrupt] persons, the agency education officer was transferred from his office (R11, L460).

Interviewees pointed to variety of personal and organizational reasons for rising corruption. On notion of shortcomings in public and private sector policy making they argued that low salaries, unsatisfied current/future needs promote unethical accounting practices among accountants.

… persons [staff] do not possess purchasing power, rather they are kept poor. (R11, L352).

… prior to his retirement one will need plot, home and saving for his children [resultantly] now he will do corruption. (R11, L349).

Participants of the study pointed to very tragic contextual realities that embezzlement cannot be done single handedly rather, it requires commitment of group members. Similarly, mismanagement at highly relevant accountancy offices is due to discretionary morality and integrity of the staff where fair persons avoiding bribing are considered silly.

… One can't do corruption alone he is doing this with a team. (R33, L106).
Auditor General of Pakistan ...rely on the honesty of 5 or 10 people. ... those who neither do corruption nor accept bribes are deemed fool. (R25, L126).

Stakeholders of accounting education commented that common practice of extortion money lead to rise in corruption. Regardless of the degree of completing required documentary proofs, the only decisive principle in sanctioning disbursements by public sector accountants is of coercion money.

… if you pay 3% commission to AG office staff, your cheque will be sanctioned even if you do not have its single document. (R11, L154) … [otherwise] your payment will not be released despite completing all requirements. (R11, L156).

Respondents of the study mentioned various personal reasons among accounting professionals for bypassing ethical boundaries of their profession. While personal reasons leading to growth of corruption in our society are ignorance, greed, dishonesty, extravagance self-centered staff and ethical breaches in earning.

Some have joined only for sake of earning [money] who are ignorant of … ethics … Their main perspective is earning, and they do not follow ethics. (R.2, L.102).
… lack of faithfulness in a person, his boss, institute and country. (R25, L327).
People know well the end of corruption, but their greed make them corrupt. (R33, L76).
Usually reasons for corruption are living of people beyond their means. (R29, L40).

Interviewees of the study revealed multidimensional organizational and managerial causes and remedies for controlling unethical accounting practices among accountants. Basic reason for unethical accounting practices is that their growth and perquisites rely on fulfillment of cosmetic and dummy documentary achievements where actual performance is meaningless. Top management can control accountants' breaches of ethical boundaries by relating their advancement and monetary benefits with achievement or institutional objectives. Businesses evade taxes via periodic palm greasing of FBR employees.

They [accountants] must show progress even on paper as their promotion and perks depend on this … this raises the tendency and aptitude towards unethical practices. (R4, L355). Management should not strictly link promotions and financial benefits with [organizational] goals, if it is done, it will cause them to avoid negative or unethical practices. (R4, L365).

… they have understanding with tax (FBR) staff to whom they pay some amount on annual basis to get exemption from paying taxes. (R21, L218).

Misuse of authority promotes corruption. Accountants' in various roles avoid their duties. Political interference is very discouraging for dutiful employees. Public sector accounting mechanism is friendly for corrupt persons regardless of the degree of fulfilling documentary evidences. Performance based promotion and rise in perks also promote fake reporting. Lack of personal and professional skills lead to crossing boundaries by accountants.

Insecure Jobs Compel Accountants for AE Breaches

This category emerged with the finding that , accountants face ethical puzzles in their professional life. Accountants should deal with these conditions sensitively to avoid ethical breaches and personal losses. It is found that accountants primarily cross ethical boundaries due to their insecure jobs.

Participants of the study commented interestingly on ethical breaches from moral and realistic perspectives. It is human nature to opt for ethical actions and accountancy bodies train their accounting students on avoiding unethical accounting practices. However, accountants face ethical dilemmas where employers/officers force them to opt for manipulating books of accounts or future problem and losing their jobs.

Ethical behavior is included in nature whereby he [accountant] must be aware of good and bad acts. (R5, L168). … accountant is compelled to do that [tax evasion]. (R5, L189).

