

Importance of Ethics for Practicing Accountants in Kolkata

By

SUDIP MALAKAR

Research Scholar, Department of Commerce, West Bengal State University,
Assistant Professor, Department of Commerce, Prafulla Chandra College

PRANAM DHAR

Professor, Department of Commerce, West Bengal State University

Abstract

Ethics is that part of thing which leads a concern steady growth with a strong foundation of the concern. A large number of companies have faced financial failure including insolvency due to massive failures in ethics, corporate governance and compliance. These causes are fraudulent financial reporting, lack of transparency and preferring short-term profits over ethical conduct leading to fines, legal reflections and collapse. The objectives of the study are 1. To have a general understanding of the ethical accounting procedures that are common among the practicing accountants in Kolkata. 2. To conduct a survey on respondents' perceptions of ethical accounting practices in the study area. A simple random sampling technique were employed to collect data from 1521 respondents practicing accountants from Kolkata. To find out the important factors liable for unethical practices Exploratory Factor Analysis is used and Confirmatory Factor Analysis (CFA) is used to evaluate the factor structure and guarantee its statistical soundness. This study concludes that six different factors that have a significant impact on respondents' perceptions of ethical behavior. These include On-the-job Training & Ethical Decision Making, Competence & Training, Objectivity & Confidentiality, Own Interests & Skills, Responsibility & Literacy, Focus & Value-driven. The results show that the most important factors influencing ethical behavior are training—both in the classroom and on the job—and ongoing skill improvement. Well-designed ethical training programs and competence-building activities promote ethical decision-making, as respondents repeatedly noted. This implies that organizations and institutions need to give ethics-focused professional development top priority. Both the first goal of mapping present activities and the second goal of analyzing perceptions are met by such practices.

Keyword- Ethical Accounting Practices, Practicing Accountants, Ethics Education, Training

Introduction

Ethics is that part of thing which leads a concern steady growth with a strong foundation of the concern. A large number of companies have faced financial failure including insolvency due to massive failures in ethics, corporate governance and compliance. These causes are fraudulent financial reporting, lack of transparency and preferring short-term profits over ethical conduct leading to fines, legal reflections and collapse. In recent years there are some examples of financial failures relating to ethical misconduct. In the year 2020 India's fourth-largest private sector bank Yes Bank faced a crisis due to failure in ethis Wirecard from a German fintech sector collapsed in 2020 due to insolvency..This scandal is involved years of extensive accounting fraud. The auditor of the concern failed to detect. In the year 2022 the cryptocurrency exchange FTX observed a dramatic collapse due to fraud and money laundering. In the year 2018 the british construction giant Carillion went to liquidation for aggressive accounting practices and the failures of auditors. There are several instances for the financial failures relating to unethical practices.

Brief review of literatures

M.W. Hale et.al (2005)¹ in their study ‘The Once and Future Accountants: Ethics and the Future Outlook of the US Accounting Profession’ observe that Leaders in Accounting practice and in Accounting education exhort individuals to honour this public trust.

According to **Ahinfu et.al (1994)²** in their study ‘Accounting ethics and the professional accountant: the case of Ghana,’ ethics is defined as “a system of moral principles, by which human actions may be judged good or bad or right or wrong”, or “the rules of conduct recognized in respect of a particular class of human actions.” According to **Kabir (2009)³** in his study ‘Accounting ethics and the professional accountant: the case of Ghana,’ examples of prescribed sets of moral principles or values at the implementation level include laws and regulations, religious doctrine, codes of business ethics for professional and industry groups, and codes of conduct within individual organizations

G.N. Ogbonna et.al. (2012)⁴ in his study ‘Effect of Ethical Accounting Standards on the Quality of Financial Reports of Banks in Nigeria’ concludes that the creation of high-quality financial reports requires adherence to ethical accounting norms of objectivity, integrity, and technical proficiency.

Dr. Manoj S. Kamat Dr. Manasvi M. Kamat(2012)⁵ in his study ‘Ethical governance issues in accounting and reporting: Dilemmas of the accountant’ observed that the basic principle of ethics associated with accounting profession encompasses professional integrity, confidentiality, as well as professional behaviour and competence.

M. L. Bhasin (2016)⁶ in his study ‘Fraudulent Reporting Practices: The Inside Story of India’s Enron’ observes the increased number of frauds in corporate sectors and can’t be 100% secure from unknown threats. **A. Marantika (2020)⁷** in his study ‘Ethics in Finance, Financial Globalization and Stakeholder Responsibility: New Concept of Corporate Finance’ finds that it is important to include ethics in financial paradigm to carry out the common good of the society. **Jatinder Kumar Jha et.al(2023)⁸** in their study ‘Who cares about ethical practices at workplace? A taxonomy of employees’ unethical conduct from top management perspective unravels the triggers behind different categories of unethical conduct, such as bottom-line mentality, rent-seeking behavior of government officials, fluid ethical study culture and others.

