

The Effects of Ethics Course Exposure: A Comparative Study Between Japan and Australia

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Abstract

The purpose of this study was to explore how the two seminal factors of cross-cultural dichotomy and the diversity in ethics educational structures affect the ethical beliefs of undergraduate students who intend to become accounting professionals in Japan and Australia. Prior to this current research, no study in accounting education literature has compared the ethical beliefs between Japanese undergraduate accounting students and their Australian counterparts. Previous literature has revealed that the cultural dimension of individualism/collectivism (IDV) influences one's ethical perception and with appropriate ethics course intervention an improvement in one's ethical beliefs and judgment will occur. However such studies have ignored the impact of ethics course exposure in relation to other cultural dimensions such as cross-cultural dichotomy and different ethics educational structures. The sample for the present study was collected via a questionnaire-based survey conducted in July 2008 at two Australian and three Japanese universities. This survey achieved an effective response rate of 122 and 230 respectively. The Univariate Analysis of Variance (ANOVA) technique was applied to examine possible associations between integrated ethics courses and students' ethics belief. Regardless of culture, the results indicated that students who had integrated ethics course exposure tended to have better ethical beliefs than those who did not and Japanese students tended to encompass group-oriented ethical beliefs and these are a reflection of their collectivism trait.

Effective strategies for successful global harmonization of accounting ethics education are also discussed in the paper.

Keywords: *individualism, collectivism, cultural dichotomy, global harmonization, IES*

Introduction

Basic consensus has been reached by the International Federation of Accountants (IFAC) on the difficulty in harmonizing one's values or fundamental principles across some nations, because these values and principles are normally reflected by cultural traits. The factors that individuals consider at the different stages of the decision making process and their relative power of influence may also vary across culture (Thorne and Saunders, 2002). Therefore, to require all global participants to comply with uniform ethical behavior remains very difficult. Nevertheless, the International Education Standards prescribes a minimum set of requirements for professional accountants in order to equip them with universally accepted professional values, ethics and attitudes (IFAC, IES 4, 2003). It is widely accepted that some professional behavior allowed in the eastern culture is frowned upon in western countries and vice versa. Previous literature provide examples of this unique proposition, where accountants in collectivistic environments are more likely to subordinate individual values for those that benefit their organization, while accountants from individualistic societies are more likely to adhere to personal principles even if the results are detrimental to the organization (Smith and Hume, 2005; Waldmann, 2000). Accordingly, the global ethics education standards such as IES 4 need to play an important role for accounting professional candidates in order to fill the gap caused by indigenous cultural traits and equip these candidates with appropriate ethical values and standards.

In response to this global harmonization in accounting ethics education set up by IFAC, comes the controversial issue that educational structures within the accounting profession varies between nations. In Japan, for instance, the accreditation scheme that is adopted frequently by other nations is not applied during the development phase of the curriculum. As a result, neither in the

accounting tertiary curricular nor in the CPA exam scheme are CPA candidates required to include any ethics studies in their courses. From a technical perspective, Urasaki (2006) examined the number of stand-alone courses of accounting and business ethics at the undergraduate level. The result demonstrated that only 18 of the 77 universities sampled (23.3%) provided stand-alone ethics courses, even though approximately 80% of successful Certified Public Accountants (CPA) examinees had just completed their undergraduate degree (79.4% in 2007). The study also found that the majority of Japanese undergraduate courses in tertiary business degrees relied on ethics intervention being incorporated voluntarily within other business subjects by accounting educators. Thus, the strength of ethics education at the pre-qualification stage of accounting education appears quite low. This has resulted from the IESs, allowing global members certain flexibility when incorporating ethics education into their pre- and post- qualification programs (IAESB, 2007). The IFAC (or IAESB) does however articulate that the IESs may be complied with by using a variety of different methods. Consequently, in Japan for instance, the Japanese Institute of Certified Public Accountants (JICPA) make it compulsory for all members to complete some form of annual professional ethics training under the Continuing Professional Education (CPE) scheme during the post-qualification phase.

