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**Ethical awareness and ethical judgment among audit
professions across nations:**

India, Sweden and Vietnam

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Abstract

The auditor is seen as the guardian of the market. However, several scandals have resulted in the public's suspicions of auditor ethics. Therefore, the need of investigation of ethical awareness and ethical judgment among auditors should be taken into a deep consideration.

The aim of this thesis is to investigate the differences in ethical awareness and ethical judgment of auditors across nations, including Sweden, India and Vietnam. In order to reach our research purpose, a positivistic philosophy together with deductive and quantitative research method was employed.

Seven hypotheses were derived from five different theories such as theory of profession, theory of legitimacy, cultural theory, moral reasoning ability and institutional theory. The focal idea of these hypotheses is to test the existence of the homogeneity in ethical sensitivity of auditors. It was theoretically assumed that the main influential factors include national culture system, firms which auditors work for, gender, age, education and experience.

However, empirical findings indicate that auditors' ethical awareness and ethical judgment are mainly influenced by their national cultures, as well as age and experiences. Meanwhile, education and gender failed in being regarded as the important variables which can bring an impact. Moreover, the results also show that the level of ethical sensitivity is homogeneous in all audit firms regardless of their size, as the effects of legitimate and mimetic isomorphism from different firms. That also reveals the image of the consistency and uniformity of the audit profession, which strongly supports to the explanation power of professional theory.

To sum up, our results indicate that the most significant signals belonged to culture, age, working firms as big-4 or non big-4 and length of experience. Such these findings can be used as supportive evidents for the explanation strength of the theories mentioned above.

Key words: ethics, ethical awareness, ethical judgment, audit profession, culture, big 4, non big 4, age, gender, education, and experience

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Abbreviation

ADB	Asian Development Bank
FAR SRS	Föreningen auktoriserade revisorer
IASB	International Accounting Standard Board
IASC	International Accounting Standard Committee
ICAI	Institute of Chartered Accountants of India
ICPAI	Institute of Certified Public Accountants in Ireland
IFAC	International Federation of Accountants
INTOSAI	The International Organization of Supreme Audit Institutions
VACPA	Vietnam association of certified public accountants

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1. Introduction

The first chapter begins with background and problem discussion. The purpose of the thesis is also presented and concludes with a disposition.

1.1. Background

The rapid growth of international trade over time and particularly in the last decade has changed the prospect of business for many companies. The technological advancement has made it possible and accessible to conduct business over long distance. Small as well as multinational corporations own overseas business ventures. This trend is only expected to multiply (Marilyn et al. 2001). Not only the business and trade is going through an evolution towards globalization, there are certain theories stipulate that this process should be seen in a broader prospect. The extent of globalization reaches beyond trade and involves cultural and sociological issues as well (Paul et. al., 2009)

The expansion of businesses into globalized ventures has created a different set of realities and interconnected the world of trade in very intricate manner. This worldwide intricacy of business and trade in turn means that any crises that would theoretically arise on the financial market would also involve the whole world. The current economic crisis has hardly escaped the attention of anyone. Its consequences are noticeable to even the least economically interested ones. It is not only the recent economic crisis which is the culprit of some serious scandals, but also if one takes glimpses in the immediate past, it is not that far in the past when the uneasy scrutiny at Enron and WorldCom started. Both - the economic crisis and the Enron and WorldCom scandals, left business empires trembling and some fine institutions of distinguished heritage and history were shattered and perished in the process. Some businesses were destroyed due to unhealthy and unsustainable lending procedures. Others were prey of illicit and improper accounting practices (Gary G. 2008). Nevertheless this crisis illuminates the role of auditors and some might even look at the auditor as the controlling body in the best interest of the public. The role of the auditor is extremely important and it is seen as the guardian of truth in markets (Volcker, 2002). Auditors should ensure that consistent and reliable financial reporting is maintained. This means that the auditors become the de facto watchdogs of the financial market and in this capacity they are

bound to exercise professional care which requires to question and critically assess the audit evidence (Duska, 2005).

International Federation of Accountants, IFAC, is a global organization which has as its primary goal to bring together the professional accountancy organizations on different levels of maturation to share experience, resources and ideas for the sole purpose of improving and benefiting the profession. IFAC has extensively collaborated with regional accountancy organizations in order to promote and develop the profession and heavily stress the convergence towards international standards (IFAC, 2010).

Another major player in this area is the IASC (International Accounting Standard Committee) was found 1973 as a non-profit private sector organization working in the public interest. It has established a standard-setting body called IASB (International Accounting Standard Board) in order to evolve an enforceable and internationally accepted financial reporting system. This reporting system is IFRS (International Financial Reporting System). The main purpose of this standard-setting is to converge the reporting system and uphold it to a high quality (IASB, 2010).

The significant development of global capital market as well as economy has resulted in the need for a uniform set of accounting and auditing standards. Consequently IFAC has evolved international standards on auditing (ISAs), an ethical code and guidelines concerning the education and competence level of professionals in order to harmonize the high quality auditing (Paul D. et al 2009). IFAC has attempted to encourage the harmonization. Nevertheless, such attempts are blocked by the deep divergences in international accounting and auditing in different countries as well as the fact that this body has no enforcement power (Harding F., 2000).

Obviously, different countries use different accounting systems with different purposes. A functional view which was developed by Nobes and Parker (2009) has explained these differences by analyzing several influential factors. These factors include culture, legal system, financing source, impact from taxation, accounting profession, level of inflation and other external influences such as history, theory etc.

In reverse it means that diversification in for example national legislation and culture resulted in the divergences in accounting and auditing in different countries. This resulted in difficulties for users of financial information in a global capital market. The need for setting global accounting and auditing standards has increased with the globalization of businesses and corporations. This calls for broader, more intensive and targeted information about the performance and the future viability of the corporations in question. Therefore the importance of transparent, reliable and internationally comparable financial disclosure has been stressed significantly (Harding, 2000). It is essential to take into account not only the aforementioned challenges but also the fact that potential financial crises are almost always at bay, the importance of audit exercises and the role of auditor becomes crucially indispensable. Even more significant is the function of auditor as a financial watchdog acting in the best interest of the public (Duska, 2005).

1.2. Problem discussion

The incredible growth of global audit market in recent years has resulted in the need of harmonization auditing standards. The process of harmonization has caught the public's attention for a long time. However, the fact that a lot of efforts were given with limited success has somewhat disappointed the advocators. The obstacles for this long process of standardization are deduced to originate from the differences in culture and environments among different countries (Wood, 1996). A study of cultural impacts on auditing profession is, therefore, in need.

As hinted in the above, the globalization of trade and the presence of different sets of rules make it difficult to guarantee the credibility of information. Regulators recognized the urgent need of a core set of international standards several decades ago. As a result, IASC and IFAC were established in 1970s with the main purpose of an "achievement of harmonized – ultimately globalized – professional standards to the highest technical and ethical levels"- (Harding, 2000:596).

Besides, according to Marilyn (2001), accountants all over the world share the common values of ethics requirements of professions, towards the integrity and objectivity principles. Therefore, a need of uniform auditing standards as well as a global ethics code, in order to "strengthen the accounting profession and protect the public interest in all countries around the world" (Marilyn

et. al., 2001), has been of more concern recently. Thus, actually, in term of increasing quality in audit and enhancing ethical awareness, IFAC has put a lot of effort to develop and maintain global professional standards and a Code of Ethics (the Code).

Clearly, the harmonization and ethical issues are the center of attention of the public. In order to investigate these subjects in the contexts of different countries, both developing and developed nations, we narrowed our research into three countries: Vietnam, India and Sweden. Vietnam is an emerging market for auditing which has just grown for nearly 20 years with lots of issues in its initial developing cycle. Besides, India is a much more mature developing markets but still on its ways to reach the developed phase. Meanwhile, Sweden is regarded as a developed country with high level of standardized rules for auditing. In this thesis, we will investigate the influential factors in regard to ethical codes as well as compare the different levels of ethical awareness and ethical judgment among auditors in these three countries, and by doing so ambitiously contribute to the literature and debate on harmonization of auditing and about ethics among auditors.

Besides, taking Sweden, India and Vietnam into consideration, the differences in accounting system, which has been affected by national culture, legal system, financing sources, impact from taxation and other external influences, can be seen very clearly. Of the three countries, accounting in Sweden is highly standardized as being influenced significantly by the codified laws in European continental groups (Nobes and Parker, 2008). Swedish accounting system is based on the binding tax-accounting link, which favors the prudence principle (Aghimien et. al., 2009). The next follower is India, which develops its accounting standards to cater to the national laws, customs and traditions. Thus, accounting objectives in India is informative. The development of auditing in India is said to be a gradual process, in which its activities have been undertaken by both the government and the profession (Bharathan V., 2007). Lastly, Vietnamese accounting system is known as a developing and quite young system that is mainly influenced by taxation and without free market sources. Similar to Sweden, there is a link between Vietnamese accounting system and tax system (ADB's report, 2000).

1.3. Research purpose and question:

The principal purpose of this thesis is to explain ethical awareness and manners of auditors in three different countries. Our research question is: “How does ethical awareness and ethical judgment of auditors in India, Sweden and Vietnam differ?”

1.4. Disposition

The disposition provides readers an overview of the essays content and it helps the reader to know what respective chapter entered.

Introduction This thesis begins with chapter 1 which provides some background and the problem discussion. Furthermore it provides research purpose and question and ends up with limitation.

Research Method Next, chapter 2 describes the methodology that we deliberately chose to do our research.

Theory Then in chapter 3, the readers will be given some hypotheses depicted from several theories that we found in order understand the research problem from an academic view.

Empirical method Chapter 4 contains descriptions of the execution of the empirical research method, the details of questionnaire operationalization, and data analysis.

Statistical analysis In this chapter, we present the statistical analysis of the results of our survey.

Conclusion The thesis concludes with final discussion, conclusions, and implications. Thereafter, several limitations as well as some suggestions for future research will also be presented.

2. Research Method

This chapter presents the research method which is used in our thesis. It begins with introduction, research philosophy, research approach and concludes with choice of theory.

2.1. Introduction:

In this section, we will discuss the research strategy that will be used. Undeniably, it is required to understand the nature of relationships between theory and research. It is necessary to have knowledge about the philosophy, approach, choice of theory and methodology.

2.2. Research Philosophy:

There is a need of defining a clear research philosophy before doing research. Researchers use philosophy to make assumptions based on principles, procedures and natural science to understand how the world is perceived (Bryman and Bell, 2003). Besides, it can help to not only clarify a research design but also decide the appropriate one (Easterby-Smith et al., 2008). There are three common used philosophies: realism, interpretivism and positivism (Bryman and Bell, 2003). In the same spirit, Saunders (2007) denoted his research philosophy but chose to call it research epistemology. The aforementioned philosophies are explained thoroughly as the epistemology of research in a business and management context (Saunders, 2007).

The first philosophy, realism, believes in an approximation of reality, in which a different world is depicted separately from people's thoughts and views. Reality is the truth where objects have an independent existence which is independent of mind. This is opposed to idealism which is the theory that only exists in the mind. Realism subdivided in direct and critical realism when it comes to research in business and management. Realism "shares two features with positivism", which presumes same approaches to data collection and explanation (Bryman and Bell, 2003:15; Saunders, 2007).

In positivism, researchers adopt a philosophical stance of a natural scientist preferring to work with observable social realities and the end-product of such research could be concluded as a law-like generalization comparable to the findings of physical and natural scientists (Saunders, 2007).

As being hinted, the positive philosophy aims at generating hypotheses from existing theories that can be tested to look for causality and fundamental laws. Based on an epistemological perspective, researchers using positivism to study the social work through understanding an observed phenomenon “by the senses can genuinely be warranted as knowledge” (Bryman and Bell, 2003:14). Focusing on facts, in this theory, the researchers are objective. Additionally, this theory is applied for large samples with the main purpose of explanation and “gathering the facts”, whereas the remaining suits for small samples in deep analysis (Bryman et al, 2003).

The third philosophy, interpretivism, is regarded as a contrast to positivism since the social world of business cannot be simplified in laws since it is too complex. The richness of this complex reality is lost if an attempt to simplify it in laws is approached. It is necessary to understand the role of humans as social actors (Saunders, 2007). Therefore this philosophy emphasizes on the differences between people and other social factors. As it respects the unique characteristics of each people, organization or circumstances in the world, it is unnecessary for researcher to generalize from one individual to a collection for a result. It aims to finding an understanding rather than an explanation (Brymans and Bell 2003).

There are several previous studies and theories explaining differences countries as well as auditor behavior. Those studies and theories will be used to explain ethical awareness and ethical judgment among auditors in this thesis. Thus, we have chosen a positive research philosophy.