Rafael Romero-Carazas et.al (2024)⁹ highlights in their study ‘The Ethics of the Public Accountant: A Phenomenological Study’ that significance of ethics in the role of public accountant, emphasizing that an accountant must be ethical, fair, honest and responsible to the welfare of clients.

¹ Hale, M. W., Huston, R., & Smith, L. M. (2005). The once and future accountant: ethics and the future outlook of the US accounting profession. *International Journal of Accounting, Auditing and Performance Evaluation*, 2(4), 426-440.

² Ahinfu, G., Addo, S., Boateng, F., & Danquah, J. (2017). Accounting ethics and the professional accountant: the case of Ghana. Available at SSRN 3009253.

³ Kabir, M. H. (2009). Ethics and independence in accountancy profession. *Continuing Professional Development*.

⁴ Ogbonna, G. N., & Ebimobowei, A. (2012). Effect of ethical accounting standards on the quality of financial reports of banks in Nigeria. *Current Research Journal of Social Sciences*, 4(1), 69-78.

⁵ Kamat, M. S., & Kamat, M. M. (2012). Ethical governance issues in accounting and reporting: Dilemmas of the accountant. Available at SSRN 1987917.

⁶ Bhasin, M. L. (2016). Fraudulent Reporting Practices: The Inside Story of India's Enron. *International Journal of Management Sciences and Business Research*.

⁷ Marantika, A., Rathod, H. S., Chauhan, R., Putri, L. T., & Maselena, A. (2020). Ethics in finance, financial globalization and stakeholder responsibility: new concept of corporate finance. *International Journal of Psychosocial Rehabilitation*, 24(1), 1556-1563.

⁸ Jha, J. K., & Singh, M. (2023). Who cares about ethical practices at workplace? A taxonomy of employees’ unethical conduct from top management perspective. *International Journal of Organizational Analysis*, 31(2), 317-339.

⁹ Romero-Carazas, R., Chávez-Díaz, J. M., Ochoa-Tataje, F. A., Segovia-Abarca, E., Monterroso-Unuysuncco, I., Ocupa-Julca, N., ... & Bernedo-Moreira, D. H. (2024). The ethics of the public accountant: A phenomenological study. *Academic Journal of Interdisciplinary Studies*, 13(1), 339.

According to **Hernandez (2024)**¹⁰ in his study ‘Financial fraud detection through the application of machine learning techniques: a literature review.’ finds that Digital transformation increases ethical risk exposure.

Research Gap Identified

After a minute review of the available literature, it has been found that no work is done on the perception of the present and prospective accounting professional. Mainly the accounts under the non-planned heads are maintained by the Accountants not always follow Ethical practices. There are two reasons for the same

1. Lack of proper accounting knowledge and skill.
 2. Different uneven pressure from different sides as there is no such stringencies like corporate accounting.
- So, the present study might be a way out to solve these issues.

Objective of the Study

The objectives of the study are

1. To have a general understanding of the ethical accounting procedures that are common among the practicing accountants in Kolkata.
2. To conduct a survey on respondents' perceptions of ethical accounting practices in the study area.

Research Methodology of the study

Nature of Data- The required primary data was collected through a structured questionnaire featuring both open-ended and close-ended questions based on first-hand experiences. Initially demographic questions were posed, followed by dichotomous and multiple-choice questions, 5-point Likert scale questions.

Method of Sampling

A simple random sampling technique were employed to collect data from 1521 respondents practicing accountants from Kolkata.

Structure of content of Questionnaire

Part A of the analysis comprised the demographic profile of the respondents, including age, gender, marital status, highest academic degree, work experience.

Part B of the analysis dealt with research questions on ethics education addressing the respondents about knowledge of ethics gather from university, work place, importance of ethics.

Part C of the analysis focused on Exploratory Factor Analysis performed through Principal Component Analysis (PCA) with varimax rotation.

Tools for Data Analysis

Section-A analyzed demographic profile-related questions of the respondents The tool used here are mainly Frequency Distribution Tables and Descriptive Statistics.

Section-B analysed the research-specific questions which were asked to the respondents through fill-in structured questionnaires measured in 5-Point Likert Scale and the specific tools used here for analysis are mainly frequency distribution and frequency tables, prepared through Microsoft Excel and SPSS 26.

Section-C analysed the exploratory factors relating to the Accountants' Perception relating to Ethics which were analysed using Exploratory Factor Analysis with PCA using SPSS 26.

Section-D analysed the confirmatory factors relating the Accountants' Perception relating to Ethics which were analysed through Confirmatory Factor Analysis using SEM.

Data Analysis

Reliability Test After conducting a Reliability Statistics test in SPSS 26, the Cronbach's Alpha based on standardized items is found to be 0.919, which proves the reliability of the questionnaire and data.

Reliability Statistics

¹⁰ Hernandez Aros, L., Bustamante Molano, L. X., Gutierrez-Portela, F., Moreno Hernandez, J. J., & Rodríguez Barrero, M. S. (2024). Financial fraud detection through the application of machine learning techniques: a literature review. *Humanities and Social Sciences Communications*, 11(1), 1-22.