… [ACCA] guides us about options we have, if we are harassed … or pressurized for such practices which are not good ethically. (R14, L93). … we face dilemma … when you are motivated for doing such act which will not be permitted by your inner sense as well as manners. (R14, L.89).

… you process according to rules and regulations obviously this may create problems for you in future indirectly. (R.12, L.156).

… He [accountant] must accept his boss order to save his job. (R33, L102).

… accountants do it [corruption] for their benefit or someone pressurizes them. (R20, L72).

Stakeholders of accounting education narrated various ways for tackling unethical accounting practices in organizational setting. Management ask accountants to cross ethical limits. To avoid audit paras and save their jobs, ethical accountants should write their comments on illegal cases. They should avoid conduct of either blindly following directives of managers or refusing obeying of all their illegal demand brutally. In this way executives will (un)willingly ask accountants to fulfill all their legal and ethical professional duties.

… owner will demand such type of work [AE breaches] from an accountant. (R5, L195).

… if they [accountants] process a case on the directives of his boss, which is not according to policies, he may record his own observations … in case if audit objection is raised on that case you will be safe. (R12, L136).

You must adopt middle way. (R14, L101).

Whatever setting he [respondent boss] had with the contractor, he only for face saving wrote on the file to retain cheque till the receipt of receiving reports. (R11, L195).

Unlike human nature, accounting professionals bypass ethical boundaries in their duties. They should search solution in ethical dilemmas otherwise they must either blindly follow all instructions of owner/boss or face severe problems and even may lose their jobs.

Biased Selection and Promotion Policies Result in Unethical Practices.

In this emerging category it is found that thethat, the existing recruitment and selection policies are unfair and lead to unethical accounting practices. Therefore, fairness in selection and promotion processes should be enhanced and internal control in organizations should be improved.

Respondents of the study commented on unfair recruitment and selection process of accountants as well as recommended some suggestions in this regard. Policy of 'might is right' applies in appointments where management selects influential, untrained and less educated candidates and overlooks highly qualified entrants due to possible quick promotion, highly ethical and unsupportive conduct in bypassing ethical limits.

… qualified person will … be at normal while, forceful persons will be at high scale. (R2, L239)
… highly talented and educated person is tried to avoid … if this person joins our organization will become boss … follow morality which will create problems for all. (R11, L457).

Interviewees highlighted certain positive and negative features pertinent in selection process of accountants. They narrated that accountants must be competent, skillful, ethical, expert, fit, properly trained and possess nice conduct. Unethical candidates should not be employed in any organization.

Competency, skills, ethics, good behavior, experienced, qualified, and trained [are the required qualities of an accountant]. (R26, L175).
… when accountant has no ethics then, why we hire him? (R21, L241).

Participants highlighted the fact that recruitment and selection procedures in the context of the study have diversity and problems. Unfair recruitment and selection lead to simultaneous promotion of (un)productive staff where their productivity is ignored that is very alarming for the sustainability of the organization.

… I can claim that selection system has some flaws. (R26, L223). Every organization in public and private sector has its own recruitment and selection procedures. (R26, L222).
In public sector … both effective and ineffective persons are upgraded parallelly. (R2, L241).

Stakeholders of accounting education commented on disastrous effects of appointing inexpert and unqualified candidates for various accounting positions. Employment of unskilled person on key position of accountant will lead to confirm organizational losses and even separation among partners. However, currently qualified persons are selected as accountants. They endorsed that, professionally, personally and ethically sound candidates should be selected fairly for ensuring right person for the right job as a decisive rule.

… [appointing non-accounting graduate is like] you bring an untrained person on driving seat, where vehicle may move in any direction … his initial damages are certain. (R4, L125).
They [brother cum partners] appointed matriculate accountant that resulted in separation … due to unauthentic accounting process. (R16, L239).
… Now this [appointing non-accounting graduate] trend has changed. (R33, L216).

Respondents of the study suggested few points for organizational mangers regarding recruitment and selection as well as implementation of rules. There should be clarity about pros and cons of ethical conduct. Officers should penalize unethical accountants for crossing ethical boundaries in their professional duties.