2.3. Research Approach:

It is generally known that there are two main different research approaches: deductive and inductive. As regards the former, hypotheses are developed from existing theories in order to explain the current societal situations. Then such hypotheses are tested and falsified or not falsified. In contrast, the latter entails a reverse process starting with observed phenomena or empirical findings. The theory will be deduced later based on data collected (Bryman & Bell, 2003).

When it comes to research strategy, deductive approach is often attached to quantitative method, while inductive approach is connected to qualitative method. The qualitative approach

emphasizes the description, generation of a theory and examination of the social world, whereas quantitative research focuses on testing the theory. As causality is one of the main characteristics, quantitative method is concerned with not only describing how things are but also sturdily focusing on explaining the way the situation happens, whereas the former tries to understand the world through its participants. Besides, in quantitative research, generalization beyond the particular context is often possible, which is closely connected to the scheme of positivism philosophy (Bryman & Bell, 2003).

The Data collected in quantitative research ranges from simple counts such as frequency of occurrence to the more complex type such as prices or test scores. For this data to be useful it needs to be analyzed and interpreted through quantitative analysis techniques. Diagrams and tables are created to visualize and establish the relationship between variables (Saunders, 2007).

The aim of our paper is to examine the situation of ethical awareness and ethical judgment among auditors in three different countries. Thus, we need to use theory to construct hypotheses. The hypotheses will then be tested by using quantitative data. For this purpose, quantitative and deductive research is a proper choice, which is also more suitable for our chosen positivistic philosophy.

2.4. Choice of theory

The objective of this thesis is to explain ethical awareness and ethical judgment among auditors. In order to achieve this goal current ethical guidelines will be presented duly as well as the attempts to converge and harmonize codes of ethics. Also the auditing profession in the different countries will be described shortly. Later on, several hypotheses will be depicted from different theories such as theory of profession, institutional theory, and theory of legitimacy. Additionally, cultural theory and its different dimensions, as well as moral reasoning of abilities of accountants will be used with the same purpose.

3. Theory

3.1. Theory of professions

The aim of this chapter is to increase the readers' knowledge within the theories which we have selected. Firstly the theory of professions is presented, thereafter the readers will be familiarized with the theory of institutional, theory of legitimacy, and theory of culture. At the end moral reasoning ability will be discussed.

3.1.1. Theory of professions

Research on analyzing expert occupations is often conducted with the use of sociology of work, in which a theory of profession is a branch. As originating from UK and USA first, this theory's conceptualization seems to be inclined to the characteristics of experts' work of those countries. Nevertheless, after becoming more international, transformational changes of this field arose in both its theoretical structure as well as empirical research (Abbott A. D., 1988).

In particular, there were different approaches to definition of profession. First, according to trait approach, a profession was often described to have six distinctive characteristics. According to Flexner (1915), professions are well-educated individuals, who have large involvement in academic activities with well-equipped communicable techniques and a tendency of self-organization; they are not only altruistic in motivation. Nonetheless, this approach is said to be not only idiosyncratic in a particular context of Anglo-Saxon countries but also obsolete (Bureau et al, 2009). Rejecting trait approach, the following perspective contributed by Adler and Kwon (2006) was a process-oriented perspective, which included two terms: civic professionalism, itinerant professionalism and organizational professionalization. Such research were believed to have flaws inside, and thus seemed to be avoided (Bureau et al., 2009).

However, among various divergences, Abbott's research in 1988 could be considered one of the saliencies. The core of his finding is a focus on the actual professional work, both cultural and practical, and "an inter-professional competition over jurisdiction of work". The purpose of his study was to understand the evolution and stabilization of the system (Bureau et al, 2009). Abbott

claimed that the evolution of professions originated from their interrelations, which resulted from the way they control their knowledge and skill (Abbott, 1988:8).

First of all, the concept of professionalization is taken in consideration. According to Abbott, it is hard and irrelevant to identify a strict definition of profession because of “exclusive occupational groups applying somewhat abstract knowledge to particular cases” and “the term profession is more an honorific than a technical one” (Abbott, 1988:8-18). The difference of Abbott’s perspective and others’ is his concentration on the professional work, especially stress on interrelations among groups rather than the structure and division of labors. He suggested that in order to understand the definition of “professionalism”, using several facets should be avoided.

There are five basic assumptions underlay Abbott’s research. Firstly, in opposite to the preceding literatures, Abbott believed “change is unidirectional; professions evolve towards a given form, structurally and culturally”. Secondly, professionalization contains lots of interdependencies which evolve with impacts from others. That means the development of one profession is independent with others’. Thirdly, the surrounding working environment, including social and cultural structure, is considered to be more important than the work of professions. The next facet refers to the homogeneousness of the professions. Professions are believed to be a consistent unit, except for their internal differentiation which was reflected in different cases. The last facet mentions the unchangeable characteristic of the professionalization process.

Abbott is complimented on suggesting a new model to “explain professional dynamic” (Bureau et al, 2009). Similar to Abbott’s definition, Richardson (1987) believed that professions are occupation-based structure of authority, vested with “a social mandate to define what is right and wrong within a specific sphere of activity” (West B. P., 1998:14).

Secondly, it is crucial to understand the problems faced by the profession before defining its nature. According to Abbott (1988), professionals solve problems and hold their jurisdiction through “cultural machinery” composed of four main dimensions: diagnosis, treatment, inference and academic knowledge. As for diagnosis, professionals will accumulate client’s needs and then gather them into a whole picture before clarifying it. They “assign subjective properties to the

objective problems with which the professions work” in order to simplify the problem. The problems then are taken under the consideration of “various diagnostic chains” such as “the clarity, the strictness, and the logic of these subjective definitions” (Bureau et. al., 2009:469). The second subject is treatment, which is said not to be isomorphic to diagnosis. It requires professionals to suggest a prescription for the problem with classified empirical data. When it comes to inference, “it seems clear that professions cannot afford to invoke either too much or too little inference. Too little makes their work not worth professionalizing. Too much makes their work impossible to legitimate. In either case, “their jurisdiction is weakened”- (Abbott, 1988). In almost cases, complex inference necessitates an involvement of expertise. According to Bureau (2009), to protect the legitimacy of the professional group, professions use ambiguous academic language in cases they do not know how to deduce. This strategy is said to be suitable only for short-term. The last one, academic knowledge, is mentioned as one of the solutions to address the problem. This comprises three tasks: legitimation, research and instruction. While research and instruction call for discovering diagnosis, treatment and inference, legitimation requires a foundation of jurisdiction. It is admitted that the current legitimation situation have been shifted considerably. The major shifts come from “reliance on social origins and character values to reliance on scientization or rationalization of technique and on efficiency of service” (Bureau et. al., 2009:470; Abbott, 1988).

3.1.2. The profession of accounting

The profession of accounting has a general recognition in the sociology of professions literature. Accounting professionals are thought to provide services relating to accounting, audit, taxation consulting, or other advisory services. Audit is traditionally believed to be the mainstay of accounting firms and accountants’ practice. An audit is the authentication of fiscal accounting figures in a particular period, which relates to “events and conditions given by one party to another” (Wolnizer, 1997:35).

Therefore, the role of auditor is to lend credibility to the client’s financial statements by their independent opinion, as well as that of accountant is to provide the former a “true and fair” financial report. It is presumed that such responsibility of auditing professions requires a

possession of specific knowledge and skills. However, accounting knowledge is thought to be “so permeable and mutable that the accounting profession has come to rely almost exclusively on regulatory fiat to coerce occupational unity and create an impression of standardized practice” (West, 1998:14). Moreover, it is acknowledged that the definition of “professionalism” relating to accounting is often found in “a complex social process in which the gender, social class, associative strategies and political acuity of early accountants are emphasized” (West, 1998:15). Accountants are described as individual professionals as their work is thought to refer to the minutiae of technical regulations. Nonetheless, in a broader view, auditing profession is mentioned to be resistant to “de-professionalisation” (West, 1998).

3.1.3. Auditing professions in India, Sweden, and Vietnam

To begin with, in connection with the growth of accounting system, the audit profession in Sweden is firmly believed to be most developed among three countries with the history more than hundreds years. The development of audit profession in Sweden was a gradual emerging in the early of 20th century, and then it grew significantly in the late 1990s (Wallerstedt, 2001). It can be seen clearly through the swift growth in term of the number of auditors in Sweden, which increased considerably from around 2000 in 1999 to 5900 in 2010 (FAR SRS, 2010). It is observed that the promotion of development of the profession had been interacted by both external and internal forces such as legal system, state authorities, and social environments (Wallerstedt, 2001). The professional institute for public accountants FAR SRS, which was merged since 2006, has plays a leading role in guiding and supervising the audit profession (FAR SRS, 2010). It is said that “the auditing profession in Sweden has traditionally been in a strong position and self-regulation of auditing practice has been considered preferable to tightening the net of laws and mandatory regulations” (Öhman et al, 2006:90).

As for India, the audit profession in India has improved in parallel with the development of the accounting system since 1950. Indian auditors regulate themselves without any independent regulator, except ICAI. According to the unique national culture and legislation, India does not allow any multinational audit firms to operate as auditors in India. Thus, two of the Big Four, KPMG and E&Y, has registered as management consultants. As being regulated by ICAI, the Big

Four must have local partners and work under local chartered accountants. The audit profession in India are said to be “highly politicized by the small firms” and thus “keep their profession at a small local level” (India Briefing, 2009). Audit business in India is performed by mostly local firms. Additionally, in the past audit firms were prohibited to promote themselves and their services. However, in recent time, it is expected that the laws passed in 2008 have been in effective and ease the problems (Layak S. et al, 2009)

When it comes to Vietnam, after the changes in policy, the economy of Vietnam had started integrating to international market and moving to a market based system in the late of 1990s. This shift had opened the door for the existence and substantial development of audit profession in Vietnam later on. The State audit of Vietnam, established in 1994, had gained affiliations and become the member of INTOSAI (ADB’s report, 2000). As for the independent auditor in Vietnam, they are quite young with the history of development around 20 years. The professional services they provide are said to be not quite at international standards yet. However, they have been improving in a very fast pace. The illustration for it is the rapid grow of the number of member of VACPA, an official institute of auditors who qualified CPA. The figure increased impressively from 258 (ADB’s report, 2000) in 1998 to 1015 (VACPA, 2010) in 2010. Additionally, at the same time, there is a substantial increase in the number of auditors achieved international qualifications such as CFA, ACCA or CPA Australia in Vietnam (VACPA, 2010). Besides, “they also receive the helps from Big Four firms in the market” (Vietnam News, 2010). The current biggest challenge facing by auditing profession in Vietnam now is the lack of a comprehensive auditing practice framework (ADB’s report, 2000). Nevertheless, the new independent auditing regulation, which is becoming effective in the end of 2010, is expected to alleviate the difficulties of the professions (VN economy, 2008).

3.2. Institutional theory

For the audit process it is important to explain the differences and similarities in practice of the profession. In order to be able to elucidate these differences and similarities it is crucial to use an instrument for this specific purpose and institutional theory can be utilized as such tool. It tends to see organizations as open system which is heavily influenced by their surroundings

(Abrahamson and Andersson, 1998). In this paper institutional theory is used in the context of ethical awareness among auditors.

Institutional theory tries to clarify how individuals and organizations act in different circumstances and why they are so similar in their internal structure. It is also of vital interest to understand the alignment of organization with its social and cultural environment. These social and cultural demands contain values, norms, regulation and opinions. It is also about explaining the processes and patterns involved in evolution of organizations into institutions (Hatch, 2002).

It is important to note that different countries have tendencies to evolve in different direction. The core issue is whether the ambition to harmonize regulations and create a common functioning market, or the deeply rooted national distinctive features and characteristics would pose a threat to the process of integration. In order to understand the driving force behind a change, it is important to understand the prerequisite conditions which lead to an institutional change. Consequently the differences in traditions, values and norms are so deeply rooted that they might hamper convergence (Hedlund, 2007).

A very classic source in studying the institutional theory is DiMaggio and Powell (1983) with their famous article about institutional isomorphism. This concept deals with the issues of homogeneity which is described as a constraining process of change which forces one unit in a population to resemble the other units that faces the same environmental challenges. Three mechanisms are identified through which this process of isomorphic change is taking place. They are *coercive* isomorphism, *mimetic* isomorphism and *normative* isomorphism (DiMaggio and Powell, 1983).

Coercive isomorphism deals with both formal and informal pressure that is exerted on an organization. This pressure comes from different players. Other organizations that this particular organization depends on might also apply such strain. Cultural expectations within the society that this organization operates in also play its role. This pressure might take different guise and could be felt as a force, as a persuasion, as an invitation to join the in collusion or as legislative government regulation. The aforementioned forces are very direct, which does not always have to

be the case. There are also some subtle and less explicit impositions in effect as well. All these components affect the behavior an organization and structure (DiMaggio and Powell, 1983).