However it is not clear whether the present ethics educational structures are effective in affirming the universal qualities so eagerly sought by the IESs. As discussed above, the accounting ethics educational structure in Japan is likely to remain quite unique in comparison with structures from western countries. Prior research has ignored the effect of ethics education among CPA career destined Japanese students compared to similar students from western countries. A major issue remains on whether both these cultural groupings perceive an ethical issue similarly or differently? If they are different, then how effective does ethics

education work for them to improve their beliefs? Put another way does ethics education only work for one cultural group at the expense of the other group or does it in fact work simultaneously for both groups? This study aims to investigate and solve these research questions.

To explore the effect of ethics education on Japanese students, this study used Australian undergraduate students as the western counterpart in order to investigate the degree to which students' cultural dichotomy underpins the effectiveness of their ethics course exposure. This choice seems quite feasible as the educational structure and delivery methods for the accounting profession in Australia are somewhat different from those in Japan and so an effective comparison is viable for our research purpose. In Australia, the concepts of business and accounting ethics are basically introduced during their undergraduate studies as required by the professional accounting bodies' accreditation process (O'Leary and Radich, 2001). To become a member of accounting professional bodies and work as a Chartered Accountant, Graduates enrolling into the Chartered Accountants Program are required to hold a recognised Australian degree or an overseas qualification of a standard approved by the Institute, and have completed studies. With regard to this ethics education, the accreditation guideline expects higher education providers in Australia to refer to ethical decision-making models, principles and values across the curriculum of accredited programs and, where possible, encourage debate on ethical issues based on practical cases (ICAA and CPA Australia, 2009, p. 18). Since the professional bodies in Australia such as CPA Australia, the CIAA and the National Institute of Accountants (NIA) are all member bodies of the IFAC, they have an obligation to comply with this IES.

Given above background, the aim of this study is to explore how the seminal factors of cross-cultural dichotomy and the diversity of educational delivery affect to the ethical beliefs of undergraduate students who pursuit to become the

accounting professionals in Japan and Australia. This study also investigates the differences in the effects of ethics learning exposure among two students groups from both countries.

The paper proceeds as follows. The next section comprises the literature review culminating in the development of the hypotheses. The following section describes the research method and the statistical techniques used in the analyses. The subsequent sections presents the results and interpretation with the concluding remarks incorporating potential limitations of the study.

Literature review and hypotheses development

1) The impact on one's ethics abilities from cultural dichotomy

Earlier studies in the literature have explored the cultural impact on one's ethics ability by using Rest's Defining Issues Test (DIT). These DIT studies have chosen two nations where cultural traits represent dichotomy to investigate possible associations between one's ethical reasoning ability and nationality difference. For example, the differences in ethical reasoning ability were addressed with the sample of auditors from US and Hong Kong (HK) by Tsui (1996), and those from Australia and China by Tsui and Windsor (2001). Both studies concluded that professional auditors from western countries (US and Australia) tended to have higher ethical reasoning ability than their non-western counterparts (HK and China).

Along similar lines, other research has examined the cultural impacts on various professional judgments. Cohen et al. (1995) for instance explored the differences in the ethical decision-making among auditors from the three nations of Latin America, Japan and the United States who were employed in one multinational accounting firm. In the study, subjects were asked to provide their ethical judgments on audit specific vignettes, which contained cultural dilemmas that might be considered questionable according to Hofstede's (1980; 1983;

2001) five cultural dimensions. The result demonstrated significant differences in ethical judgments or intentions even though all subjects were from the same firm, and subject to the firm's own ethics code. For example, it was found that the Japanese group was significantly more likely than the US and Latin American groups to state that they would understate actual hours worked in order to keep within the budget. This result was interpreted to reflect the notion of taking care of the in-group, which represents the collectivism trait.