Merits of following and consequences of not following ethics should be discussed and for unethical professional practice where offender should be punished. (R.11, L450).

Existing recruitment, selection and promotion policies are unfair. Such candidates should be appointed as accountants who are personally and professional sound. Thus, it may be concluded that problems like misuse of authority, common practice of extortion money and incompetent accountants lead ethically questionable activities in accountancy. Accounting professionals face dilemmas in their professional lives due to which they sometime cross ethical limits. They should tactfully deal with such situations by shifting responsibility of AE breaches on someone else shoulders as well as save their jobs. Current recruitment and selections procedures of accountants in public and private sectors are unfair which has disastrous effects that necessitate corrective measures in all organizations.

CONCLUSION

In answer to the RQ the research find that teaching assists in solving social problems yet, accountants may cross ethical limits in their professional duties. Accountants must serve public interest (Van Hise & Massey, 2010). Accountants as custodians of accounting information are supposed to provide correct picture to all stakeholders, however, they may work for their own benefit at the cost of other stakeholders. Selfish accountants have unethical conduct and sacrifice public good over personal interest (Uyar et al., 2015). Those firms suffer whose executives work for own benefit rather than , organizational interest(Roy, 2017, p. 7). Ethical awareness and ethical persons' company of accounting professionals and students may control AE breaches. It is good if one starts working on self-awareness nevertheless, in long run, one's greed and career orientation will not lead to personal, status or monetary returns that one may look for (Parker, 2012). Accountants should be highly honest and fair in their professional conduct. Accountants are usually supposed to perform their duties independently however, employers compel accounting professional for crossing ethical boundaries due to their insecure jobs. Employers prefer electronic accounting due to its high degree of transparency, trackability and strong control, but due to same reasons accounting professional flop all attempts of computerization of accounts. Proper implementation and execution of internal control system control injustice among various stakeholders and eradicate AE breaches. However, internal control is applied cosmetically rather than its true litter and spirit. AE breaches have severe consequences as fake accounting figures are shared on which policies are drafted. Usually rules are molded for personal benefit that is considered a business insight (Sikka & Lehman, 2015). Violators of financial rules are supposed to face penalties however, here reporter rather than committer of AE breaches are penalized. Following ethical and avoiding unethical accounting practices are usually obligatory for accountants however, in context of the study it is considered optional for accountants.

Accounting professionals manipulate books of accounts to save money of their employers via evasion of taxes. In stock market-based capitalism, firms remain successful provided they ensure hiding information from their competitors and stakeholders like tax department and trade unions (Walker, 2010). Tax system is complicated, conduct of FBR employees is harsh with tax payers and supportive for tax avoiders. Usually amount of tax collection is spent on public but, in Pakistan taxes are misused which promote tax evasion, black money, corruption and undocumented economy. Tax net is extended where tax rate is low however, in context of the study only salaried class pay taxes at higher rate while corporate sector evades their taxes with the assistance of FBR staff which is injustice. It is therefore recommended that there should reward and punishment system for making FBR employers fair and dutiful.

Recommendations

Accounting professionals should be independent in their duties otherwise accounting system will be weak. For successful policies, eradication of fake accounting information is needed. Proper system of check and balance on accountants is recommended for minimizing complaints of all stakeholders and ensuring justice and transparency. For controlling corruption, implementation of strong internal control system is necessary in public and private organizations. Legislation for declaring committing and assisting of AE breaches as punishable crime is endorsed. Moreover, capacity of regulatory bodies should be raised.

Keeping existing involvement of accountants in accounting scandals, they as custodians of financial details must be self-composed persons. To control accountants' unfair appointment, employers should fairly appoint such accounting professionals who are strong personally, ethically and professionally. Such accountants will share correct accounting information with all stakeholders which will be a milestone in establishing nice society.