Mimetic isomorphism is a process which, in opposition to coercive isomorphism, does not derive from coercive authorities. The driving force here is the uncertainty felt by organizations in different circumstances, which encourages imitation. This mechanism is poorly understood but when goals are ambiguous and the operational environment creates uncertainties, organizations tend to model themselves upon other organizations. This mimetic behavior is widespread in economy when the cause, solution and the outcome of a certain problem is unclear. Modeling the solution upon other organization might come as viable solution with little expense. The modeled organizations might not have the desire to be copied in this fashion. However they do not always know that they have been imitated. This process does not need to be intentional. It could occur unintentionally through employee transfer, consulting firms or trade associations. These facts have lead to considerably little variation and diversity in organizations. It is worth mentioning that this type of modeling and imitation is not only limited to private corporate and business but could also be seen in a nationwide scale. This hints that the organization of an emerging nation could be predicted, without actually knowing much the nation, just simply by looking at the pattern of administration in peripheral nations (DiMaggio and Powell, 1983).

Normative isomorphism stems primarily from professionalization, which is defined as a collective struggle of members of an occupation to define the condition and methods of their work. This way they can establish a cognitive base and legitimation for their occupational autonomy, which could not always be achieved in full extent since professionals have to compromise on this aspect for instance with their unprofessional clients, superiors or regulators. There are two important sources of isomorphism in professionalism which are the formal education and the growth and elaboration of professional network. For this particular reason universities and other training facilities become crucial players since their trainees would create a huge pool of interchangeable individuals which staff many organizations (DiMaggio and Powell, 1983).

Since the institutional theory has a very important and central role in organizations, it has been extensively written about and discussed and some modified versions of DiMaggio and Powell (1983) are found in literature. Most of them are very similar to DiMaggio and Powell (1983). These perspectives are regarded as structure of laws both involving individuals and organizations regulating how they should behave in order to retain their legitimacy. Hence, these perspectives are divided into regulative, normative and cognitive structures, where each has its own characteristic impact both on individual and organization (Kjaer, 2002). Despite that they are very similar to DiMaggio and Powell's isomorphism of different type.

The coercive institutional isomorphism deals with explicit laws and regulations, which is the counter part of Kjaer's regulative perspective. The normative perspective is almost identical in both Kjaer's and DiMaggio and Powell's. Instead of Kjaer's cognitive perspective, DiMaggio and Powell have suggested the mimetic isomorphism for the cultural and educational expectations, however here the organizations copy the well-established and legitimate counterparts as a sign of their own insecurity. Thereby they gain legitimacy due to their effort to imitate other organizations. Therefore DiMaggio and Powell argue that organizations after their inception move towards an inescapable homogenization. Based on this fact they explain the three mechanisms of institutional isomorphic changes, which are already stated in the above (DiMaggio and Powell, 1983).

These perspectives are regarded as three different tools or methods to survey the individual's and organizations' surrounding institutional structure. All these perspectives are relevant and they can be utilized to denote, describe and understand the various aspects of an activity in an institutional context through a simple coercive, mimetic and normative survey of the organization (DiMaggio and Powell, 1983 and Kjaer, 2002).

3.3. The theory of legitimacy

Organizations are expected to conduct business in accordance to society's expectations in order to be perceived as legitimate. Legitimacy by extension means authorization, justification and public acceptance. It also involves social norms, values and the notion of right and wrong in the

society. Hence, an organization which is not perceived as legitimate will consequently be excluded and even sanctioned. This is called the institutional legitimacy (Scott, 1995).

The academic literature describes the idea of legitimacy as a concept of a social contract. The theory of legitimacy itself directly relies upon this concept. It is considered extremely vital to an organization's survival since it could be threatened if the society perceives that the organization has breached its social contract. If the society is not satisfied with how the organization is operating or regards its *modus operandi* as unacceptable, or illegitimate then society will effectively nullify the organization's contract to continue its operations. This could be achieved in different manners. The most effective ones are considered to be through consumers reducing or eliminating the demand for their products of the businesses, suppliers eliminating the supply of labor and financial capital to the business, or constituents lobbying politicians and authorities for increased taxation, sanctions, fines or laws to prohibit those actions (Deegan, C., 2002).

Legitimacy is regarded as a dynamic process, where society's expectations on organization changes over time. This dynamic nature of the theory, could lead to insecurity and thereby jeopardize the organizations legitimacy due to change in society. This particular change could be defined as the evolution of social norms and values which organizations followed at a particular time, which are no longer perceived as acceptable for the society. Certain events might play role, which might influence the perception of their legitimacy. Once a certain event has influenced the reputation of an organization in a negative manner, it would almost automatically also lead to illegitimacy (Deegan, C., 2002).

Taking the aforementioned into account, there are four strategies which an organization can deploy when its legitimacy is threatened. These are:

- “1. educate and inform its relevant publics about actual changes in the organisation's performance and activities;
2. change the perceptions of the “relevant publics” ± but not change its actual behaviour;
3. manipulate perception by deflecting attention from the issue of concern to other related issues

through an appeal to, for example, emotive symbols; or

4. change external expectations of its performance.” (Deegan, C., 2002:297)

3.4. The theory of culture

Undeniably, the first step before investigating ethical awareness and ethical judgment among audit professions is to understand several factors which can influence the professional system. One of those is the culture which the professions belong to. It is admitted widely that each country has its distinctive national culture that affects significantly on not only the individuals but also the community including the professions (Nobes et. al, 2008). Thus, a research on the theory of culture is in need.

3.4.1. Hofstede’s theory of culture

Besides, it is true that people’s behavior and understanding is affected by their surroundings such as cultural influences in their countries. Cultural differences are also said to have impact on international convergence of accounting ethical standards (Clements et. al., 2010). The development of professions, including accounting and auditing, is believed to be impacted by culture (Sarens et. al., 2009). In addition, Nobes emphasized the importance of value systems in understanding accountants’ attitudes as it is expected to have a correlation among these two factors and work related values (Nobes et. al., 2007). According to Cohen et al (2007), as ethical values contain common understanding and concepts about appropriate behavior, it is crucial to comprehend the cultural influences in different countries (Cohen et al, 2007). Thus, understanding the essential role of cultural influences, we herein employ the theory conducted by Hofstede.

3.4.2. Cultural dimensions

According to Hofstede (2005), the cultural influences are said to be analyzed on the basis of two levels: nation and organization. To understand the behaviors across cultures, there is a need to consider its conceptualization in its two levels because of they cannot operate separately (Al-Emaldi, 2006).

It was stated that organizational culture focused on "people's perceptions of the practices in their work units" (Mintu, 1992). Six dimensions in this level, being said to serve as indicators but not predictors, are listed as follow: (1) process vs results-oriented, (2) employee-oriented vs job-oriented, (3) parochial vs professional, (4) open system vs close system, (5) loosed control vs tight control, and (6) normative vs pragmatic. As shown in the review of Hofstede's book, Mintu (1992) stated that the core of organization culture is cited from the shared perceptions of practices, in which people learn about the symbols, heroes and rituals of the organizations. Meanwhile that of national level is shared values, which were accumulated through the social activities since people were young. It is said that persons bring such these embedded values into the organization. This subject, therefore, is expected to be useful in studying the variation among professionals' ethical awareness and behaviors (Mintu, 1992).

As for national culture, clearly, each country has "its own distinct national culture" and the attitudes and values of its citizens "has not been considered in the literature of cultural differences in relation to negotiating transnational agreements" (Al-Emaldi et. al., 2006:808). However, the finding of Hofstede has successfully explained the variations in social behaviors across countries. Another crucial contribution of this theory is its ability to explain attitudes and values of people through national culture (Al-Emaldi et. al., 2006).

To begin with, main ideas of culture and Hofstede's theory will be summarized in order to provide the readers an overview about it. Hofstede developed a theory of culture as "the collective programming of the mind that distinguishes the members of one human group from another" (Nobes et. al., 2007:25). Besides, it is true that culture at national level can influenced significantly on individuals, especially at the way they lead their society as well as their interaction with substructure. Clearly, "culture in any countries contains the most basic values that an individual may hold" (Nobes et. al., 2007:25).

According to Hofstede (2005), various countries share the common basic cultural patterns, which includes four dimensions of culture: individualism vs collectivism, large vs small power distance, strong vs weak uncertainty avoidance, and masculinity vs femininity.

3.4.2.1. Individualism vs collectivism

In particular, the first dimension, individualism vs collectivism, refers to the degree of interdependence in the relationship among individuals in a society. It looks at the tightness of relationship between individuals. Actually, almost members of a highly individualistic society tend to take care of themselves and their direct families only. In contrast, in a highly collectivistic society, people are inclined to integrate more deeply into interconnected groups (Tsui Judy et. al., 2001; Nobes & Parker, 2007). In other words, “this is a measure of whether people prefer to work alone or in groups” (Jones, 2007:4). Additionally, Jones also emphasized again the degree of social integration. He found that indigenous nations “tend to be collective where the original culture has not become fractured” (Jones, 2007:4). Based on individualism index values table (IDV) of Hofstede, with score 71, Sweden prefer individual achievements, whereas Vietnam and India scored 20 and 48 respectively (Hofstede, 2005).

3.4.2.2. Power distance

The “power distance” dimension focuses on studying how the society can handle the inequality in the distribution of power and wealth among people. This unequal distribution is often demonstrated through the distances in various strata in society as well as numerous leveled positions in places of work. In details, “in large power distance societies, less powerful people are expected to accept that power is distributed unequally” without any justification, whereas in small power distance, the distribution seems to be more equally (Hofstede, 2005:46). The power distance index (PDI) value of each country reflects its power distance in a relative way. It was shown by Hofstede’s research that among three countries, India had the highest score (77) which made it ranked 17th in 74 countries in the test. Following India, Vietnam ranked 22nd with the score of 70. Contrastingly, Sweden has a rather low score of 31, which reflects its low inequality in society (Hofstede, 2005).

3.4.2.3. Gender

The next dimension is about the dominance of gender in a society. Masculinity cites a society in which authority; assertiveness, heroism, and successful achievement are the preference. In an opposite side, femininity stands for modesty, personal relationships, quality of life, service and

welfare (Jones, 2007; Nobes and Parker, 2007). The divergence in gender brings differences in goal settings of individuals. As for masculine pole, males aim to achieve high earnings, recognition when doing a good job, advancement for promotion and challenges to thrive in work. However, for the opposite, females lay emphasis on maintaining a good working relationship, well cooperation, a desirable living area and employment security. Due to Hofstede's scale, Sweden scored 5 of masculinity index values (MAS) with the highest ranking in the world (74) which means this country is female oriented. In Asia, the score of Vietnam is 40 and it is ranked at 55-58, while India is following with its score of 56 and ranking at 22-26 (Hofstede, 2005).

3.4.2.4. Uncertainty avoidance

The fourth dimension refers to uncertainty avoidance that mentions the degree in which people feel being threatened by ambiguity circumstances. In these cases, people are supposed to deal with the future including unknown situations, "whether they have inherent control, or the events beyond their controls" (Jones, 2007:4). In a clearer meaning, the main target of uncertainty avoidance is to describe the level of anxiety that people feel when working. Feelings of uncertainty is said to not only belong to personalities but also be shared among individuals. The particular social cultural heritage contains those feelings and the ways of coping with them (Hofstede, 2005). Undeniably, in a society with strong uncertainty avoidance, people feel more stress when facing high anxiety. To deal with this, they express their needs of more security which can be recognized by job stability and "greater rule orientation" (Cohen et. al, 1992). In contrast, a weak uncertainty avoidance community offers people "a more relaxed atmosphere" with less rules and regulations (Nobes et al, 2007). Research shows that Swedes have high UA score based on the ability of working well without structure and possessing a high tolerance for ambiguity (Jones, 2007).

3.5. *Moral reasoning of abilities of accountant*

Before discussing moral reasoning abilities (MRA) the framework of moral development in the field of cognitive development psychology will be described for a better understanding of the concept of MRA. The moral development is seen as an evolution, where three levels of moral development are identified:

1. At the first level of moral development, a person considers social expectations to be external to him or herself. It is considered to be a more self-serving stage of moral development. Thus, an ethical behavior at this level is motivated by individual's desire to avoid punishment or it serves his or her self-interests (Eynon, 1997).

2. As the individual reaches the second level of maturity, he or she is concerned about the well-being of others, the society and the perception of others to his or her morality. At this level the individual is more susceptible to peer pressure which can be typically seen in teenagers (Eynon, 1997).

3. Individuals at the third level of moral development are concerned and will act on behalf of others in the society. Acting for the public good and preserving the rights of the individual constitutes the core of this stage (Eynon, 1997).