Similarly, Patel (2003) empirically examined the cultural differences in the professional judgment on whistle-blowing among Australian, Indian and Chinese-Malaysian accountants. Considering the cultural dichotomy existing between Australia (western) and Indian/Malaysian (asian), the results indicated that the Australian group was more likely to and more accepting of engaging in whistle-blowing than the Indian and Malaysian groups. Cherry et al. (2003) also compared Taiwanese and US marketing practitioners to investigate the difference in their perceptions towards several ethical dilemmas. With these dichotomous clusters classified in terms of Hofstede's dimensions, the result revealed that Taiwanese respondents exhibited lower perceptions of an ethical issue addressed on bribery than their US counterparts. Although these studies successfully found statistical differences in ethical abilities, they simply utilized nationality as a proxy for culture and failed to identify which cultural dimensions affected the actual ethical perceptions or behaviour.

In contrast, a more recent study by Smith and Hume (2005) specifically addressed the two cultural dimensions of individualism/collectivism and power distance to investigate the influence that these two dimensions have on one's ethical beliefs. The subjects of this study were professional accountants who were employed in the US, HK, New Zealand, Netherlands, Mexico and Venezuela. Using survey instruments from prior studies, this study attempted to explore ethics beliefs existing in a cross-cultural accounting work-environment.

The results supported the proposition of individualism/collectivism where accountants in individualistic societies are more likely to adhere to personal principles even if the results are detrimental to the organization, while accountants in collectivistic societies are more likely to subordinate individual values for those that benefit their organization. Similar results were shown by Teoh et al. (1999) where Indonesian students possessing collective traits tended to perceive a greater amount of gain if this gain impacted more on their group compared to Australian students who basically have an individualist trait.

Although this current literature review reveals that many prior studies attempted to compare the differences in ethics perceptions and beliefs across countries, most of them simply used nationality as a proxy for culture and failed to consider the specific dimension of cultural dichotomy in their analyses. Among them, only the study by Smith and Hume (2005) statistically addressed two particular factors of Hofstede's five cultural dimensions and found that individual's ethical behaviours are significantly subjected to the Individualism/Collectivism (IDV) dimension. According to Hofstede (2001), the IDV dimension is referred to as the relationship between the individual and the collectivity notion that prevails within a given society. When dealing with a collectivistic culture, social members would be expected to put the best interests of the group or organization before those of the individual. When dealing with ethical issues that have an effect on the organization, as a whole, it is expected that individuals from collectivistic cultures will subordinate the best interest of the individual for the greater good of the organization (Cohen et al., 1993). Therefore, when deciding what is best for the organization, pressure is put on individuals to choose unethical behaviour, with such actions often deemed acceptable in collectivist cultures.

In this study, the impact of IDV dimension will be investigated with two dichotomous data populations: one from the collectivism Japan and the other

from individualism Australia. Australia is based on Anglo-Saxon heritage while Japan is located in that part of Asia where Confucianism widely prevails and affects its' peoples behaviour and values. Hofstede (1980; 1983; 2001) also found that Japan and Australia are culturally dichotomous in terms of the IDV dimension. The index scores for the IDV illustrated by Hofstede (1980; 1983; 2001) were 46 for Japan and 90 for Australia. Accordingly the first hypothesis, developed in null form, investigates the dichotomous trait of the Japanese and Australian sample groups in terms of ethical belief.

H1: Students' ethical beliefs that reflect their individualism/collectivism dimension in addressing ethical issue have no significant association with their nationality difference.

2) The impact on ethical beliefs from the diversity in ethics educational structure across culture.

There has been general consensus in the majority of previous ethics literature that ethics course exposure has significant influence on developing individual ethical judgments (e.g. Earley and Kelly, 2004; Massey 2002; Thorne, 2001) and ethical perceptions (e.g. O' Leary, 2008; Bodkin and Stevenson, 2006). Among such literature, some studies have discovered the influence that cultural dichotomy of western and eastern environments have on ethics education. For example, Cohen et al. (1992) contended that the collectivist conceptual framework produces different views from those of individualism especially in terms of nepotism, employer loyalty and gift giving. It was concluded that such cultural contradictions might limit the effectiveness of applying the international code of ethics to certain nations. This prior study anecdotally highlighted the theoretical prescription of cultural impact on the effect of ethics education. More recently, Lopez et al. (2005) attempted to explore empirically the notion that

ethics education is driven by ethnicity in determining one's ethical perceptions. Lopez et al. (2005) examined the educational effect of integrating ethics courses into a multicultural business course in a US university. Their findings reported a significant and positive impact relating to the two perceptions of fraud and coerciveness for the American group, while the three perceptions of fraud, influence dealing and coerciveness were perceived by a Hispanic group. The study produced evidence on the positive effect that ethics learning experiences has on students' cognitive behaviour with such relationship varying according to one's ethnicity.