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Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.923	.919	32

(Source: Calculated through SPSS 26)

Validity Test

Further, for validity test, we have conducted Friedman test and Tukey test. In statistics, Tukey's test of additivity, called for John Tukey, is a method used in two-way ANOVA (regression analysis including two qualitative factors) to measure whether the factor variables are additively associated to the expected value of the response variable. It can be useful when there are no fake values in the data set, a situation in which it is impossible to directly estimate a fully general non-additive regression structure and still have information left to estimate the error variance. The test statistic planned by Tukey has one degree of freedom under the null hypothesis, hence this is often called "Tukey's one-degree-of freedom test." The Turkey's test for no additivity is found to be significant which approves that there are no fake values in the data set.)

ANOVA with Tukey's Test for Nonadditivity							
			Sum of Squares	df	Mean Square	F	Sig
Between People			17269.972	1520	10.268		
Within People	Between Items		10231.918	31	330.062	418.904	.000
	Residual	Nonadditivity	28.216 ^a	1	28.216	35.834	.000
		Balance	41055.429	52141	.787		
		Total	41083.645	52142	.788		
	Total		51315.562	52173	.984		
Total			68585.534	53855	1.274		
Grand Mean = 3.95							
a. Tukey's estimate of power to which observations must be raised to achieve additivity = .634.							

(Source : Calculated through SPSS 26)

After this Hotelling's T-Squared Test for inter class correlation coefficient was also found significant

Hotelling's T-Squared Test				
Hotelling's T-Squared	F	df1	df2	Sig
2664.909	84.232	31	1458	.000

(Source : Calculated through SPSS 26)

After Turkey's One degree of Freedom Test and Hotelling's T-Squared Test, Intraclass Correlation Coefficient was also calculated as follows:

Intraclass Correlation Coefficient							
	Intraclass Correlation ^b	95% Confidence Interval		F Test with True Value 0			
		Lower Bound	Upper Bound	Value	df1	df2	Sig
Single Measures	.273 ^a	.259	.288	13.031	1488	52142	.000

Average Measures	.923 ^c	.918	.928	13.03 1	1488	5214 2	.000
Two-way mixed effects model where people effects are random and measures effects are fixed.							
a. The estimator is the same, whether the interaction effect is present or not.							
b. Type C intraclass correlation coefficients using a consistency definition. The between-measure variance is excluded from the denominator variance.							
c. This estimate is computed assuming the interaction effect is absent, because it is not estimable otherwise.							

(Source: Calculated through SPSS 26)

Test for Normality

One-Sample Kolmogorov-Smirnov Test: The Kolmogorov–Smirnov test can be improved to serve as a goodness of fit test. In the special case of testing for normality of the distribution, samples are reliable and associated with a standard normal distribution. This is corresponding to setting the mean and variance of the reference distribution equal to the sample estimates, and it is known that using these to define the specific reference distribution changes the null distribution of the test statistic: Various studies have found that, even in this corrected form, the test is less influential for testing normality than the Shapiro–Wilk test or Anderson–Darling test. The result of one-sample K-S Test was found to be .000, i.e., significant, implying that although convenience sampling was adopted as a method of sampling, but the dataset followed normal distribution.

Section-A: Analysis Relating to Demographic Profile of the Respondents

Age of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-25 years	872	57.3	57.3	57.3
	26-30 years	184	12.1	12.1	69.4
	31-35 years	249	16.4	16.4	85.8
	More than 35 years	216	14.2	14.2	100.0
	Total	1521	100.0	100.0	

It is evident from the above table that 57.3 % of the respondents belong to an age group of “21 to 25 years”, followed by 16.4 % of the respondents whose age lies between “31-35 years”, 12.1 % of the respondents belong to an age group of “26-30 years”, and 14.2 % of the respondents falling the age group of “More than 35 years”. This indicates that **majority of the respondents are belongs to the age group of 21- 25 years, i.e. young employees or professionals.**

Gender of the Respondents

The Gender of the respondents, collected from the primary data survey with the help of a structured questionnaire, is being presented through the following table:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	813	53.5	53.5	53.5
	Female	708	46.5	46.5	100.0
	Total	1521	100.0	100.0	

It is evident from the above table and graph that 53.5 % of the respondents are males, followed by 46.5 % of the respondents who are females. This indicates that **majority of the respondents are males.**

Marital Status of the respondents

The responses regarding the demographic question relating to the marital status of the sample respondents in the select study area, as collected from the Primary Data Survey, is being presented through the following table and exhibit:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	1030	67.7	67.7	67.7
	Married	491	32.3	32.3	100.0
	Total	1521	100.0	100.0	

It is evident from the above table and graph that 67.7 % of the respondents are single, followed by 32.3 % of the respondents who are married. This indicates that **majority of the respondents are single.**