REFERENCES

Al-Aidaros, A.-H. M. H. (2012). *The Accountant's Ethical Code of Conduct and Moral Reasoning from an Islamic Environment: Case in Yemen.* Universiti Utara Malaysia.

Andon, P., Chong, K. M., & Roebuck, P. (2010). Personality preferences of accounting and non-accounting graduates seeking to enter the accounting profession. *Critical Perspectives on Accounting, 21*(4), 253-265. doi: http://dx.doi.org/10.1016/j.cpa.2010.01.001

André, K. (2013). The ethics of care as a determinant for stakeholder inclusion and CSR perception in business education. *Society and Business Review, 8*(1), 32-44. doi: doi:10.1108/17465681311297667

Bhal, K. T., & Leekha, N. D. (2008). Exploring cognitive moral logics using grounded theory: The case of software piracy. *Journal of Business Ethics, 81*(3), 635-646.

Bradford, M., Bradford, M., Earp, J. B., Earp, J. B., Williams, P. F., & Williams, P. F. (2017). Understanding sustainability for socially responsible investing and reporting. *Journal of Capital Markets Studies, 1*(1), 10-35.

Bryant, A., & Charmaz, K. (2007). *The Sage handbook of grounded theory*: Sage.

Buckley, C. A., & Waring, M. J. (2013). Using diagrams to support the research process: Examples from grounded theory. *Qualitative Research, 13*(2), 148-172.

Burns, D. J., Tackett, J. A., & Wolf, F. (2015). The Effectiveness of Instruction in Accounting Ethics Education: Another Look *Research on Professional Responsibility and Ethics in Accounting* (pp. 149-180): Emerald Group Publishing Limited.

Caliyurt, K. T. (2008). CHAPTER ONE ACCOUNTING ETHICS EDUCATION: IS THERE A DIFFERENCE BETWEEN DEVELOPED AND DEVELOPING COUNTRIES? *Globalization and Social Responsibility*, 1.

Camic, P. M., Rhodes, J. E., & Yardley, L. E. (2003). *Qualitative research in psychology: Expanding perspectives in methodology and design*: American Psychological Association.

Chandler, R. A. (2017). Questions of ethics and etiquette in the Society of Accountants in Edinburgh, 1853–1951. *Accounting History, 0*(0), 1032373216675912. doi: doi:10.1177/1032373216675912

Charmaz, K. (1995). Grounded theory. I: JA Smith, R. Harré & L. Van Langenhove (red): Rethinking methods in psychology (s. 27-49): London: Sage.

Charmaz, K. (2005). „Grounded theory in the 21st century: A qualitative method for advancing social justice research." S. 507-535 w Handbook of Qualitative Research, red. N. Denzin i Y. Lincoln: London: Sage.

Charmaz, K. (2008). Constructionism and the grounded theory method. *Handbook of constructionist research*, 397-412.

Charmaz, K. (2011). Grounded theory methods in social justice research. *The Sage handbook of qualitative research, 4*(1), 359-380.

Charmaz, K., & Belgrave, L. (2012). Qualitative interviewing and grounded theory analysis. *The SAGE handbook of interview research: The complexity of the craft, 2*, 347-365.

Charmaz, K., & Belgrave, L. L. (2007). Grounded theory. *The Blackwell encyclopedia of sociology*.

Charmaz, K., & McMullen, L. M. (2011). *Five ways of doing qualitative analysis: Phenomenological psychology, grounded theory, discourse analysis, narrative research, and intuitive inquiry*: Guilford Press.

Cho, J. Y., & Lee, E.-H. (2014). Reducing confusion about grounded theory and qualitative content analysis: Similarities and differences. *The qualitative report, 19*(32), 1-20.

Chunhui Liu, Lee J. Yao, & Hu, N. (2012). Improving Ethics Education in Accounting: Lessons from Medicine and Law. *Issues in Accounting Education, 27*(3), 671-690. doi: 10.2308/iace-50150

Coate, C. J., & Mitschow, M. C. (2015). Benefit corporations as a socially responsible business model: The role of accounting. *Research on Professional Responsibility and Ethics in Accounting, 19*, 129-147.