In addition to the impact that cultural traits have on one's ethical judgments, another research line has emphasized the fact that one's ethical perceptions and behaviour are highly influenced by the diversity in structures that have been found to exist in ethics education among various nations (e.g. Rest, 1994; Okleshen and Hoyt, 1996). This impact however is often unclear due to the difficulty in distinguishing the effect of ethics learning from intrinsic cultural dichotomy and external infrastructural scheme factors. Regarding this concern, Okleshen and Hoyt (1996) successfully distinguished the effect of the latter external infrastructure factor. The study examined whether business ethics courses or specific training enhances one's ethical perceptions using two nationality groups. They found that both New Zealand and US students were commonly more aware of ethical issues after they had been exposed to an actual learning experience in ethics. Specifically, the result found that US students tended to be more tolerant in four out of the five ethical domains than their NZ counterparts when both student groups did not have specific course experience. The author implied that such lower awareness by NZ students compared to their US counterparts was partly because the integration of ethics into business curriculum can be more advanced in the US. Such research findings indicate that the various structures existing in ethics education may have different

impacts on the level of students' ethical perception.

To provide a better understanding this current study also attempts to identify more clearly the impact that the diversity of ethics educational structures has on students' ethics beliefs across two dichotomous groups. As previously mentioned, accounting ethics education in Australia is basically incorporated into a range of subjects across the curriculum with such approaches requiring accreditation by government agencies (IACC and CPA Australia, 2009). In Japan however, tertiary schools are free of government accreditation and so, at the discretion of the instructor, are very flexible in the delivery of ethics education, ranging from incorporating it into any section of the curriculum to ignoring it altogether. Nevertheless, such a lack of course exposure on ethics for professional candidates in Japan can be supported to some degree by training courses at the post-qualification stage provided by the JICPA (FSA, 2002). Regardless of nationality differences, if students' learning exposures in ethics does correlate significantly with their ethical beliefs, then the result of this investigation will enable us to ensure the effectiveness of ethics teaching in both countries. On the other hand, if students' learning exposure to ethics correlates with one's ethical belief based on nationality then the results will imply that the nationality difference in teaching delivery causes such a gap in ethics. To address this question, the second research hypothesis was developed in null form as follows.

H2: Students' ethical beliefs that reflect the individualism/collectivism dimension in addressing ethical issues has no significant association with the diversity of ethics course delivery which are reflected by the nations' educational structures.

Research method

Questionnaire Development

To investigate the hypotheses, the present study developed a questionnaire in order to collect research data. The questionnaire comprises two sections. The first section contains three work-environment statements that were evaluated by the student respondents who participated in this survey. The statements (assessing questionable ethical beliefs and behaviors) allow the respondents to reflect on their own individual cultural beliefs when addressing ethical issues. These survey items were adapted from surveys used in several prior studies that were referred to in Smith and Hume (2005). The original English version was used for the survey administered in Australia. In Japan, the original items were translated into Japanese. To confirm the reliability of the translation, the back-translation technique was piloted with some colleagues who were native Australian and Japanese. A five-point Likert scale was used to measure their responses, which were anchored 1 for strongly agree and 5 for strongly disagree.