Highest Academic Degree of the Respondents

The responses regarding the demographic question relating to the Highest Academic Degree of the sample respondents in the select study area, as collected from the Primary Data Survey, is being presented through the following table and exhibit:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor	974	64.0	64.0	64.0
	Master	446	29.4	29.4	93.4
	Ph.D	101	6.6	6.6	100.0
Total		1521	100.0	100.0	

It is evident from the above table and graph that 64 % of the respondents are having Bachelor's Degree, followed by 29.4 % of the respondents having Masters' Degree and 6.6 % of the respondents having Ph.D. Degree. This indicates that **majority of the respondents are having Bachelor's Degree.**

Years of Experience of the Respondents

The responses regarding the demographic question relating to the years of experience of the sample respondents in the select study area, as collected from the Primary Data Survey, is being presented through the following table and exhibit:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-2 years	826	54.3	54.3	54.3
	3-8 years	539	35.4	35.4	89.7
	>8 years	156	10.3	10.3	100.0
	Total	1521	100.0	100.0	

It is evident from the above table and graph that 54.3 % of the respondents are having work experience of 0- 2 years, followed by 35.4 % of the respondents having work experience of 3-8 years and 10.3 % of the respondents having experience of more than 8 years. This indicates that **majority of the respondents are having less work experience.**

Section-B Analysis for research-specific questions

Whether the respondents received Accounting Ethics Education at University Level or not

The perception of the respondents about Accounting Ethics Education at University Level, as asked to and
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answered by them, were analyzed and presented through the following table and exhibit:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1341	88.2	88.2	88.2
	No	180	11.8	11.8	100.0
	Total	1521	100.0	100.0	

The above table and exhibit show that 88.2 % of the respondents receive Accounting Ethics Education at University level. A small 11.8 % of the respondents do not receive Accounting Ethics Education at University level. Therefore, it can be stated that most of the respondents are receives Accounting Ethics education at university level. So, **majority of the respondents have gathered knowledge of ethics in accounting practices at university level.**

Whether the respondents received Accounting Ethics Education at Corporate Level or not

The perception of the respondents, about Accounting Ethics Education at Corporate Level, as asked to and answered by them, were analysed and presented through the following table and exhibit:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1041	68.4	68.4	68.4
	No	480	31.6	31.6	100.0
	Total	1521	100.0	100.0	

The above table and exhibit show that 68.4% of the respondents receive Accounting Ethics Education at Corporate level. 31.6% respondents do not receive Accounting Ethics Education at corporate level. Thus, it can be stated that most of the respondents are receive Accounting Ethics education at corporate level. Therefore, **majority of the respondent collect knowledge of ethics in accounting practices at corporate level.**

Perception regarding whether Ethics Education is important to the Accounting Profession or not

The perception of the respondents, regarding importance of Ethics Education to the Accounting profession, as asked to and answered by them, were analysed and presented through the following table and exhibit:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1311	86.2	86.2	86.2
	No	210	13.8	13.8	100.0
	Total	1521	100.0	100.0	

The above table and exhibit show that 86.2% of the respondents opine that Ethics education is important to the accounting profession. A small percentage of 13.8% of the respondents opine that Ethics education is not at all important to the accounting profession. Thus, it can be described that most of the respondents express their views in favour of importance of ethics education to the accounting profession. Hence, **importance of ethics education is identified by most of the respondents to the accounting profession.**

KMO & Bartlett's Test of Sphericity and Sample adequacy

The **Kaiser-Meyer-Olkin (KMO)** test is done in order to find out whether the data is suitable for Factor Analysis. It is actually a test to measure the adequacy of the sample that is to be used for Factor Analysis. **Kaiser (1974)**¹⁰ mentions that a bare minimum value of 0.5 is required and according to **Jayshree Patnaik & Bhaskar Bhowmick (2021)**¹¹ say that a KMO value greater than 0.7 is perfectly suitable for Factor Analysis.

between the variables. It represents that the correlation matrix has some correlation between at least some of the variables.

KMO & Bartlett's Tests

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.800>0.50
Bartlett's Test of Sphericity	Approx. Chi-Square	44365.078
	df	465
	Sig.	0.000<0.05

(Source: Primary Data compiled through SPSS 26)

The value of **KMO** is **0.800** which is **higher than 0.50** suggests that the sample is adequate for performing factor analysis and has sufficient items for each factor. Similarly, the control of Sphericity (**Bartlett's sig < 0.001**) indicates that EFA can be performed as because the correlation matrix is different from an identity matrix and correlations between variables are not zero.

Section C : Exploratory Factor Analysis performed through Principal Component Analysis (PCA) with varimax rotation

Principal Component Analysis (PCA) is a method of reducing large number of variables into smaller number of factors and at the same time preserving most of the statistical information. In order to carry out Principal Component Analysis to identify the factors which have effect on decision making regarding ethics in accounting practices the **thirty- two (32) variables are extracted into eight (8) factors** which explain **75.161% of the total variance**. The rotated component matrix has been developed with Principal Component Analysis as extraction method and Varimax with Kaiser normalization.