Cooper, K., Lee, T., Bishop, A., & Parker, R. (1997). Accounting History From the Renaissance to the Present: A Remembrance of Luca Pacioli (Vol. 24, pp. 189-192): JSTOR.

Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.): Sage publications.

Dai, N. T., & Free, C. (2016). Interview-Based Research in Accounting 2000-2014: A Review. *Available at SSRN 2711022*.

Duska, R., Duska, B. S., & Ragatz, J. A. (2011). *Accounting ethics*: John Wiley & Sons.
Earl, M. (1983). Accounting and Management in Earl MJ,(Ed) Perspectives in Management: Oxford University Press.
Glaser, B. G., & Strauss, A. L. (1967). The discovery ofgrounded theory: Strategiesfor qualitative research. *Chicago: Aldire*.
Glaser, B. G., & Strauss, A. L. (2017). *Discovery of grounded theory: Strategies for qualitative research*: Routledge.
Green, J., & Thorogood, N. (2013). *Qualitative methods for health research*: Sage.
Harrison, J. S., & van der Laan Smith, J. (2015). Responsible Accounting for Stakeholders. *Journal of Management Studies, 52*(7), 935-960. doi: 10.1111/joms.12141
Harry, B., Sturges, K. M., & Klingner, J. K. (2005). Mapping the process: An exemplar of process and challenge in grounded theory analysis. *Educational researcher, 34*(2), 3-13.
Hiltebeitel, K. M., & Jones, S. K. (1992). An assessment of ethics instruction in accounting education. *Journal of Business Ethics, 11*(1), 37-46.
Hopper, T., Lassou, P., & Soobaroyen, T. (2017). Globalisation, accounting and developing countries. *Critical Perspectives on Accounting, 43*, 125-148. doi: http://dx.doi.org/10.1016/j.cpa.2016.06.003
Hoque, Z., Parker, L. D., Covaleski, M. A., & Haynes, K. (2017). *The Routledge Companion to Qualitative Accounting Research Methods*: Taylor & Francis.
Hughes, P. (2010). *Decision-making processes in the context of ethical dilemmas: a study of accountants in training*. Northumbria University.
Humphrey, C. (2014). Qualitative research–mixed emotions. *Qualitative Research in Accounting & Management, 11*(1), 51-70.
Jackling, B., & De Lange, P. (2009). Do accounting graduates' skills meet the expectations of employers? A matter of convergence or divergence. *Accounting Education: an international journal, 18*(4-5), 369-385.
Jensen, M. C. (2002). Value maximization, stakeholder theory, and the corporate objective function. *Business ethics quarterly*, 235-256.
Jun, S. H., & Lewis, J. B. (2006). Accounting techniques in Korea: 18th century archival samples from a non-profit association in the Sinitic world. *The Accounting Historians Journal*, 53-87.
Ken McPhail, D. W. (2009). ACCOUNTING AND BUSINESS ETHICS: An introduction Taylor & Francis.
Kidwell, L. A., Fisher, D. G., Braun, R. L., & Swanson, D. L. (2013). Developing Learning Objectives for Accounting Ethics Using Bloom's Taxonomy. *Accounting Education, 22*(1), 44-65. doi: 10.1080/09639284.2012.698478
Klein, G. (2015). *Ethics in Accounting: A Decision-making Approach*: John Wiley & Sons.
Kooskora, M. (2008). Corporate governance from the stakeholder perspective, in the context of Estonian business organizations. *Baltic Journal of Management, 3*(2), 193-217.
Kulik, B. W., O'Fallon, M. J., & Salimath, M. S. (2008). Do competitive environments lead to the rise and spread of unethical behavior? Parallels from Enron. *Journal of Business Ethics, 83*(4), 703-723.
Lehnert, K., Craft, J., Singh, N., & Park, Y.-H. (2016). The human experience of ethics: a review of a decade of qualitative ethical decision-making research. *Business Ethics: A European Review, 25*(4), 498-537. doi: 10.1111/beer.12129
Lloréns, M. B. (2000). The crisis of 1847-1848 and the regulation of company accounting in Spain. *Accounting History, 5*(2), 13-30.
Low, M., Davey, H., & Hooper, K. (2008). Accounting scandals, ethical dilemmas and educational challenges. *Critical Perspectives on Accounting, 19*(2), 222-254. doi: http://dx.doi.org/10.1016/j.cpa.2006.05.010
Martin, R. D. (2007). Through the ethics looking glass: Another view of the world of auditors and ethics. *Journal of Business Ethics, 70*(1), 5-14.
Marzuki, M., Subramaniam, N., Cooper, B. J., & Dellaportas, S. (2017). Accounting academics' teaching self-efficacy and ethics integration in accounting courses: A Malaysian study. *Asian Review of Accounting, 25*(1), 148-170. doi: doi:10.1108/ARA-09-2015-0088