Figure 1 : Ethical Survey Items

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- 1 It is acceptable to compromise my own principles to conform to your organization's expectations.
 - 2 An employee should overlook other employees' questionable actions if it is in the best interest of the company.
 - 3 Sometimes, it is acceptable for an employee to lie to a customer/client to protect the interest of the company.
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In the second section of the questionnaire, subjects were asked background information including age, gender, nationality at birth, learning experience and its duration if overseas, academic year and job experience. Additionally, this section carefully sought respondents' course exposures in terms of whether they currently have or previously have had integrated course exposure during their

undergraduate years. Although the seminal issue of ethics instruction involves the argument on whether ethics should be taught as a stand-alone unit (e.g. Hanson, 1987; Loeb, 1998) or integrated into other courses (e.g. Bodkin and Stevenson, 2007; Swanson, 2005; Thomas, 2004), the present study addressed students' learning exposure from an integrated course perspective. This was simply for comparative reasons as in Australia ethics being integrated into accounting units complies with the accreditation process (ICAA and CPA Australia, 2009) while in Japan the majority of undergraduate tertiary business degrees rely on ethics education being incorporated into business courses voluntarily by the instructor (Urasaki, 2006).

Sample Collection

The data for the present research was collected via a questionnaire administered to undergraduate students taking courses relating to accounting in both Japan and Australia. In this research, students who were either born in Japan or in Australia were selected as the sample in order to clearly address the cultural dimension of Individualism/Collectivism. International students were eliminated from the sample in both countries. To achieve this, the questionnaire was initially distributed to all students who attended elective courses in accounting regardless of their demographic background. From this set of respondents, a sub-set of students who were born in either Japan or Australia and had not had any overseas learning experiences were identified and used. The data collection was anonymous with respondents not required to record their names or ID on the survey instrument.

Questionnaires were distributed to 263 students across three universities in Japan and 225 students at two universities in Australia in the months of July and October 2008 respectively. From the responses, some were discarded due to the unsuitability of the nationality at birth, learning experiences overseas and

questionnaire incompleteness. Accordingly, the number of effective responses was 230 for Japanese students and 122 for Australian students giving an effective rate of 87.5% and 54.2%, respectively. The lower rate of effective response for the Australian sample was due to their larger proportion of international students.

Table 1 provides the descriptive information for the samples. To examine comparability between the Japanese and Australian student groups, this study

Table 1: Descriptive Information of the Sample

Nationality (n)	Japan (230)	Australia (122)	Total (352)
Age			
(t = -3.750, Sig = 0.000)			
Max	50	52	52
Min	18	18	18
Mean (Std. Dev.)	20.60 (3.559)	22.74 (7.138)	21.34 (5.184)
Academic Year			
$(\chi^2 = 24.091, \text{Sig} = 0.000)$			
First Year	73 (31.7%)	59 (48.4%)	132 (37.5%)
Second Year	22 (9.6%)	24 (19.7%)	46 (13.1%)
Third Year	99 (43.0%)	31 (25.4%)	130 (36.9%)
Fourth Year	36 (15.7%)	8 (6.6%)	44 (12.5%)
Total	230 (100.0%)	122 (100.0%)	
Gender			
$(\chi^2 = 10.594, \text{Sig} = 0.000)$			
Male	147 (63.9%)	56 (45.9%)	203 (57.7%)
Female	83 (36.1%)	66 (54.1%)	149 (42.3%)
Total	230 (100.0%)	122 (100.0%)	
Job Experience			
$(\chi^2 = 9.007, \text{Sig} = 0.003)$			
With Exp.	180 (78.3%)	111 (91.0%)	291 (82.7%)
Without Exp.	50 (21.7%)	11 (9.0%)	61 (17.3%)
Total	230 (100.0%)	122 (100.0%)	
ETH			
$(\chi^2 = 38.094, \text{Sig} = 0.000)$			
With Exp.	19 (8.3%)	42 (34.3%)	61 (17.3%)
Without Exp.	211 (91.7%)	80 (65.6%)	291 (82.7%)
Total	230 (100.0%)	122 (100.0%)	

applied a preliminary t-test to investigate differences in age. Chi-square tests were also used at this initial stage to examine differences in academic year, gender, job experience and integrated course exposure in ethics (ETH). The results of these preliminary analyses demonstrated significant differences in age through the t-test at the 0.01 level. The Chi-square tests also found that academic year, gender, job experience and the ETH were not equally distributed with significant evidence at the 0.01 level. Since these attributes left open the question of homogeneity among the two nationality groups, the influence these preliminary results may have must be considered when drawing final conclusions.