Interpretation of the Factors as per Exploratory Factor Analysis

The first exploratory factor with eight variables is named as **“Training & Competence”**. The multiple regression equation for this variable **“Training & Competence”** is greater than 1 and is

$$\beta_1 = 0.831X_{26} + 0.780X_{29} + 0.773X_{30} + 0.768X_{24} + 0.743X_{43} + 0.676X_{33} + 0.652X_{36} + 0.644X_{41} \dots\dots\dots (i)$$

The second exploratory factor with three variables is named as **“Objectivity & Confidentiality”**. The multiple regression equation for this variable **“Objectivity & Confidentiality”** is greater than 1 and is:

$$\beta_2 = 0.862X_{32} + 0.851X_{37} \dots\dots\dots (ii)$$

Third exploratory factor with two variables is named as **“On-the-job Training & Ethical Decision Making”**. The multiple regression equation for this variable **“On-the-job Training & Ethical Decision Making”** is greater than 1 and is:

$$\beta_3 = 0.774X_{27} + 0.647X_{23} \dots\dots\dots (iii)$$

The fourth exploratory factor with two variables is named as **“Own Interests & Skills”**. The multiple regression equation for this variable **“Own Interests & Skills”** is greater than 1 and is

$$\beta_4 = 0.760X_{19} + 0.733X_{21} \dots\dots\dots (iv)$$

The fifth exploratory factor with two variables is named as **“Responsibility & Literacy”**. The multiple regression equation for this variable **“Responsibility & Literacy”** is greater than 1 and is

$$\beta_5 = 0.828X_{18} + 0.636X_{20} \dots\dots\dots (v)$$

The sixth exploratory factor with three variables is named as **“Focus & Value-driven”**. The multiple regression equation for this variable **“Focus & Value-driven”** is greater than 1 and is

$$\beta_6 = 0.714X_{39} + 0.671X_{45} + 0.617X_{25} \dots\dots\dots (vi)$$

The seventh exploratory factor with three variables is named as **“Decreasing Ethical Knowledge”**. The multiple regression equation for this variable **“Decreasing Ethical Knowledge”** is greater than 1 and is

$$\beta_7 = 0.881X_{44} \dots\dots\dots (vii)$$

The eighth exploratory factor with three variables is named as **“Training Needs”**.

The multiple regression equation for this variable **“Training Needs”** is greater than 1 and is $\beta_8 = 0.814X_{47} \dots\dots\dots (viii)$

Here, PATPEAP = Perception about ethical accounting practices amongst accounting practitioners in Kolkata.

$$\text{PATPEAP} = \beta_1 + \beta_2 + \beta_3 + \beta_4 + \beta_5 + \beta_6 + \beta_7 + \beta_8$$

Section D : Evaluation of Accountants' Perception on Ethical Accounting through Structural Equation Modeling (SEM)

Reason for using CFA as a Tool for Analysis

Confirmatory Factor Analysis (CFA) is used to evaluate the factor structure and guarantee its statistical soundness following the completion of Exploratory Factor Analysis (EFA), which is used to determine the study's underlying ethical dimensions. In order to move from exploration to confirmation, the measurement model in CFA is defined by associating each observed indicator with the corresponding latent construct that was disclosed in EFA. The model is evaluated for discriminant validity (HTMT ratio and Fornell–Larcker criterion), convergent validity (Average Variance Extracted), and reliability (indicator loadings, composite reliability). To determine the suitability of the measurement model, model fit indices such SRMR, Chi-square, d_ULS, d_G, and NFI are also investigated.

Following the validation of the measurement model, the hypothesised correlations are examined using bootstrapping to assess path coefficients and significance levels. This ensured that the found ethical dimensions are able to reliably and significantly explain the impression of ethical accounting methods.