Using the aforementioned development theory, a test has been devised. The test participants are subjected to three or six different ethical dilemmas in order to measure their moral reasoning abilities. Once each dilemma is reviewed, there are twelve possible considerations which should be ranked according their importance in solving the moral dilemmas. This test is based on the perception that morality is determined by decision and not by behavior; however the decision later determines behavior. The score that is achieved is called "P" score and it provides a measure of the respondent's moral reasoning ability. This yields a tool for comparing different groups and their MRA, which could be compared to accountants (Eynon, 1997).

Several studies have been conducted in order to examine the mean P score among auditors both in small and big firms. The P score for auditors is closer to the P score identified for adults in general with same level of education. Surprisingly the means score for auditors is lower among auditors compared to the general population (Poneman and Gabhart, 1993 and Shaub, 1994). It should be added that this score is unfortunately even lower in the professional active in small firms (Eynon, 1997).

Various studies have shown that P score increases with age and education level. However the studies conducted among auditors shows the opposite picture where the impact of age and more

experience is the reversed one. The younger accountancy professionals score higher than their superior managers (Ponemon and Gabhart, 1993 and Eynon, 1997).

The impact of the gender on moral reasoning ability has shown to have a trivial effect on the P score however, in the group the females in accountancy score higher than their male counterparts (Shaub, 1994 and Eynon, 1997).

There is a correlation between liberal political views and a higher MRA. Since the auditing profession usually attracts people with conservative views, this factor becomes an important variable (Poneman and Gabhart, 1993). Study in small firms has shown that 63 percent of the professional adhere to conservative viewpoints. The presence of large number of conservative sociopolitical believers would inexorably tend to lower the overall P score (Eynon, 1997).

Considering the aforementioned in regard to the low MRA among accountancy professionals, it would be wise to suggest some forms of ethical intervention in the education to accountancy in college and university level and among practicing professionals. The studies show mix results in this area. Shaub (1994) has shown that attending and completion of an ethics course in college has a positive impact upon moral reasoning of the accountant student. And this positive effect is retained if the student starts at the professional level in the near future. On the other hand Ponemon (1993) has through his study established that the ethics course on its own in its integrated form in the accountancy education has any positive improving impact on the accounting students. Hence, the study results are inconclusive regarding ethics courses or any other sort of ethical training.

3.6. Development of hypotheses

So far the theories have been presented which now we are going to utilize in formulating our hypotheses. The aforementioned theories will be presented shortly and thereafter a hypothesis is stated, which will later be commented on in the chapter covering the analysis and discussion of our findings.

3.6.1. Theory of profession, theory of legitimacy and institutional theory (mimetic isomorphism)

From the viewpoint of professional theory, it is said that the development of professions is not only unidirectional but also does not change with time. They are supposed to be homogeneous and grow in a prearranged common form (Abbott, 1988). Thus, their working manners and attitudes are expected to be the same in similar situation. Besides, the theory of legitimacy describes the crucial need for legitimacy concerning organizations, which is more elaborated in the institutional theory under the aspect of mimetic isomorphism. According to Scott (1995), legitimacy refers to authorization and justification of the society. It includes social norms, values and social acknowledged perceptions of right and wrong. Deegan (2002) stated that there is an expectation of societies on the conformation of organization upon the law, regulations, norms and common values. The organizations will be rejected to operate normally in a society unless they satisfy all the social requirements regarding legitimacy. In a relation to the coercive mechanism, it can be concluded that societal pressure such as laws, rules, or public common concepts can coerce the organizations to act legitimately. Moreover, legitimacy is a changeable factor, due to the irregular shifts of society (Deegan, 2002). Linking to institutional theory, “uncertainty is the moving force behind mimetic isomorphism” (Carruthers, 1995:317). As Carruthers said, in situations when organizations are unsure about they should do, they often look at other firms to mimic their solutions. This is the core of mimetic mechanism, which should be applied to this issue. Conclusively, it can be thought that newly established or small organizations tend to copy the well-established organizations structure and mode of operation in order to be considered legitimate and thus acceptable in the society. The first hypothesis is therefore depicted as below:

H1: *The level of ethical awareness and ethical judgment is homogenous in audit firms of all sizes since the smaller firms mimic the well-established large firms in their quest for legitimacy.*

3.6.2. Theory of culture, institutional theory (coercive isomorphism)

It is clear that each country has its own national culture. Cultural theory, therefore, deals with the differences and behavioral peculiarities, which are in fact influenced by the surrounding environment. These tend to vary in every country, from the West to the East. According to

Hofstede, it is said that culture can be helpful in distinguishing individuals from different groups, and that culture has a huge impact on people's behaviors and understanding (Hofstede, 2005). Additionally, it is firmly believed in the existence of cultural influences on the variance of auditing ethical standards, which consequently affect on the ethical judgment of accounting professions (Clements, 2010). The same is also applicable about the coercive isomorphism in institutional theory, which deals with laws and regulations also varying in different countries depending on their legal system and perception. It can be said with little doubts that national legislations differ due to countries (DiMaggio & Powell, 1983). The coercive forces from such these national laws and regulations lead to different pressures on the professions across nations. Profession among different countries, thus, is believed to work and act at different ethical and ruling levels. Hence, the second hypothesis is cited as below:

H2: *The level of ethical awareness and ethical judgment is different among auditors in depending on which country they work in*

3.6.3. Theory of professions and institutional theory (normative isomorphism)

As it has been elucidated above, the theory of profession also mentions the homogeneousness of professions in the way of thinking and their actions. It is said that profession is a homogeneous unit, which implies that they have similar viewpoints (Abott, 1988). When it comes to institutional theory, it explains simply the pattern of individuals' and organizations' mode of action in different circumstances and it also elucidates why organizations are so similar in their internal structure. It is also crucial to place the organization within its right social and cultural environment. These social and cultural demands contain values, norms, regulation and opinions (Hatch, 2002). Organizations after their establishment move towards an inescapable homogenization. Based on this fact, the normative isomorphism in institutional theory, in dealing with professionalization, is a collective struggle of the professionals to define the conditions and methods of their work. This source of isomorphism stems from formal education and the growth and elaboration of professional network (DiMaggio and Powell, 1983). It is only natural to come to the following hypothesis based on the normative isomorphism and professional approach of homogenization:

H3: *The level of ethical awareness and ethical judgment among auditors is homogenous within the same audit firm.*

3.6.4. Moral reasoning abilities

MRA are the core of ethical judgment which explicitly describes the level moral development and its influence in the moral reasoning abilities. Several studies by Shaub 1994, Poneman and Gabhart 1993 and Eynon, 1997, have been conducted in this area through devising a test which confronted the professionals with different ethical dilemmas. A wide range of solutions were offered which the respondent chose from (Eynon, 1997). Via these responses the MRA of that particular individual was determined. This type of surveys has been conducted among accountancy professionals where age, gender, education level, and length of work experience were determinant of the MRA. Overall accountancy professional scored lower than their counterparts with same level of education among adults (Poneman and Gabhart, 1993 and Shaub, 1994). A number of conclusions can arise from these finding which are denoted in the following hypotheses.

H4: *The level of ethical awareness and ethical judgment among auditors is different since MRA of individuals depend on gender.*

H5: *The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on education.*

H6: *The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on length of work experience.*

H7: *The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on age of the auditor.*

4. Empirical method

Chapter 4 describes the empirical method which was employed in the dissertation. First, the research strategy is replicated with before presenting the sampling method. Then the questionnaire operationalization will be cited in details. The next two sections, we discuss about validity and reliability. This chapter ends with the description of the data analysis.

4.1. Research strategy

For obtaining the data from auditors needed for the research, different methods of interviews were discussed. Questionnaires were chosen as the method of choice for obtaining data since we did not have that much time to conduct any long series of interviews with individual auditors. Another obstacle was the fact that we were in Sweden and majority of our interview subjects were in India and Vietnam. Even those in Sweden would have also been impossible to interview because the auditors are spread all over the country. Despite these shortcomings and obstacles, we considered the possibility and therefore interviews of different type were considered as mentioned by Bryman and Bell, 2005. However due to the lengthy process they were abandoned in respect for questionnaire, which would also consume less time of the respondents and thus making them more prone to respond instead of disregarding the survey questionnaire. Because the open-ended questions in an email interview will require long answers and we did not think they will have the time to respond to those.

The questionnaires are self-administered and they are the primary source of data collection method. Therefore the formation of it requires careful planning and consideration, which is considered as a far tougher task than perceived. This moment is stressed with great importance. The well-designed questionnaire will collect the precise data that is required to answer the research question and achieve the objective of the survey. Some literatures even offer guidance in designing the questionnaire (Saunders, 2007).

To perfect the design of the questionnaire, it could be piloted. It means that a small sample of the whole population that is supposed to be surveyed first. This way it could be tested first in order to ensure validity and reliability. At the same time this process helps to refine the questionnaire so

that the respondents would not have any problems answering the questions (Saunders, 2007). Unfortunately due to the limitation of time, we did not have the opportunity to pilot our questionnaire. However a great amount of effort was spent from beginning to perfect the question from the start.

4.2. Sampling

Sampling means selecting a subset of the population through a probability or non-probability method. The reason behind this approach is to assess a population without a comprehensive analysis of all items since it would be too costly and time-consuming. There are different subtype of sampling designed to fit the purpose of the proposed research issue (Bryman and Bell, 2005).

Systemic random sampling means selecting one unit on a random basis and choosing additional units at evenly spaced intervals until the desired number is obtained. For instance if there is a given list of individuals, the names could be listed in an alphabetical order. A name could be chosen and thereafter every 5th name would be picked until the desired numbered is acquired. This is called sampling with a skip of 5 (Bryman and Bell, 2005).

For our thesis we chose systematic random sampling since we were looking for audit firms using different registries such as accountancy branch organization, telephone directories or internet search. The generated audit firms were thereafter picked through systematic random sampling to ensure a wide range of audit firms were included until 200 audit firms were obtained. This number was chosen for each country in order to guarantee a sufficient number of respondents from each country in the survey, which means that we aimed at a total of 600 respondents.

The actual targets of our study are the auditors. When the search for auditors was started, we realized that individual auditors with small business were listed. The search actually generated firms, which is why we decided to get in touch with the respondents via their firms. This process will be explained more thoroughly in later on when the actual questionnaire is discussed.

In Sweden, FAR SRS (Föreningen Auktoriserade Revisorer och Svenska Revisor Samfundet) is the most prominent branch organization representing the accountancy professionals. In their

registry there is an extensive list of the audit firms from which we chose every tenth firm to contact via email.

However for Vietnam and Indian the search approach was modified since there was no comprehensive counterpart to FAR SRS in these countries. Different registries exist for CPAs/CAs, from where audit firms were chosen as we found them either via CPA/CA branch organization or simple Google search. In case of India as the number 200 was reached, we started to contact these firms. For Vietnam a full list of audit firms exists from which every firm is contacted. This means that the sampling method for India and Vietnam is random sampling in contrast to Sweden which has a systematic aspect with the skip of 10.

We expected around 20% to respond to our survey. This number might seem slightly low; however this estimation was fully in accordance to prior research with no follow up. Eynon et al in 1997 conducted a similar study in regard to moral reasoning abilities of accountancy professionals and he landed on 16% rate of response. Therefore we estimated at 20% rate of response, which was slightly higher because our survey was shorter and quicker to conduct in comparison to Eynon's.

Table 4.1- Sampling information

Audit firms/Auditors	Sweden	India	Vietnam
Population (firms)	1227		170
Inactive and no information	10	22	47
Total CPAs	5900	161730	1019
Chosen sample (CPAs)	200	200	200
Mailing failed	20	28	32
Total samples	180	172	168
Received replies	24	16	41

(Source: ICAI, Far Srs, VACPA, 2010)

4.3. Questionnaire operationalization

A questionnaire was designed to gather information from the predetermined respondents. The type of questionnaire we chose is according to Saunders (2007) the self-administered internet mediated type. This questionnaire contains ten questions which were divided in two parts. The first section consisted of five questions which provided the background information about the respondent. In the second half five different ethical dilemmas, is described. The ethical dilemmas are modified cases from ICPAI (Ethical dilemmas for auditors, discussion paper 2006). These dilemmas were individually formulated in a fashion that the ethical awareness and ethical judgment became the core issue. The respondent was then asked to relate to each dilemma using a numerical spectrum, a scale, from 1 to 7 corresponding to level of agreement in regard to the issue of impairment of independence given the circumstances in each dilemma.

The questionnaire was designed as a web survey. Each question could be either answered with a simple click or by writing a number in the case of age, year of graduation and the number of years the respondent has worked. This was an intentional approach since the aim was to make the answers and question very approachable and quick to answer without spending too much time.