Masten, K. Y. (2012). Organizational ethics in accounting: A comparison of utilitarianism and Christian deontological principles.
Mattessich, R. (1994). Archaeology of accounting and Schmandt-Besserat's contribution. *Accounting, Business & Financial History, 4*(1), 5-28.
Messikomer, C. M., & Cirka, C. C. (2010). Constructing a code of ethics: An experiential case of a national professional organization. *Journal of Business Ethics, 95*(1), 55-71.
Michaluk, C. (2011). Incorporating ethics into accounting education: A proposal for an undergraduate accounting ethics course for the university of tennessee, knoxville.
Miles, M. B., Huberman, A. M., Huberman, M. A., & Huberman, M. (1994). *Qualitative data analysis: An expanded sourcebook*: sage.
Murphy, T., & O'Connell, V. (2016). Challenging the dominance of formalism in accounting education: An analysis of the potential of stewardship in light of the evolution of legal education: In Memoriam Ted O'Leary 1950-2014. *Critical Perspectives on Accounting*. doi: http://dx.doi.org/10.1016/j.cpa.2016.06.001
Nashui, B. I. (1984). The accounting environment and some recent development in Turkey. *The International Journal of Accounting Education and Research, 19*(2), 93-123.
O'Leary, Z. (2004). *The essential guide to doing research*: Sage.
Oluwadare, E., & Samy, M. (2015). The relevance of Critical Accounting Theory (CAT) to effectiveness of public financial accountability in emerging economies. *Canadian Social Science, 11*(9), 20-25.
Parker, L. D. (2012). Beyond the ticket and the brand: imagining an accounting research future. *Accounting & Finance, 52*(4), 1153-1182. doi: 10.1111/j.1467-629X.2012.00507.x
Parvaiz, G. (2014). *Skills expectation-performance gap: A study of Pakistan's accounting education.* Retrieved from http://ethos.bl.uk/OrderDetails.do?did=22&uin=uk.bl.ethos.607564 http://bura.brunel.ac.uk/handle/2438/8768
Point, S., Fendt, J., & Jonsen, K. (2017). Qualitative Inquiry in Management: Methodological Dilemmas and Concerns in Meta-Analysis. *European Management Review, 14*(2), 185-204. doi: 10.1111/emre.12097
Rennie, M. D., Kopp, L. S., & Lemon, W. M. (2014). Auditor-Client Disagreements and Independence: An Exploratory Field Study. *Research on Professional Responsibility and Ethics in Accounting*, 131-161.
Riccaboni, A., Giovannoni, E., Giorgi, A., & Moscadelli, S. (2006). Accounting and power: evidence from the fourteenth century. *Accounting History, 11*(1), 41-62.
Ritchie, J., Lewis, J., Nicholls, C. M., & Ormston, R. (2013). *Qualitative research practice: A guide for social science students and researchers*: Sage.
Rizvi, S., Tanveer, M. A., Saleem, U., & Latif, M. (2012). BUSINESS STUDENTS'ATTITUDE TOWARDS BUSINESS ETHICS IN PAKISTAN. *European Scientific Journal, ESJ, 8*(25).
Roy, S. (2017). The Significance of Business Ethics as a Competency Requirement in Fiji's Accountancy Profession. *Australian Academy of Accounting and Finance Review, 2*(3), 264-279.
Saldaña, J. (2015). *The coding manual for qualitative researchers*: Sage.
Senate, U. (1976). Subcommittee on Reports, Accounting and Management of the Commission on Government Operations.(Metcalf Committee). *The Accounting Establishment: A Staff Study*.
Sengupta, S., & Sahay, A. (2018). Social enterprises in the Indian context: conceptualizing through qualitative lens. *Journal of Global Entrepreneurship Research, 8*(1), 1. doi: 10.1186/s40497-018-0087-5
Sikka, P., & Lehman, G. (2015). The supply-side of corruption and limits to preventing corruption within government procurement and constructing ethical subjects. *Critical Perspectives on Accounting, 28*, 62-70. doi: http://dx.doi.org/10.1016/j.cpa.2015.01.008
Silvestri, A., Veltri, S., Venturelli, A., & Petruzzelli, S. (2017). A research template to evaluate the degree of accountability of Integrated Reporting. A case study. *Meditari Accountancy Research*(just-accepted), 00-00.
Smith, L. M., & Pohland, P. A. (1969). Grounded Theory and Educational Ethnography: A Methodological Analysis and Critique.
Starks, H., & Trinidad, S. B. (2007). Choose your method: A comparison of phenomenology, discourse analysis, and grounded theory. *Qualitative health research, 17*(10), 1372-1380.