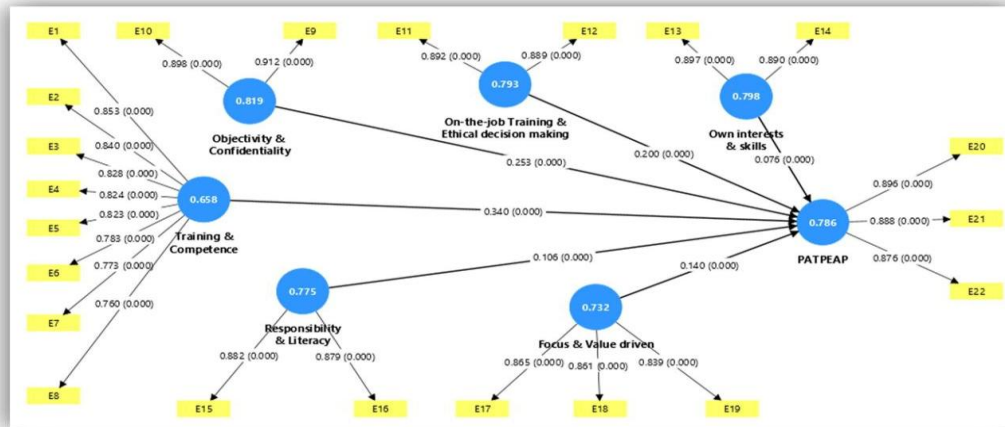
Hypothesis for CFA

Research Objective	Hypothesis	Statement
To examine the perception of ethical accounting practices amongst accounting practitioners in Kolkata.	H6	Ethical dimensions (Training & Competence, Objectivity & Confidentiality, On-the-job Training & Ethical Decision Making, Own Interests & Skills, Responsibility & Literacy, and Focus & Value- driven) have a significant positive influence on the perception about ethical accounting practices amongst accounting practitioners in Kolkata (PATPEAP).

H06: Ethical dimensions (Training & Competence, Objectivity & Confidentiality, On-the-job Training & Ethical Decision Making, Own Interests & Skills, Responsibility & Literacy, and Focus & Value-driven) have no significant positive influence on the perception about ethical accounting practices amongst accounting practitioners in Kolkata (PATPEAP).

H16: Ethical dimensions (Training & Competence, Objectivity & Confidentiality, On-the-job Training & Ethical Decision Making, Own Interests & Skills, Responsibility & Literacy, and Focus & Value-driven) have a significant positive influence on the perception about ethical accounting practices amongst accounting practitioners in Kolkata (PATPEAP).

HYPOTHESIS TESTING RELATING TO ETHICAL DIMENSIONS



(Source: Author's own calculation through Smart PLS)

Structural Model Evaluation (Path Coefficients & Hypothesis Testing)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistic (O/STDEV)	P values
Focus & Value driven -> PATPEAP	0.14	0.141	0.019	7.272	0
Objectivity & Confidentiality -> PATPEAP	0.253	0.253	0.019	13.123	0
On-the-job Training & Ethical decision making -> PATPEAP	0.2	0.199	0.02	10.171	0
Own interests & skills -> PATPEAP	0.076	0.075	0.02	3.818	0
Responsibility & Literacy -> PATPEAP	0.106	0.106	0.019	5.672	0
Training & Competence -> PATPEAP	0.34	0.34	0.018	18.41	0

(Source: Author's own calculation through Smart PLS)

Interpretation of Structural Model Results

Hypothesis	Path (Independent → Dependent)	Path Coefficient (β)	T-Value	P-Value	Decision
Ethical dimensions (Training & Competence, Objectivity & Confidentiality, On-the-job Training & Ethical Decision Making, Own Interests & Skills, Responsibility & Literacy, and Focus & Value-driven) have a significant positive	Training & Competence → PATPEAP	0.340	18.41	0.000	Null Hypothesis Rejected.
	Objectivity & Confidentiality → PATPEAP	0.253	13.12	0.000	Null Hypothesis Rejected.
	On-the-job Training & Ethical Decision Making → PATPEAP	0.200	10.17	0.000	Null Hypothesis Rejected.

influence on the perception of ethical accounting practices amongst accounting teachers and practitioners in Kolkata (PATPEAP).	Own Interests & Skills → PATPEAP	0.076	3.82	0.000	Null Hypothesis Rejected.
	Responsibility & Literacy → PATPEAP	0.106	5.67	0.000	Null Hypothesis Rejected.
	Focus & Value-driven → PATPEAP	0.140	7.27	0.000	Null Hypothesis Rejected.

The route coefficient (regression weights) results from Smart PLS are displayed in this table, which illustrates the relative contributions of each ethical component to the dependent construct 'Perception about Ethical accounting practices amongst accounting practitioners in Kolkata' (PATPEAP).

MEASUREMENT MODEL (OUTER LOADINGS & INDICATOR VALIDITY)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
E1 <- Training & Competence	0.853	0.853	0.007	126.089	0
E10 <- Objectivity & Confidentiality	0.898	0.898	0.007	124.659	0
E11 <- On-the-job Training & Ethical decision making	0.892	0.892	0.008	109.259	0
E12 <- On-the-job Training & Ethical decision making	0.889	0.889	0.009	101.023	0
E13 <- Own interests & skills	0.897	0.897	0.009	101.518	0
E14 <- Own interests & skills	0.89	0.89	0.01	92.668	0
E15 <- Responsibility & Literacy	0.882	0.881	0.011	80.834	0
E16 <- Responsibility & Literacy	0.879	0.879	0.011	78.992	0
E17 <- Focus & Value driven	0.865	0.865	0.009	97.59	0
E18 <- Focus & Value driven	0.861	0.861	0.009	98.098	0
E19 <- Focus & Value driven	0.839	0.839	0.011	78.387	0
E2 <- Training & Competence	0.84	0.84	0.008	109.576	0
E20 <- PATPEAP	0.896	0.896	0.005	171.789	0
E21 <- PATPEAP	0.888	0.888	0.005	163.462	0
E22 <- PATPEAP	0.876	0.875	0.006	140.951	0
E3 <- Training & Competence	0.828	0.828	0.008	99.085	0
E4 <- Training & Competence	0.824	0.824	0.009	96.5	0
E5 <- Training & Competence	0.823	0.823	0.008	99.681	0
E6 <- Training & Competence	0.783	0.782	0.01	74.805	0
E7 <- Training & Competence	0.773	0.773	0.011	68.628	0
E8 <- Training & Competence	0.76	0.76	0.011	68.27	0
E9 <- Objectivity & Confidentiality	0.912	0.912	0.006	161.973	0