An email was sent to the firms on our predetermined list. In order to attract the attention of the proposed respondent, the email was titled as "ethical dilemmas in auditing ". This was expected to entice the curiosity to read and respond to the questionnaire, which was available online. However it was crucial to address that the email might not be answered by a CPA directly and in the firm there could be administrative personnel for taking care of emails. For this reason we deemed it necessary to include in the content of email that the questionnaire should be filled by a CPA/CA in the firm.

Since we targeted three different countries with different languages, the questionnaire was originally designed in English. In order to facilitate the understanding it was decided to translate the questionnaire in the official languages of the targeted countries, for Sweden in Swedish, for Vietnam in Vietnamese and for India in English.

4.3.1. Background and behavioral variables

As it has been explained in the aforementioned section, the questionnaire contains two parts. The first section deals with the personal information regarding the respondent's background. Age, gender, year of graduation and the number of working years are the attribute variables. These variables are utilized to assess the representatives of the total population of auditors (Bryman and Bell, 2005).

The second part of the questionnaire consists of ethical dilemmas which assess the attitude and behavior of the respondents. This is classed as a behavioral variable, which assess the respondents' behavior, beliefs and attitude in the past, present and might predict the future stance. This variable is measured in a spectrum of impairment contra non-impairment of ethical awareness and ethical judgment (Bryman and Bell, 2005).

Besides, throughout the appearance of the questions concerning ethical dilemmas, the variables appeared in our questionnaires are divided as dependent and independent variables. According to Bryman and Bell (2003), an independent variable is said to be a causality of a dependent variable. The former is assumed to affect the latter.

4.3.1.1. Dependent variables

The dependent variables are understood as effects of independent variables. Thus, in this dissertation, we consider the dependent variables as the impairment of auditor's independence in each ethical dilemma. By providing five ethical dilemmas, we aim to investigate the perceived impact on auditor's independence from different difficult ethical situations. As for auditors, independence is very important so that it could be considered to be an indicator for measurement. We then are able to explore the level of ethical awareness and ethical judgment among auditors.

Relating to a specific response, for each ethical dilemma, the higher the choice of participant is, the higher level of awareness they possess. In other words, higher scale means higher ethical sensitivity. There is a mid-point on the scale which expresses the neutral level, neither too high nor low. All the ethical dilemmas given in the questionnaire show the situation in which the independent attitude of auditor might be impaired. The target of our questionnaire is to measure

the level of auditors' awareness relating to ethical issues in the field of different nations. We then plan to compare the data collected and see the differences, for example which countries will have a higher awareness, and on which issue.

Concerning different situations, five issues were mentioned in our survey, including:

Ethical dilemma 1 - financial self-interest threat

Ethical dilemma 2 - undue influence threat

Ethical dilemma 3 - familiarity threat

Ethical dilemma 4 - familiarity & financial self-interest threat

Ethical dilemma 5 - financial self-interest threat

Of four threats mentioned above, financial self-interest threat seems to be more controversial among discussion boards of audit professions. Otherwise, when doing this research, our aim is to investigate the sensitivity of professional judgments but the divergences of threats to auditor's independence. Thus, we replicated the financial self-interest threat in different situations as it is considered one of the main causes for the impairment of audit independence.

4.3.1.2. Independent variables

When it comes to independent variables, in our questionnaire, there are five factors which are taken into account. These criteria were created from theoretical review on cultural values and professions. They are country, age, gender, education and work experiences. Based on these categories, we can then explore the influences of such these different groups to the ethical awareness and ethical judgment of the auditors.

4.3.2. Ethical dilemmas

4.3.2.1. Ethical dilemma 1&5 - financial self-interest threat from fee issues:

If I have one client, who in particular makes up 12% of the annual fee income of my firm, my independence would be impaired? Not impaired?

This dilemma shows the situation in which the independence of an auditor might be threatened due to financial interest. This threat mentions the potential benefit that the auditor can receive from their direct or indirect financial interest with the client (ICPAI, 2006). That means, in this case, the threat comes from the economic benefit brought by the attest client, which is 12% of the annual fee income of the firm. Some people may believe that this figure is material and that the independence of auditor would be impaired. Meanwhile, others possibly will think that it is immaterial. The risk of being impaired, therefore, is thought not to be high. However, it can be assumed that the economic benefit would manipulate the audit firm to try to keep the client for a long time. Thus, the threat of familiarity might occur. Based on such arguments, this case is designed to test individual attitude towards this issue.

I am planning on opening my own audit firm. Considering the financial crisis, I was worried that I will not get a client. Luckily today I landed on an audit deal. If it provides 20% of my annual income the first year, my independence would be impaired? Not impaired?

Similar to the dilemma 1, the financial interest threat appears again. Independence seems to be impaired if there is a client brings more than 15% of total revenues for an auditing firm. That means the firm seems to rely significantly on one client. It is true to this dilemma mentioned above. The purpose of this question is to see how many participants would judge this situation to have a significant impact on auditor's independence.

4.3.2.2. Ethical dilemma 2 - undue influence threat:

A client is offering holiday deals in their brochure. If I purchase this holiday as long as they do not offer me a special discount, my independence would be impaired? Not impaired?

This dilemma refers to an undue influence threat. This question is rather easy, as it explicitly shows that there is no harm for independence. If the auditor decides to purchase the holiday tickets, there is no influence on their independence, because their deals follow the normal procedure. However, people with too high sense of suspicion may consider it as an insignificant threat. Thus, as other questions, this question is designed to measure the level of sensitivity of auditors.

4.3.2.3. Ethical dilemma 3 - familiarity threat:

If I have the same audit client for more than 10 year, my independence would be impaired? Not impaired?

According to Hayes (2003:89), familiarity threat occurs when “an auditor becomes too sympathetic to the client’s interest” due to a close relationship with client. It is supposed that, in this situation, the relationship between auditor and this client becomes closer as compared to other clients. Consequently, independence would be impaired if the audit firm does not have any appropriate safeguards for this threat.

4.3.2.4. Ethical dilemma 4 - familiarity & financial self-interest threat

If my client is establishing a new company where I am going to buy some shares and in which I also will be commissioned to do the audit, my independence would be impaired? Not impaired?

This question shows clearly a threat of familiarity as well as a financial self-interest threat. As being discussed above, audit professions are not permitted to have either a close relationship or a financial interest with their attest clients (IFAC Code of professional conduct, 2009). Herein, the threats occur explicitly.

4.4. Limitation of the questionnaire:

It is deemed with little doubts that every well-designed research method still have several weak points, and so does our questionnaire. First, it has been mentioned in section 4.2 about the disadvantages of replies received from non-CPAs. Second, it should be considered the situation of differences between auditors’ replies and their real actions. It is undeniable that not 100% of people do exactly the same as what they think and are supposed to do. Third, problem came from translation. We created the original survey in English and then translated it into other languages such as Swedish and Vietnamese. It is definite that translation problems might occur as well as affect on the meaning of the survey. However, we do think such these limits will not influence significantly on the result of the survey.

4.5. Validity

In research, validity reflects the existence and reliability of the measurement. That means that several indicators are determined to gauge a concept and validity is used to consider whether the concept is really measured. There are four main types of validity, which are measurement, internal, external and ecological validity. Among these categories, measurement validity is mainly applied to quantitative research, which concerns the quality of the measures. It is often connected with the construct validity, which mentions the relevance of the depicted hypotheses and the concept. It demonstrates the question of whether “researchers really measures what they think they measure” (Bryman et. al., 2003:36).

Moreover, Bryman also mentions 5 key criteria of validity, including: face, predictive, concurrent, construct and convergent validity. As for face validity, the research is required to, at least, measure the correct concept, as at the appearance. In other words, it means the test of the research seems to measure the right issue. It is said to be an intuitive process (Bryman et. al., 2003).

When it comes to its application in this dissertation, we considered the measurement and face validity, relating to construct validity to be more important than others. First, in order to ensure all requirements of face and measurement validity, all the questions in our survey were taken in careful consideration before designing. Our questionnaire was contributed mainly based on the discussion of AICPA about ethical issues and the theoretical hypotheses mentioned before. Besides, throughout this thesis, the validity was created based on the use of construct validity. Herein, there are nine hypotheses which were well established based on appropriate theories. According to a theoretical perspective, our hypotheses were the results of a concentrated research based on the review of previous theories. The hypotheses are well defined for the purpose of a clear measurement.

4.6. Reliability

Reliability is about the trustworthiness of a study. The utilized test measuring instruments should yield a reliable and consistent result regardless of how many times it is repeated. Reproducibility of the research is a key component of the reliability. If the study is repeated with the exactly the same attributes, it would reproduce the same result (Bryman and Bell, 2005).

As it has already been outlined reliability is primarily concerned with the issues of consistency. The term encompasses three different components. They are stability, internal reliability and inter-observer consistency (Bryman and Bell, 2005). It is essential to correlate these terms to our questionnaire which will be sent to different countries for responses.

Stability takes into account whether or not a measure is stable over time and to be sure that the results do not fluctuate over time. The most convenient way of testing stability is the test-retest method, which involves read ministering the test on the same sample at another occasion. There are no obvious solutions to these problems other than introducing a complex research design or simply do not test stability at all (Bryman and Bell, 2005). Since we have limited amount of time and the scope of thesis only encompasses one round of testing, it is not possible to re-administer the test during this thesis. As it has already been elucidated testing stability is utterly difficult and that is why we have designed our ethical dilemmas with a meticulous coherence and we have added a section for the personal information which will give us a more complex study design hence giving us many variables for our investigation. However according Bryman and Bell, 2005, longitudinal research could be undertaken to precisely identify social changes and its correlates. This also is out of the scope of this thesis. But we have among others Eynon et al, 1997, to our help in order to interpret the findings of our survey since their survey deals with a homogenous population of accountants as ours despite the fact that we are not resting the same sample.

Internal reliability is applied when multiple indicators are measured. It is imperative to design the indicators so they are related internally to each other. In lack of this design feature the findings of the study might be inductive of something else than it was originally proposed (Bryman and Bell,

2005). In order to avoid this, the ethical dilemmas of our questionnaire are designed very carefully with a very high degree of coherence. Henceforth the finding would not be indicative of anything else but ethical awareness and ethical judgment among our respondents which is the primary objective of this very thesis.

Inter-observer reliability deal with the involvement of subjective judgment in the recording activities during an observation, translation of the data and findings into categories and when more than one observer is involved in the survey. There is a possibility that these factors might lead to lack of consistency in their decisions (Bryman and Bell, 2005). This part applies since this thesis is written by two students. And we are fully aware of the subjective bias which might be involved. In order to avoid this, we intend to do all the analysis together and come to the same conclusion without leaving room for the subjective interpretation based on the fact that two observers are involved.

4.7. Data analysis

As the responses to our survey started to drop, the hunt for statistics also start taking shape. It would not be out of place to shed light on the definition of statistics. It is defined as the essential interplay of data and theory. It is a mathematical science which tries to explain the collection, analysis, interpretation and presentation of data (Bartholomew, 1994). For this particular reason it is utterly important to use the right methods. Even more crucial is to fully comprehend when it comes to those methods. Therefore it was decided to elucidate the relevant statistical approaches utilized in this part of the dissertation.

Data which was gathered could be analyzed through parametric or non-parametric methods. It would be appropriate to start elucidating these terms before continuing to the reasons behind which method was chosen for the analysis. Parametric statistics assumes that the collected data is coming from a probability distribution. Through this method many more assumptions are made compared to non-parametric method. If those extra assumptions are correct, then parametric methods will produce more accurate estimations. This is the reason behind the strength of this method, which requires a large number of subjects, no less than 30. And these subjects need to be

in accordance to normal distribution and the data is always scores (D. R. Cox, 2006 and Andersson,2003)

Non-parametric methods are applied when the requirements for parametric methods and testing are not met. Scores can be converted into ranks which are analyzed in non-parametric methods. The material is not usually in accordance to normal distribution. Non-parametric testing a more universal method however it is not as powerful as parametric since in transformation of data from scores to ranks vital information is lost (Corder, G.W. & Foreman, D.I, 2009).

As mean of statistical analysis we used the SPSS statistical program. A Kruskal-Wallis test was undertaken which unveiled that our data was not in a normal distribution. And the number of cases was quite small as well therefore we chose the non-parametric approach in analyzing the collected data. Several other tests are described in the following.

5. Statistical analysis

This chapter is concerned with the statistical analysis of the data collected. Herein, the statistics will be presented, including explanations for descriptive statistics and correlations between variables. Then, the testing of hypotheses will be described in details, which is followed by the summary of statistical findings.