Stone, W. E. (1969). Antecedents of the accounting profession. *The Accounting Review, 44*(2), 284-291.

Tweed, A., & Charmaz, K. (2012). Grounded theory methods for mental health practitioners. *Qualitative research methods in mental health and psychotherapy: A guide for students and practitioners*, 131-146.

Tzoanou, M. (2013). *Values and Ethical Decisions at Work: An Aristotelian Study of Greek Managers.* University of Central Lancashire.

Uyar, A., Kuzey, C., Güngörmüs, A. H., & Alas, R. (2015). Influence of theory, seniority, and religiosity on the ethical awareness of accountants. *Social Responsibility Journal, 11*(3), 590-604. doi: doi:10.1108/SRJ-06-2014-0073

Uysal, xd, zg, xfc, xd, & zmen. (2010). Business Ethics Research with an Accounting Focus: A Bibliometric Analysis from 1988 to 2007. *Journal of Business Ethics, 93*(1), 137-160.

Van Hise, J., & Massey, D. W. (2010). Applying the Ignatian Pedagogical Paradigm to the Creation of an Accounting Ethics Course. *Journal of Business Ethics, 96*(3), 453-465.

Vladu, A. B., Amat, O., & Cuzdriorean, D. D. (2017). Truthfulness in Accounting: How to Discriminate Accounting Manipulators from Non-manipulators. *Journal of Business Ethics, 140*(4), 633-648. doi: 10.1007/s10551-016-3048-3

Walker, M. (2010). Accounting for varieties of capitalism: The case against a single set of global accounting standards. *The British Accounting Review, 42*(3), 137-152. doi: http://dx.doi.org/10.1016/j.bar.2010.04.003

Wang, J. (2016). Literature review on the impression management in corporate information disclosure. *Modern Economy, 7*(06), 725.

Williams, S. J., & Adams, C. A. (2013). Moral accounting? Employee disclosures from a stakeholder accountability perspective. *Accounting, Auditing & Accountability Journal, 26*(3), 449-495. doi: doi:10.1108/09513571311311892

Willmott, H. (1986). Organising the profession: a theoretical and historical examination of the development of the major accountancy bodies in the UK. *Accounting, Organizations and Society, 11*(6), 555-580.

Young, M. (2013). Cultural Influences on Accounting and Its Practices.

Zhou, Y. (2017). Materiality in sustainability accounting: a critical realist perspective.