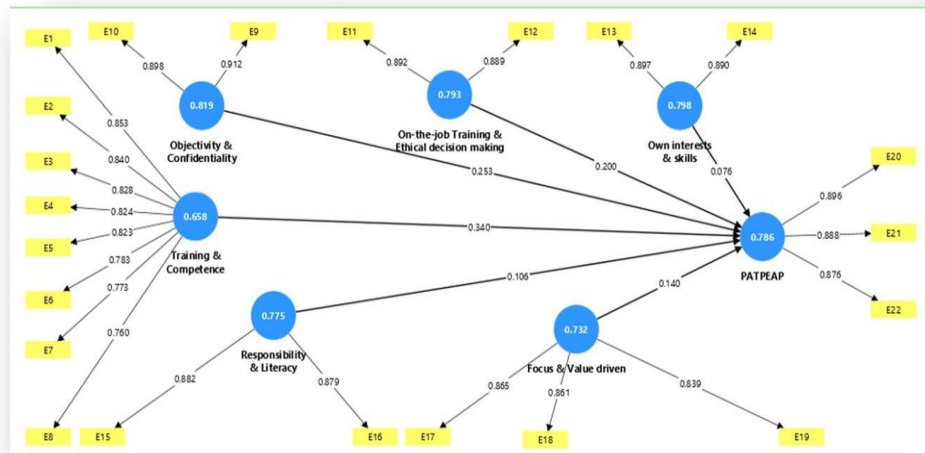
(Source: Author's own calculation through Smart PLS)

The aforementioned outer loading results show good convergent validity by confirming that all observed variables have a high correlation with their corresponding latent constructs.

Confirmatory Factor Analysis (CFA)

A statistical method for confirming the factor structure of a collection of observed variables is called confirmatory factor analysis, or CFA. It determines if the results match a measurement model that has been hypothesised and is based on previous empirical findings or theory. CFA is theory-driven and used to support or refute proposed factor structures based on previous conceptual or empirical explanation, in contrast to exploratory factor analysis (EFA), which looks for possible patterns.

Confirmatory Factor Analysis (CFA) relating to Perception of Ethical Accounting Practices amongst Practicing Accountants



From the above diagram it is clear that convergent validity is ensured by the CFA results, which show that all constructs are adequately represented by their indicators, with loadings ranging from 0.760 to 0.912. Construct reliability values mostly exceed the 0.70 threshold indicating good internal consistency. According to path coefficients, the factors that have the biggest impact on PATPEAP are Training & Competence ($\beta = 0.340$), Objectivity & Confidentiality ($\beta = 0.253$), and On-the-job Training & Ethical Decision Making ($\beta = 0.200$). Though to a lesser degree, other elements like Own Interests & Skills ($\beta = 0.076$), Responsibility & Literacy ($\beta = 0.106$), and Focus & Value Driven ($\beta = 0.140$) also have a substantial impact on impressions. All things considered, the model supports the proposed connections and demonstrates how ethical factors greatly influence how ethical accounting techniques are perceived.

MODEL FIT

	Saturated model	Estimated model
SRMR	0.039	0.039
d_ULS	0.381	0.381
d_G	0.288	0.288
Chi-square	2831.368	2831.368
NFI	0.824	0.824

(Source: Author's own calculation through Smart PLS)

The model fit indices indicate an acceptable model fit:

a) **SRMR (0.039)**: Below the 0.08 benchmark, reflecting a good model-data fit.

b) **d_ULS (0.381)** and **d_G (0.288)**: These low values show minimal discrepancy between the estimated and observed models.

- c) **Chi-square (2831.368)**: Significant, supporting the structural model's validity.
 d) **NFI (0.824)**: Above the 0.80 benchmark, indicating a reasonably good model fit.
 Overall, the model demonstrates an adequate and acceptable fit for further analysis.

Construct reliability and validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Focus & Value driven	0.817	0.819	0.891	0.732
Objectivity & _Confidentiality	0.78	0.782	0.901	0.819
On-the-job Training & _Ethical decision making	0.739	0.739	0.885	0.793
Own interests_& skills	0.747	0.748	0.888	0.798
PATPEAP	0.864	0.865	0.917	0.786
Responsibility_& Literacy	0.71	0.71	0.873	0.775
Training & _Competence	0.925	0.927	0.939	0.658

PATPEAP (Perception about Ethical accounting practices amongst accounting practitioners in Kolkata) PATPEAP exhibits high composite reliability (0.917) and alpha (0.864). Convergent validity is further supported by the AVE (0.786). This suggests that the construct accurately gauges opinions regarding moral accounting procedures.