5.1. Descriptive statistics

As it has already been explained auditors were surveyed in India, Vietnam and Sweden. Each country was allocated 200 subjects, meaning a total of 600 possible respondents. A thorough result has been presented in the sampling section of this paper. The number of respondents who replied is in total 81 from all three countries. 79 out of 81 had disclosed their gender and education. Only 2 had not answered that question. 74 out of 81 had also revealed their firms size and name. (See table 5.1)

Table 5.1 Number of repliers

	Country	gender	education	big4
N Valid	81	79	79	74
Missing	0	2	2	7

As can be seen from table 5.2, out of the total 81 respondents India stood for 19.8%, Sweden 29.6% and Vietnam for 50.6%.

Table 5.2 Frequency of participants

	India	Sweden	Vietnam	Total
Frequency	16	24	41	81
Percent	19,8	29,6	50,6	100,0

In regard to the gender of the respondents it could be concluded that 28.4 % females, 69.1 % males and missing 2.5% were recorded. More information is reflected in table 5.3 as below.

Table 5.3 Frequency of genders

		Frequency	Percent
Valid	Female	23	28,4
	Male	56	69,1
Missing	System	2	2,5
Total		81	100,0

As far as the level of education is concerned, our respondents were divided based on the level of education. 30.9 % of the respondents has undergraduate degree as highest level of education, 34.6 % has graduate degree as highest level of education, 23.5 % has a PhD and 8.6 % has other education (see table 5.4).

Table 5.4 Frequency of education

Level of education		Frequency	Percent
Valid	Undergraduate degree	25	30,9
	Graduate degree	28	34,6
	PhD	19	23,5
	Other education	7	8,6
	Total	79	97,5
Missing	System	2	2,5
Total		81	100,0

Frequency of representation from both Big4 and non-big4 firms was also recorded, which shows that majority of the respondents, 74.1 %, was non-Big 4 firms. 17.3 % came from Big 4 firms and 8.6 chose not disclose this information. See table 5.5.

Table 5.5 Frequency of big 4

		Frequency	Percent
Valid	non-big4	60	74,1
	big4	14	17,3
	Total	74	91,4
Missing	System	7	8,6
Total		81	100,0

Table 5.6 shows the ethical dilemmas from ED1 to ED5. The scoring system means that a minimum of 1 and a maximum of 7 could be obtained. Here the score 1 corresponded to ethical judgment “not impaired” and 7 corresponded to ethical judgment being “impaired”. ED3 has the highest mean value, 6.33, with the standard deviation of 1.578. ED2 has the lowest mean value, 1.85, and the standard deviation is 1.546.

As long as the age and experience is concerned the mean score for age is 40.79 years with a standard deviation of 11.899. The youngest respondent is 25 years old and the oldest 66 years old. The average experience length is 15.18 with a standard deviation of 10.088. The respondent with most experience has been working as a certified auditor in 42 years and the respondent with least experience has not yet work a whole year as a certified auditor.

Table 5.6 Descriptive table

	N	Minimum	Maximum	Mean	Std. Deviation
ED1	78	1	7	3.17	2.016
ED2	78	1	7	1,85	1,546
ED3	76	1	7	6,33	1,578
ED4	77	1	7	3,44	2,112
ED5	78	1	7	3,68	2,054
Age	77	25	66	40,79	11,899
Experience	77	0	42	15,18	10,088

Table 5.7 Correlation table

	1	2	3	4	5	6	7	8	9	10	11
1 Country	1										
2 Gender	-0,250***										
3 Age	-0,717***	0,133 †									
4 Education	-0,710***	0,21 †	0,683†								
5 Experience	-0,686***	0,303 †	0,875†	0,658 †							
6 Big 4	0,365 †	-0,155***	-0,418***	-0,356***	-0,368***						
7 ED1	0,304 †	0,121 †	-0,313***	-0,060***	-0,169***	0,164†					
8 ED2	-0,049***	0,026*	0,144 †	0,127 †	0,174 †	-0,060***	0,108 †				
9 ED3	-0,224***	-0,007***	0,293 †	0,212 †	0,317 †	0,128 †	-0,090***	0,086*			
10 ED4	0,333 †	-0,024***	-0,400***	-0,266***	-0,335***	0,261	0,418 †	0,043†	-0,042***		
11 ED5	0,121 †	-0,022***	-0,073***	0,073*	0,034*	0,121 †	0,631 †	0,101†	0,098 †	0,526 †	

† Correlation is weak significant at level 0,10

* Correlation is significant at level 0,05

** Correlation is significant at level 0,01

*** Correlation is significant at level 0,001

The table above shows the level of correlation between variables. As it can be seen, the big four has very strong correlations to other variables such as age, gender and experience. Besides, as for ethical dilemmas, the case that is mostly correlated to other variables is ethical dilemma 4 with many significant values.

5.2. Testing hypotheses

5.2.1. Hypothesis 1:

Hypothesis 1: The level of ethical awareness and ethical judgment is homogeneous in audit firms of all sizes since the smaller firms mimic the well-established large firms in their quest for legitimacy.

The first hypothesis mentions the homogenous characteristic of all firms in ethical awareness and ethical judgment. It is assumed that small firms mimic the large firms as the requirement of attaining legitimacy. According to this purpose, the independent variables were decided to be “big 4” and “non-big 4”. Thus, we herein employed the Mann-Whitney test as “most nonparametric statistics tests present this test for fully-ranked response data” (Agresti, 1996:38).

Table 5.8 Statistic test with grouping variable as whether firm is big 4 or non-big 4

	ED1	ED2	ED3	ED4	ED5
Mann-Whitney U	311.000	376.500	342.500	254.000	335.500
Asymp. Sig. (2-tailed)	0.166	0.616	0.285	0.028	0.310

In this test, “small P-values suggest that the true difference in row means nonzero” (Agresti, 1996:38). As it can be seen from table 5.8, among five dilemmas, only the fourth one has the significant value with 0.028. That means the separation of respondents’ views according to this dilemma is at moderate significant level with around 95%, while the rests show insignificant sign. It is interpreted that the auditors in both large and small firms are homogenous in judgment of almost dilemmas in the test, except the case 4.

Hence, it is inferred that our first hypothesis is not falsified.

We then investigate further the reason for different result of the case 4. In order to do that, a more intensive descriptive test is required. Table 5.9 below shows the “mean” and “standard deviation” value of the score for each case. The ethical dilemma 1 got 3.02 and 3.71 for “Big-4” and “non-big4” respectively, which illustrated the small distance between these two types of firms. Similarly, that of dilemma 2, 3 and 5 also reflected the same situation with insignificant space of the mean values. Nevertheless, in dilemma 4, the mean value of non-big 4 firms is 3.33 while that of big 4 firms is 4.57. This shows a moderate large distance of around 1.25 while the scale ranges from 1 to only 7. In addition, it reflects that in this case, auditors in large firms have a higher ethical awareness than auditors in small firms. The similarity, however not significant, is also applied to dilemma 1, 3 and 5; whereas it is reverse in dilemma 2.

**Table 5.9 Descriptive table for measuring
Level of ethical awareness with grouping variable as big 4 or non big 4**

Ethical dilemma	big4	Statistic	
Ethical dilemma 1	non-big4	Mean	3.02
		Std. Deviation	1.986
	big4	Mean	3.71
		Std. Deviation	2.016
Ethical dilemma 2	non-big4	Mean	1.93
		Std. Deviation	1.657
	big4	Mean	1.64
		Std. Deviation	1.393
Ethical dilemma 3	non-big4	Mean	6.21
		Std. Deviation	1.729
	big4	Mean	6.64
		Std. Deviation	1.082
Ethical dilemma 4	non-big4	Mean	3.33
		Std. Deviation	2.149
	big4	Mean	4.57
		Std. Deviation	1.697
Ethical dilemma 5	non-big4	Mean	3.61
		Std. Deviation	1.989

	big4	Mean	4.21
		Std. Deviation	2.259

Taking a deeper look, the dilemma 4 cited a very clear threat of familiarity and financial self-interest threat when an auditor gets commission from his/her client’s newly established company and has some shares there. Thus, when the questionnaire was designed, it was expected that this dilemma would achieved highest score for ethical judgment. However, its score was lower than that of dilemma 3. From our viewpoint, the latter was thought to have a moderate impairment to auditors’ independence if they have appropriate safeguards. This result interestingly shows the differences between our deduction and respondents’ real attitudes.

5.2.2. Hypothesis 2:

Hypothesis 2: the level of ethical awareness and ethical judgment is different among auditors in depending on which country they work in

Herein, country is considered as an independent variable. As the scale of the survey is in 3 countries, the Kruskal-Wallis test is a proper choice. Results of the test were reflected in table 5.10 as below. Clearly, among 5 ethical dilemmas, only dilemma 5 has the insignificant P-value, whereas other dilemmas reveal the significant signs. The most prominent result is belonged to dilemma 4 again; with the significant sign 0.000. The survey achieved also significant differences depending on country for ethical dilemma 1, 2 and 3. In contrast, P-value for case 5 is 0.513. To sum up; the predominant result is significant value for 4 out of 5 cases. That means auditors in different countries have different opinions about these cases, except for the last one.

Thus, we can come up with the conclusion that this hypothesis is not falsified.

Accordingly, it is admitted that national cultures has an impact on ethical awareness and ethical judgment of auditors across borders.

Table 5.10 Statistic test based on the grouping variable which is country

	ED1	ED2	ED3	ED4	ED5
Asymp. Sig.	0.027	0.018	0.053	0.000	0.513

Table 5.11 shows the different levels of awareness among auditors in the three countries. As can be seen in dilemma 5, scores of three countries is quite similar and hence also the difference insignificant. Meanwhile, as for other dilemmas, the figures fluctuate considerably in comparison of three countries. In particular, Sweden and India appears to have similar opinions to dilemma 1 and 3, whereas in case 2, Sweden is different to the other countries. The scores for dilemma illustrate the disparity in ethical awareness of auditors of these countries.

Table 5.11 Mean value for level of ethical awareness of auditors with grouping variable as country

Country	Dilemma 1	Dilemma 2	Dilemma 3	Dilemma 4	Dilemma 5
India	2.38	1.38	6.44	3.38	3.19
Sweden	2.71	2.67	6.90	2.00	3.71
Vietnam	3.66	1.61	5.95	4.34	3.89

5.2.3. Hypothesis 3

Hypothesis 3: The level of ethical awareness and ethical judgment among auditors is homogeneous within the same audit firm.

The hypothesis refers to the influences within a firm to auditor's awareness. The fact is that we received replies from various national firms in three countries. There were 81 auditors from 56 different firms in three countries, including 16 local firms in India, 20 firms in Vietnam, 22 in Sweden. Among them, our survey received replies from different branches in Sweden and Vietnam from the same only two firms, which are PwC and KPMG. Thus, the expectation of investigating the divergence of opinions of auditors from different firms in the three countries was disappointed. However, since the large number of different firms and the quite small number of respondents, there are too many different categories to continue any analysis. Regrettably, there is limited data to continue researching this hypothesis. Therefore, this hypothesis is untested and would be considered as a topic for future research.

One way to elaborate a little on this hypothesis is to look at the differences between Big 4 and non-big 4 firms, as in hypothesis 1, where the Mann-Whitney tests showed that there is no

difference between the two groups of auditors in four out of five ethical dilemmas. This would indicate that the level of ethical awareness is quite similar among auditors from different firms.

5.2.4. Hypothesis 4

Hypothesis 4: The level of ethical awareness and ethical judgment among auditors is different since MRA of individuals depend on gender.

According to hypothesis 4, gender is regarded as the factor that can affect the level of awareness among auditor. Obviously, the Mann-Whitney test is used again as it is suitable for comparing means between two groups. Table 5.12 and 5.13 show the results for this test.

As can be seen clearly in the table 5.12, the results, which all are well over than the value 0.1; show the weak sign of heterogeneity in ethical awareness among auditors. This implies that audit professions seem to be homogenous in term of ethical awareness and ethical judgment, regardless of the gender they belong to.

Consequently, our hypothesis 4 is falsified.

Table 5.12 Statistic test with grouping variable as gender

	ED1	ED2	ED3	ED4	ED5
Asymp. Sig. (2-tailed)	0.297	0.823	0.951	0.838	0.848

Table 5.13 shows the mean values and standard deviation of ethical awareness of auditors with the grouping variables as gender. It is remarkable that the gap in the mean value of two groups is quite small, applied to almost the cases. This appears that audit professionals may raise the close level of awareness in working; even they are male or female. Albeit, there are still slight differences if we look at only the figures.

Table 5.13 Descriptive table for measuring level of ethical awareness of auditors with grouping variable as gender

		ED 1	ED 2	ED 3	ED 4	ED 5
Female	Mean	2.86	1.86	6.14	3.62	3.81
	Std. Deviation	1.740	1.621	1.931	1.910	2.159
Male	Mean	3.22	1.85	6.39	3.43	3.65
	Std. Deviation	2.071	1.559	1.446	2.211	1.992

5.2.5. Hypothesis 5

Hypothesis 5: The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on education

The level of education variable includes four categories. Therefore, the test of the choice here is the Kruskal Wallis test.