In terms of the quality in higher education, both countries are commonly regarded as being well advanced. The latest 2009 university ranking, released by Times Higher Education (<http://www.timeshighereducation.co.uk>), shows several universities from both Japan and Australia as being ranked among the top 200 institutions in the world. From an accounting education perspective, the accounting professional bodies in both countries are members of the IFAC, and so are expected to incorporate the IES's into their own education system.

Analysis Techniques

(1) T-test analysis

A t-test analysis was performed to address hypothesis H1. This technique was used to investigate and compare possible differences in ethical beliefs between Japanese and Australian students. Their ethical beliefs were represented by the mean scores of students' responses to three survey items. For this t-test, the ethical belief (EB) aggregated from students' responses to these three items was used as the dependent variable and the nationality difference (one for Japanese; two for Australian) was used as the independent variable.

(2) Univariate Analysis of Variance

A univariate analysis of variance technique (ANOVA) was applied to address hypothesis H2, where respondents' ethical beliefs that maybe affected by the interaction between their nationality and ethics learning exposures were examined. When applying this statistical technique, an aggregated mean score from student's ethical beliefs (EB) was considered as the dependent variable with nationality (NAT) and students' response on whether or not they have had an ethics learning experience (ETH) as the independent variables.

Results

T-test Result

A t-test analysis was conducted to address hypothesis H1. The average scores for ethical beliefs (EB) were compared between students from Japan and Australia. Table 2 shows the results of this t-test, which found differences in students' EB scores between the two nationality groups at the 0.01 level (t-value = -9.782, $p = 0.000$). The comparison of average EB scores demonstrated that Australian students had a significantly higher EB score (3.704) than their Japanese counterparts (2.891). This result confirmed that hypothesis H1 must be rejected on a statistical basis.

Table 2: T-test Result of IDV/COL ethical sensitivity for Nationality Difference

NAT	Japanese	Australian	T-test t-value (Sig.)
Ethical Belief (Std. Dev.)	2.891 (0.786)	3.704 (0.717)	-9.782 (0.000)***

*** significant at the 0.01 level

Univariate ANOVA Result

A univariate ANOVA was performed for H2 to analyse the impact of interaction between students' nationality (NAT) and ethics course exposure

(ETH) toward their ethical beliefs associated with the individualism/collectivism (IDV) dichotomy. Table 3 shows the result for this testing. Firstly, the result exhibits that the relevance of the overall model was significant (F-value = 34.635, $p = 0.000$) with an R^2 of 0.230 (0.223). Levene's test of equality of error variances was calculated with an F-value of 1.083 ($p = 0.356$), which results in a failure to reject the null hypothesis that the error variance of the dependent variable is equal across groups. This result, using Levene's test, confirms the validity of the univariate ANOVA being used in this analysis.

Table 3: The Results of Univariate ANOVA

Source of Variance	Sum of Square	df	Mean Square	F-value	Sig. (p)
Corrected Model	59.075	3	19.692	34.635	0.000***
Intercept	2006.890	1	2006.890	3529.858	0.000***
NAT	16.153	1	16.153	28.411	0.000***
ETH	5.918	1	5.918	10.409	0.001***
NAT x ETH	1.330	1	1.330	2.339	0.127
Error	197.854	348	0.569		
Total	3801.500	352			
Corrected Total	256.929	351			

*** significant at the 0.01 level

The dependent variable is Ethical Belief (EB) from respondents.

$R^2 = 0.230$ (Adjusted $R^2 = 0.223$), Levene's Test of Equality ($F = 1.083$, $\text{Sig.} = 0.356$)

Note: the abbreviations used in this Table stand for following variables.