All constructs satisfy the suggested cut-off points ($\alpha > 0.7$, $CR > 0.7$, $AVE > 0.5$), guaranteeing that the model's measurement quality is appropriate for additional structural examination.

	Focus & Value driven	Objectivity & Confidentiality	On-the-job Training & Ethical decision making	Own interests & skills	PATPEAP	Responsibility & Literacy	Training & Competence
Focus & Value driven							
Objectivity & Confidentiality	0.371						

On-the-job Training & Ethical decision making	0.248	0.259					
Own interests & skills	0.331	0.407	0.282				
PATPEAP	0.427	0.558	0.513	0.422			
Responsibility & Literacy	0.219	0.287	0.337	0.269	0.436		
Training & Competence	0.23	0.272	0.326	0.304	0.59	0.343	
	Focus & Value driven	Objectivity & Confidentiality	On-the-job Training & Ethical decision making	Own interests & skills	PATPEAP	Responsibility & Literacy	Training & Competence
Focus & Value driven	0.855						
Objectivity & Confidentiality	0.298	0.905					
On-the-job Training & Ethical decision making	0.194	0.196	0.89				
Own interests & skills	0.258	0.31	0.21	0.893			
PATPEAP	0.36	0.458	0.41	0.339	0.887		
Responsibility & Literacy	0.167	0.214	0.244	0.196	0.342	0.88	
Training & Competence	0.201	0.232	0.271	0.254	0.529	0.278	0.811

e							
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Since all diagonal values are higher than the related inter-construct correlations, the Fornell-Larcker criterion also confirms discriminant validity.

All of the constructs are statistically different from one another, as shown by the HTMT and Fornell-Larcker criteria, indicating that the measurement model has excellent discriminant validity.

Outer Loading Matrix

	Focus & Value driven	Objectivity & Confidentiality	On-the-job Training & Ethical decision making	Own interests & skills	PATPEAP	Responsibility & Literacy	Training & Competence
E1							0.853
E10		0.898					
E11			0.892				
E12			0.889				
	Focus & Value driven	Objectivity & Confidentiality	On-the-job Training & Ethical decision making	Own interests & skills	PATPEAP	Responsibility & Literacy	Training & Competence
E13				0.897			
E14				0.89			
E15						0.882	
E16						0.879	
E17	0.865						
E18	0.861						
E19	0.839						
E2							0.84
E20					0.896		
E21					0.888		
E22					0.876		
E3							0.828
E4							0.824
E5							0.823
E6							0.783
E7							0.773
E8							0.76
E9		0.912					

In Confirmatory Factor Analysis, the collection of correlations between observed indicators (items or survey questions) and their corresponding latent constructs in a measurement model is known as the outer loading matrix.

The Confirmatory Factor Analysis (CFA) results validate the suggested measurement model's robustness and sufficiency. According to Cronbach's Alpha, Composite Reliability, and AVE, all constructs showed strong factor loadings (above the suggested 0.70 level) and good reliability values, proving convergent validity. Additionally, the results of the HTMT ratio and the Fornell-Larcker Criterion confirmed discriminant validity, guaranteeing that each construct is empirically unique.

Additionally, the model fit indices were within reasonable bounds, confirming that the factor structure was appropriate. For evaluating how accounting teachers and practitioners in Kolkata see ethical accounting procedures, the CFA offers compelling evidence that the assessment approach is robust, dependable, and statistically sound.

Conclusion

The study proves that accounting practitioners in Kolkata do, in fact, follow ethical accounting standards. Nevertheless, the way they are applied varies depending on the situation and workplace. While some principles, like accountability and secrecy, are strictly enforced, others, like literacy and organized training, are not as well-executed. This demonstrates that while there is ethical awareness, respondents' actual application of it varies.

The study uses CFA to validate six different factors that have a significant impact on respondents' perceptions of ethical behavior. These include: On-the-job Training & Ethical Decision Making, Competence & Training, Objectivity & Confidentiality, Own Interests & Skills, Responsibility & Literacy, Focus & Value-driven. These elements work together to offer a thorough framework of moral issues. This demonstrates that perceptions are complex and go beyond merely technical conformity.

The results show that the most important factors influencing ethical behavior are training—both in the classroom and on the job—and ongoing skill improvement. Well-designed ethical training programs and competence-building activities promote ethical decision-making, as respondents repeatedly noted. This implies that organizations and institutions need to give ethics-focused professional development top priority. Both the first goal of mapping present activities and the second goal of analyzing perceptions are met by such practices.

Although the importance of ethics is widely acknowledged, respondents acknowledge that they have difficulty regularly putting them into practice. Personal interests, career incentives, and workplace constraints frequently impede moral decision-making.

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