The p-value appeared in table 5.14 shows non-significance of influence of highest education level in all cases, except for dilemma 4. The implication under this result indicates that level of education influence ethical awareness and judgment in dilemma 4. It is entailed that the level of auditors’ ethical awareness and judgment did not have substantial disparity. In other words, it can be said that even professionals’ graduate from different level of education; they may tend to achieve same levels of ethical awareness.

Hypothesis 5 is therefore falsified.

Table 5.14 Statistic table for measuring level of ethical awareness of auditors with grouping variable as education

	Dilemma 1	Dilemma 2	Dilemma 3	Dilemma 4	Dilemma 5
Asymp. Sig.	0.368	0.243	0.192	0.047	0.824

Table 5.15 describes the differences in ethical judgment of many auditors with different education status. Figures for mean values show that there is not a huge gap in their awareness as the values swings insignificantly. However, looking at the dilemma 4, it was shown that different

groups graded the level of their judgment differently, especially the gap between the undergraduate group and other group. It appeared that there were similarities in ethical sensitivity of graduate and post-graduate group in all ethical cases.

Table 5.15 Descriptive table for measuring level of ethical awareness of auditors with grouping variable as education

Education		ED 1	ED 2	ED 3	ED 4	ED 5
Undergraduate	Mean	3.44	1.40	5.80	4.16	3.40
	Std. Deviation	1.960	0.913	2.041	1.908	2.160
Graduate	Mean	2.70	2.04	6.59	3.30	3.85
	Std. Deviation	1.977	1.605	1.217	2.233	2.248
Post-graduate	Mean	3.56	2.11	6.78	3.39	3.94
	Std. Deviation	2.148	1.844	0.548	2.173	1.731
Other	Mean	2.20	2.20	5.80	1.40	3.40
	Std. Deviation	0.837	2.683	2.683	0.548	1.140

5.2.6. Hypothesis 6:

Hypothesis 6: The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on length of work experience.

In this section the hypothesis 6 in regard to experience is tested. Table 5.16 demonstrates the result of the regression where experience is the independent variable.

Table 5.16 Regression model for exploring correlation between length of experience and ethical awareness of auditors

Experience	ED 1	ED 2	ED 3	ED 4	ED 5
Significant	0.090	0.147	0.023	0.003	0.832
Beta (standardized)	-0.197	0.169	0.264	-0.344	-0.025

Among 5 ethical situations given in the survey, the P-value for dilemma 4 expresses the strongly significant signal and is followed by that of dilemma 3 and 1. Meanwhile, that of case 2 and 5

shows no significance. The test shows that there is a negative correlation between the length of work experience and ethical dilemma 1 and 4. The implication of this is that the higher working experience years, the lower level of ethical awareness of auditors. As for ethical dilemma 3, the relation is reversed i.e. positive. As a result, it is inferred that longer working experienced auditors would have higher level of awareness. Due to the different directions of the coefficients it is difficult to come up with any clear conclusion about whether there is a negative or positive influence between ethical awareness and the length of experience of auditors. However, with 3 out of 5 significant signals of P-value, it could be argued that experience influence auditors' ethical awareness and judgment.

Thus, our hypothesis 6 is not falsified.

5.2.7. Hypothesis 7

Hypothesis 7: The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on age of the auditor.

Table 5.17 Regression model for exploring correlation between age and ethical awareness of auditors

Age	Dilemma 1	Dilemma 2	Dilemma 3	Dilemma 4	Dilemma 5
Sig.	0.005	0.257	0.046	0.000	0.370
Coefficient	-0.326	0.133	0.235	-4.04	-0.106

In this section the hypothesis 7 about the influence of age is tested. The test shows that there is a negative relation between age and ethical dilemma 1 and 4. It can be interpreted that the older auditors are, the lower level of judgment they have for these respective cases. The trend is contrasting to dilemma 3. Besides, among 5 cases, the significant value of dilemma 4 is i the strongest (0.000). The followers are that of dilemma 1 and 3 with significant value of 0.005 and 0.046 respectively. The meaning of these values reflects the differences among participants' opinions in relation to their ages. This strongly supports our statement in hypothesis 7.

Therefore, it could be said that our hypothesis 7 is not falsified.

5.2.8. Summary of hypotheses results

Table 5.18 Summary of hypothesis results

No.	Hypothesis	Result
1	<i>The level of ethical awareness and ethical judgment is homogeneous in audit firms of all sizes since the smaller firms mimic the well-established large firms in their quest for legitimacy</i>	Not falsified
2	<i>the level of ethical awareness and ethical judgment is different among auditors in depending on which country they work in</i>	Not falsified
3	<i>The level of ethical awareness and ethical judgment among auditors is homogeneous within the same audit firm</i>	Not be able to test
4	<i>The level of ethical awareness and ethical judgment among auditors is different since MRA of individuals depend on gender</i>	Falsified
5	<i>The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on education</i>	Falsified
6	<i>The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on length of work experience.</i>	Not falsified
7	<i>The level of ethical awareness and ethical judgment is different among auditors since MRA of individuals depend on age of auditors.</i>	Not falsified

6. Conclusion

Chapter 6 presents our conclusions and empirical findings. First, we discuss and summarize the findings. Then, some arguments about limitation of the research will be stated, which is preceded by a discussion about theoretical and empirical implications. Finally, several suggestions for future research are presented.

6.1. Discussion and conclusion of findings

This study has primarily focused on investigating the differences of ethical awareness and ethical judgment among auditors across nations. It was theoretically assumed that the main influential factors include national culture system, firms which auditors work for, gender, age, education and experience. However, the overall results indicate that the more significant signals belonged to culture, age, length of experience and working firms as big 4 or non big 4. In particular, it is said that the ethical sensitivity of auditors differs due to their differences in age, gender, and national cultures. However, this seems to be a homogeneous unit when it comes to firms size as an independent variable. That means that auditors in small firms imitate others in large firms as the request of legitimacy in terms of ethical awareness and judgment.

Of seven hypotheses, four of them were not falsified, while two were falsified and one is unable to be tested. The first hypothesis, originated from theory of professions, theory of legitimacy and institution, mentioned the homogeneous characteristic of auditors' ethical awareness and ethical judgment regardless of their working firms as big 4 or non big 4. The assumption, as discussed above, was about the imitation of small firms to large well-established firms in cases of uncertainty. With four out of five ethical dilemmas shown the significant indications, the results have strongly supported this theoretical assumption. In line with assumption of cultural theory, the second hypothesis, referring to national culture as variable, also received significant supports from statistical results. That means the level of ethical sensitivity varies among auditors in different countries. With weak signals, the last two hypotheses 6 and 7 were also not falsified, which imply the divergence in ethical sensitivity of auditors due to ages and experiences.

When it comes to falsified assumptions, the results reflected that gender and education could not be considered as influential factors which influences the differences of auditors' ethical sensitivity. In other words, it could be interpreted that and apart from different educational backgrounds, audit profession might have the same viewpoints and level of sensitivity with different ethical situations, despite of their gender.

The last hypothesis, unfortunately, which was unable to be tested is the third one. The inadequacy of replies from the same firms in three countries were considered as the main hinderance for testing. This hypothesis deals with the ethical awareness and ethical judgment among auditors in the same firms. However indirectly it could be speculated either way. Both previous and subsequent empirical implications based on our seven hypotheses shows that this statement could be both falsified and not falsified depending on the firms. If the firm is constituted of very homogenous population of auditors, the hypothesis 3 could not be falsified. However if there is a greater spread in age, gender, level of experience and age, then this statement could be falsified. Once again this is a mere speculation without any statistical significance which is why both speculations are possible.

Besides, as regards ethical dilemmas, the most surprising result is for dilemma 4. In almost other cases, apart from number 4, this dilemma revealed the signal in a different way comparing to others. Taking a deeper look, it is obvious that dilemma 4 cited a very clear threat of familiarity and financial self-interest threat when an auditor gets commission from his/her client's newly established company and has some shares there. Therefore, this dilemma was designed with great expectation to achieve the consensus from different respondents. Additionally, we did think that the score for this ethical judgment would be highest among that of other situations. Nevertheless, the results showed a contrasting answer, which make us be astonished. There were different opinions about this ethical dilemma, which diverged from our preliminary presumption. This dilemma seemed to be very clear and easy to decide the appropriate ethical judgment. It might implicatively be thought to be excessively hypothetical. Accordingly, the respondents might consider it to be an unfeasible situation in real working life. Therefore, different opinions were graded to this case, which seemed to negatively affect the results of the survey in some ways.

To sum up, the outcome of our research has proved successfully several hypotheses mentioned above, which were derived from different theories. Thus, it is expected to support for the explanation power of these theories, especially in the field of accounting research.

6.2. *Empirical implications*

In this section it will be thoroughly discussed how this result has been achieved and what kind of implications would it bring about and how it would contribute academic value to this field. From theoretical point of view we have found several factors that could affect the level of ethical awareness and judgment among auditors. These factors have been explained thoroughly in different theories in chapter 3. After conducting, our survey was concluded that some of the hypotheses that were proposed based on the existing theories were not falsified. It is very interesting to study this discrepancy.

6.2.1. Moral reasoning abilities:

As regards MRA, it discusses the level of moral development and its impacts. Several researches about MRA's influences in accountants and auditors' ethics had been conducted before by Ponemon and Gabhart (1993), Shaub (1994) and Eynon (1997). It was stated that the moral reasoning abilities of individuals depend on gender, age, level of education and length of experiences. Accordingly, four hypotheses were derived.

As it has been previously mentioned hypotheses 4 and 5, were falsified. These statements hypothesized heterogeneity depending on gender and level of education in the homogenous population of auditors. Through our survey, we could not conclude that these variables had any impact on MRA. Shaub (1994) shown that female auditors scored higher than male. Additionally, this study had a total number of 340 respondents, much higher than our respondents, which is why we cannot draw any huge conclusion from our findings. Several studies before mentioned the impact of education level to be moderate (Poneman and Gabhart (1993), Shaub (1994) and Eynon (1997)). The mean score for auditors was close but lower compared to the general population with the same level of education. In this context we cannot draw any conclusions

since our study did not include the general population and the methods of our survey are different.

There were two hypotheses, number 6 and 7, which were not falsified, but in a moderate significant level. In accordance with aforementioned study by Eynon (1997), it was concluded that the MRA of the auditors decreases depending on the age and length of working experience. Different arguments were presented which almost all dealt with the issues of seniority and level of responsibility in regard to the auditing firm.

From the discussion above, it could be concluded that MRA is not very powerful for explaining auditors' ethics, as what we expected before. Obviously, the illustration for this is the failure of half of hypotheses derived from this viewpoint, and the other half was correct but not in the significant level.

There could be a number of explanations behind this fact; however it would not far from the truth that the institutional theory and theory of profession have played a role in determining the outcome of the survey. Professionalism requires a homogeneity which is also confirmed by institutional isomorphism. The theory of legitimacy with its constant pursuit of public acceptance mandates that auditors should have at least the same level of MRA and ethical awareness and ethical judgment regardless of gender and level of education.

6.2.2. Theory of profession and theory of culture:

According to Abbott (1988), theory of profession refers to the uniformity of profession the way of thinking and action. Meanwhile, in the theory of culture, it is said that the attitudes and behaviors of individuals depend on its organizational and national cultures. That means the profession here is a heterogeneous unit. In this section, we will explore the connection between these two theories and their roles in explaining auditors' ethics.

Partially based on these two theories, of three deduced hypotheses, the first two were not falsified, whereas only one of them, hypothesis 3, was unable to test. Hypothesis 1, originated from the core of professional theory, deals with the issue of whether level of ethical awareness of

professions is homogenous regardless of big 4 firm or non big 4 firm. In hypothesis 2 it was considered that the impact and influence of cultural background could affect that ethical awareness and ethical judgment among auditors. This assumption was made in accordance to the theory of culture.

The respondents and the subsequent statistical calculation revealed that they were true assumptions, which surprised us slightly since the internationalization of theory of profession and cultural theory should have given us the opposite picture. In addition, both of them are very successful in explaining the level of ethical awareness and judgment among auditors from different countries and cultures. However, the impact of culture seems to be deeply rooted on the divergence of behavior of auditors in different countries. When it comes to theory of profession, it refers to the similar attitudes of professions apart from their countries.

Paradoxically, from our point of view, there is a close connection between theory of culture and profession. First, professions in every country are affected from their national culture. Thus, they will be homogenous in respect of nations. That means the profession in each country need to follows the cultural system, legal system and societal values and norms in this particular country. In a reverse way, the culture also is dependent on the profession in each country. The divergence in education system, economic development, and the development of accounting system leads to differences of professions across borders. Consequently, the professional culture, resulting to the professional attitude and behavior, created by these professions differs in various countries. For this reason, it is difficult to argue which theory is stronger in explanation of auditors' ethics.