EB = Five-point Likert scale, where one for strongly agree; five for strongly disagree

NAT = One for Japanese students; two for Australian students

ETH = One for learning experience for integrated ethics course materials at the tertiary school; zero for no learning experience for integrated ethics course materials at the tertiary school

Secondly, the univariate ANOVA also demonstrated that the main effect of nationality (NAT) and ethics learning exposure (ETH) significantly affects students' ethical beliefs. The details of these results were exhibited as the result of univariate test in Table 4 and Table 5 for the nationality (NAT) and ethics learning exposure (ETH) respectively. Table 4 displays the significant

Table 4: Univariate Test for the Effect of Nationality difference

NAT	Japanese	Australian	F	Sig.
Ethical Belief (Std. Error.)	3.120 (0.090)	3.735 (0.072)	28.411	0.000***

*** significant at the 0.01 level

Table 5: Univariate Test for the Effect of Ethics Learning Experience

ETH	With Experience	Without Experience	F	Sig.
Ethical Belief (Std. Error.)	3.614 (0.104)	3.242 (0.050)	10.409	0.001***

*** significant at the 0.01 level

differences in average ethical belief (EB) between students from Japan and Australia at the 0.01 level (F-value = 28.411, $p = 0.000$). According to this result, the Australian student group had significantly higher average EB score (3.735) compared to their Japanese counterparts (3.120). Table 5, also shows significant differences in the average EB score between students who had ethics learning exposure and those who did not at the 0.01 level (F-value = 10.409, $p = 0.001$). The results indicate that students who had ethics learning exposure had significantly higher average EB score than those who did not have such exposure.

Finally, the univariate ANOVA in Table 3 also displays that the interaction effect of nationality (NAT) and ethics learning exposure (ETH) did not significantly affect respondents' ethical beliefs (F-value = 2.339, $p = 0.127$), while the effect of NAT (F-value = 28.411, $p = 0.000$) and ETH (F-value = 10.409, $p = 0.001$) did show significant associations with students' EB. Consequently, the univariate ANOVA of this study failed to reject hypothesis H2.

Interpretation

Firstly, the result from the t-test analysis revealed that the Australian student

group had significantly higher average ethical beliefs that reflect the individualism/collectivism dimension compared to their Japanese counterpart. This finding indicates that Japanese students tend to put pressure on one's choice and prefer what is the best for the group due to their cultural trait of lower individualism (higher collectivism) than Australian students. This interpretation is consistent with the finding by Smith and Hume (2005). While the samples of this prior study were professional accountants and did not contain Japanese or Australians, the present study affirmed similar evidence using undergraduate students that one's ethical beliefs are significantly influenced by their individualism/collectivism dimension. Moreover the finding of this prior study was also supported by Teoh et al. (1999), which found similar associations between individualism and their ethical perceptions using students from Indonesia and Australia. Similarly, the individualism/collectivism contradiction on ethical beliefs was confirmed by the present study using the different western/eastern samples of Australian and Japanese students.

Secondly, the results of the univariate ANOVA reported significant correlations with both students' nationality and ethics course exposures on their ethical beliefs that reflect an individualism/collectivism dimension. Among these two main effects, the result for the effect of nationality showed the most significant relationship with students' ethical beliefs. This result ensures the statistical evidence of the t-test mentioned above where Japanese students tend to put more pressure on one's ethical choices and give preference to group benefits due to their cultural trait of lower individualism than do the Australian students.

Students' ethics course exposure also produced a significant relationship with ethical beliefs. This finding is interpreted as being for those students who do not have ethics learning exposure tend to subordinate individual beliefs in order to choose what is the best for their group, while those who have learning exposure

in ethics tend to respect their own belief and avoid what is the best interests for their particular group. This finding indicates that students from the sample of undergraduate students who take ethics courses are inclined to assess ethical issues more independently from their indigenous cultural trait. Previous studies also support the present finding that ethics courses are significantly effective in improving one's ethics perceptions (e.g. O' Leary, 2008; Bodkin and Stevenson, 2006) particularly in integrated ethics courses provided at the tertiary level. Despite the controversy on how ethics issues should be best provided in the accounting curriculum (Bodkin and Stevenson, 2006; Swanson, 2005; Thomas, 2004), evidence found in the present research contributes to the literature by supporting the strength of integrated courses.