6.2.3. Institutional theory and legitimate theory:

As for the last theory, institutional theory is thought to be the most powerful tool in explanation of auditors' ethics. Noticeably, two out of three hypotheses that were drawn from this theory were not falsified with very significant level. The homogeneity which has been confirmed with statistical calculation with a significant p-value in the hypothesis 1 and 2 has strengthens the position of institutional theory.

As being elucidated before, according to the theory of legitimacy and institutional theory, the former is more in line with the coercive isomorphism of the latter. According to Scott (1995) and Deegan (2002), the core of these two theories is that organizations tend to conduct business in accordance to the society's expectations. It could be argued that the role of the auditor as the protector of public interest requires authorization, justification and public acceptance. Furthermore, it could be assumed that since the institutional theory due to different factors and circumstances play an immense role in shaping organizations. It is safe to conclude that institutional theory also is a major player.

Of all theories, we do think that institutional theory is the most appropriate in describing the differences in auditors' ethical sensitivity. The first mechanism, *normative mechanism* refers to the pressures of professionalization. In order to maintain the same professional image, auditors need to follow the similar professional structure and standards, which require them to keep a certain level of ethical awareness and ethical judgment. Next, according to our previous discussion, the *mimetic mechanism* shows the situation when auditors in small firms mimic ethical behaviors and attitudes of larger firms. Lastly, *coercive mechanism* calls for the compliance of professions to the rules, regulations and other informal pressures exerted on the organizations. Thus, regardless of workplaces, auditors always need to keep awareness of ethical dilemmas in different situation as their conformity of rules.

6.3. *Scope of limitations*

In regard to limitation there a number of limitations that could be pointed out. Some of them involve the time factor, issues of availability, design of the survey and certain degree of inexperience in this field of academic work despite adequate supervising.

Time was always a factor that was against us. In less than 10 weeks this thesis has been compiled. The topic is huge and there is a lot to investigate very thoroughly. Due to the limited amount of time we have only scratched the surface. It is only the tip of iceberg. There is huge possibility for a PhD thesis to be conducted in this area. For this reason our survey is very limited in its extent and there was very less time to conduct the survey.

If there an abundance of time, a pilot survey should have conducted first in order to perfect the questions and the ethical dilemmas and possibly even add or decrease some of the personal information. For the same reason there was no time to properly do a follow-up in obtaining the answers.

Since the scope and the time of this survey were limited to 10 weeks, not all auditors in India, Vietnam and Sweden were reached to participate. Our survey was started in April, which was in the middle of the busy season for auditors in India, Vietnam and Sweden. Besides, it was deemed necessary to choose a certain number of auditors based on availability to participate. In case of Sweden every 10th auditor has participated. This leaves many of the professionals out and their stances have not been included.

As it has already been stated, the auditors were reached through their respective firms. There was no direct channel to them or at least we did not have access to that channel. The survey emails were sent to the firms and the survey was conditioned to be answered only by CPA/CA and no one else. This could not be guaranteed to full extent. Another issue is that we never had a direct contact with the auditors. The audit firms controlled the access to the auditors; it is possible that only complaint auditors have received the survey emails. This way the firms could have selected the respective auditors and that might interfere with our results. It is also possible that since the auditors received the emails from the firms, they might have not answered the survey as honestly as they would otherwise have done because they did not really know if it came from us or from their employer.

In order to avoid the impact and interference of audit firms to a certain degree, the audit firms should have been contacted first to ask them for a list of auditors and their email addresses that they employ. Thereafter a direct channel would have been opened. Unfortunately this process is very time-consuming which we could indulge ourselves. Perhaps in a more extensive project this could be taken into consideration.

6.4. Future research

First, it is regrettably that we were not able to test the hypothesis about the homogeneousness of auditors in the same firms in term of ethical awareness and ethical judgments. The reason for this, as has been discussed above, is the lack of replies from a number of branches of same audit firms in three countries i.e. KPMG, E&Y or PwC. Thus, it is anticipated that there is a closer observation about the level of ethical sensitivity of auditors working in the same audit firms located in different countries.

Second, the failures of hypotheses 4 and 5, which referred to the divergence in ethical sensitivity of auditors based on gender and education, reflected the flaw in our research. Actually, these assumptions were supposed to be deduced reasonably with strong arguments. The results seemed to be vague and weak to come up with a clear statement of whether the hypothesis is right or wrong. However, we are not capable enough to explain this issue. Thus, a future research relating to the impact of gender and education of auditors on their ethical judgment and ethical awareness is greatly anticipated.

Third, another suggestion should be concerned is a further research of cultural effects on auditors' ethical awareness. Our study has just answered the question of whether national cultural influences exist or not, but not the question "how". It would be extremely interesting in investigating the influences of national cultures on auditors' viewpoints in term of ethical dilemmas, because each country has its own culture.

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Appendix 1 - Questionnaire in Swedish

ETISKA DILEMMAN INOM REVISION

Undersökningen syftar till att undersöka de skillnader i yrkesmässiga bedömning vid etiska dilemman bland revision yrken över gränserna. Vi vill framföra vårt uppriktiga, tack för hjälpen med att besvara denna enkät.

Kön

- Man
- Kvina

Var vänlig och ange din ålder

Utbildning var vänlig och ange din högsta utbildning

- Kandidatexamen
- Magisterexamen
- PHD/ ekonomi doctor
- övriga utbildningar

Vid vilket år tog du din aktorisering?

Vilket revisionsbyrå arbetar du för?

Hur många år har du jobbat som revisor?

Fallet nedan används för att bedöma din etisk känslighet/medvetenhet. Du kommer att bestämma nivån på din självständighet. Skalan kommer att vara mellan 1 och 7 med ökande grad av nedsatt självständighet där 1 motsvara icke-nedsatt självständighet och 7 motsvara fullständigt nedsatt självständighet.

Etiskt dilemma 1: Om jag har en kund, som står för 12% av min firmas årliga avgiftsintäkter, skulle min självständighet vara:

1 2 3 4 5 6 7

icke-nedsatt självständighet nedsatt självständighet

Etiskt dilemma 2: En kund erbjuder semester erbjudande i sin broschyr. Om jag köper denna semester så länge de inte erbjuder mig en speciell rabatt, skulle min självständighet vara:

1 2 3 4 5 6 7

icke-nedsatt självständighet nedsatt självständighet

Etiskt dilemma 3: Om min klient upprättar ett nytt företag där jag kommer att köpa några aktier och samtidigt kommer jag också få i uppdrag att göra revision för detta företag, skulle min självständighet vara:

1 2 3 4 5 6 7

icke-nedsatt självständighet nedsatt självständighet

Etiskt dilemma 4: Om jag har samma revisionsklient under mer än 10 år, skulle min självständighet vara:

1 2 3 4 5 6 7

icke-nedsatt självständighet nedsatt självständighet

Etiskt dilemma 5: Jag planerar på att öppna min egen revisionsbyrå. Med tanke på den ekonomiska krisen, var jag orolig att jag inte kommer att få några klienter. Lyckligtvis fick jag idag ett uppdrag som kommer att utgöra 20% av min årsintäkt första året. Detta medför att min självständighet skulle vara:

1 2 3 4 5 6 7

icke-nedsatt självständighet nedsatt självständighet

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Appendix 2 - Questionnaire in English

ETHICAL DILEMMAS IN AUDITING

The survey aims to investigate the divergences of professional judgment in ethical dilemmas among audit professions across borders. We would like to express our sincere thanks for your help by answering this survey.

Gender

- Male
- Female

Please specify your age:

Education: Please specify your highest education

- Undergraduate
- Graduate
- Post-graduate
- Others

At which year did you achieve CPA/CA?

Which audit firm are you working for?

How long have you been working as an auditor?

The case given below here is used to judge your ethical sensitivity. You will decide the level of impairment on your independence. The scale will range from 1 to 7 with the increasing level from "not impaired" to "impaired".

Ethical dilemma 1: If i have one client, who in particular makes up 12% of the annual fee income of my firm, my independence would be:

1 2 3 4 5 6 7

Not impaired Impaired

Ethical dilemma 2: A client is offering holiday deals in their brochure. If i purchase this holiday as long as they do not offer me a special discount, my independence would be:

1 2 3 4 5 6 7

Not impaired Impaired

Ethical dilemma 3: If I have the same audit client for more than 10 year, my independence would be:

1 2 3 4 5 6 7

Not impaired Impaired

Ethical dilemma 4: If my client is establishing a new company where I am going to buy some shares and I will also be commissioned to do the audit for it as well, my independence would be:

1 2 3 4 5 6 7

Not impaired Impaired

Ethical dilemma 5: I have already established my own audit firm. Considering the financial crisis, I am worrying that I will not get a client. Luckily today I landed on an audit deal. If it provides 20% of my annual income in the first year, my independence would be:

1 2 3 4 5 6 7

Not impaired Impaired

Appendix 3 - Questionnaire in Vietnamese

CÁC TÌNH HUỐNG LIÊN QUAN ĐẾN VẤN ĐỀ ĐẠO ĐỨC NGHỀ NGHIỆP TRONG KIỂM TOÁN

Bài khảo sát được thiết kế nhằm phân tích sự khác nhau trong đánh giá các tình huống đạo đức nghề nghiệp của kiểm toán viên ở các nước khác nhau. Chúng tôi xin chân thành cảm ơn sự giúp đỡ quý báu của anh/chị khi tham gia bài khảo sát này. (Mọi thông tin anh/chị cung cấp sẽ được bảo mật)

1. Tuổi của người tham gia khảo sát:

2. Giới tính:

- Nam
- Nữ

3. Trình độ học vấn: Xin hãy chọn bằng cấp cao nhất mà anh/chị đã có

- Đại học
- Thạc sỹ
- Nghiên cứu sinh - tiến sỹ
- Khác

4. Anh/chị đã đạt được chứng chỉ kế toán viên công chứng (CPA) vào năm nào?

5. Xin hãy cho biết công ty hoặc hãng kiểm toán hiện anh chị đang làm việc:

6. Anh/chị đã theo nghề kiểm toán bao nhiêu năm?

Xin anh chị đánh giá mức độ ảnh hưởng của tính độc lập bằng cách cho điểm theo thang điểm từ 1 đến 7 với chiều hướng tăng dần từ thấp đến cao. Trong đó, bắt đầu từ 1 là sự "không ảnh hưởng", và 7 là "ảnh hưởng rất nhiều"

Tình huống thứ nhất: Trong những khách hàng quen thuộc của tôi, có một khách hàng mang lại ít nhất 12% doanh thu hàng năm cho công ty tôi. Vậy thì tính độc lập của tôi liệu có bị ảnh hưởng không?

1 2 3 4 5 6 7

Không ảnh hưởng Ảnh hưởng rất nhiều

Tình huống thứ hai: Một khách hàng của tôi đang có khuyến mãi cho các chương trình nghỉ dưỡng với mức giá rất hấp dẫn. Nếu như tôi đặt chương trình du lịch ở công ty khách hàng mà họ không đưa thêm bất cứ sự giảm giá đặc biệt nào đối với tôi, liệu tính độc lập của tôi có bị ảnh hưởng không?

1 2 3 4 5 6 7

Không ảnh hưởng Ảnh hưởng rất nhiều

Tình huống thứ ba: Một khách hàng cũ của tôi mới thành lập công ty và mời tôi góp cổ phần. Tôi sẽ được nhận thêm tiền hoa hồng nếu công ty tôi kí hợp đồng kiểm toán với họ. Liệu tính độc lập của tôi sẽ bị ảnh hưởng như thế nào?

1 2 3 4 5 6 7

Không ảnh hưởng Ảnh hưởng rất nhiều

Tình huống thứ tư: Tôi có một khách hàng quen thuộc trong vòng 10 năm. Liệu tính độc lập của tôi có bị ảnh hưởng không?

1 2 3 4 5 6 7

Không ảnh hưởng Ảnh hưởng rất nhiều

Tình huống thứ năm: Tôi mới thành lập một công ty kiểm toán riêng. Khi cân nhắc về tình trạng khủng hoảng kinh tế hiện nay, tôi rất lo ngại sẽ không có khách hàng. Tuy nhiên, ngày hôm nay thật may mắn vì tôi đã kí được hợp đồng đầu tiên. Nhưng tôi e ngại nếu hợp đồng này chiếm đến 20% doanh thu của công ty tôi trong năm đầu tiên, liệu tính độc lập của tôi có bị ảnh hưởng không?

1 2 3 4 5 6 7

Không ảnh hưởng Ảnh hưởng rất nhiều