The above outcomes however do not draw the appropriate response for the research goal of the present study, which aimed to investigate the impact of cross-cultural diversity in ethics course structures between Japan and Australia. Ultimately, higher average scores in ethics belief for students with course exposure may simply be the result of the large containment of Australian students in the group who had course exposures. Since Australian students are basically expected to take integrated ethics courses over the duration of their degree due to the professional accreditation scheme, the higher proportion of Australians who originally have higher score of ethical beliefs could be estimated in the groups with ethics course exposure. In response to this question, the interactive effect of nationality and ethics learning exposure towards ethics beliefs was examined by the univariate ANOVA. According to the result, this interaction effect failed to find any significant impact on ethical belief among respondents. This result indicates that the differences in the effect of courses exposure could not be distinguished between the two nations on a statistical base. While ethics course structures in tertiary schools vary widely between Japan and Australia, this analysis result indicates that the effectiveness

of ethics course exposures has not been influenced by the cross-cultural diversity in educational structures.

Compared with the present study, Okleshen and Hoyt (1996) investigated ethical awareness among students from the US and New Zealand, and concluded that the gap in their awareness depends on whether the ethics curriculums are well developed or not in their particular country. In contrast the non-significant result for the interactive effect between nationality and course exposure in the present study implies that the effectiveness of ethics course delivery is quite high for students from both countries regardless of the cross-cultural diversity in educational structures. Instead, the gap in ethics beliefs between nations is attributed to the students' cultural dichotomy of the individualism/collectivism dimension.

Concluding remarks

The purpose of this study was to explore how the two seminal factors of cross-cultural dichotomy and the diversity of ethics educational structures affect the ethical beliefs of undergraduate students who intend to become accounting professionals in Japan and Australia. Prior to this current research, no study in accounting literature has explored ethical beliefs among Japanese undergraduate accounting students and compared them with the dichotomous cultural trait of their Australian counterparts. The findings indicate that Japanese students tended to encompass group-oriented beliefs in ethics and these reflect their collectivism trait.

It was also found that students who have had more formal ethics learning tended to possess more individual-oriented beliefs in ethics compared to those who did not have such experiences regardless of the ethics education structures existing within their nation. This result supports the IESs' provision of allowing educators in participant nations, for example Japan and Australia, to adopt

flexible approaches when delivering ethics courses in an attempt to avoid potential gaps in ethics education across the globe. For Japanese students, these results can be interpreted to mean that by exposing students to ethics courses it will effectively lessen their group-oriented ethics belief, which is relatively common in collectivist societies. In other words, moving towards individualism the present ethics education facilitated by Japanese tertiary schools enables their students' ethics beliefs to become more westernised.

Nevertheless, there still remains a gap in ethics beliefs due to the existing cross-cultural dimension of individualism/collectivism between Japanese and Australian students. A preferable method to harmonize this discrepancy is to increase the proportion of course exposure in ethics for Japanese undergraduate students. The descriptive data in this study revealed that Japanese students receive less opportunity to learn ethics than Australian students in their respective accounting programs (see Table 1). Although Japan has not adopted in its' accreditation system a compulsory integration of ethics at the pre-qualification stage in accounting JICPA's voluntary training courses in ethics at post-qualification do provide a minor informal substitute. Even so the current study successfully provides evidence that formal ethics courses are an effective method to improve students' ethics beliefs. Therefore appropriate reform which reinforces the need for more ethics course exposure to Japanese students is a practical way to achieve international harmonization in accounting ethics education.

The present study does have several limitations which may have influenced the results of this study. Firstly, the analysis only addressed the issue of ethics within the context of where it was integrated with other courses. Previous literature regarding the effectiveness of ethics education have argued the appropriateness of ethics being taught on either a stand-alone basis (e.g. Hanson, 1987; Loeb, 1998) or integrated with other courses (e.g. Bodkin and Stevenson,

2007; Swanson, 2005). Stand-alone courses are offered voluntarily in the tertiary institutions of both Japan and Australia, so a future study could focus on these specific courses when examining the impact cultural factors have toward the effectiveness of ethics course among the students from these two countries. Secondly, the cultural dimension explored within this study was limited to the individualism/collectivism dimension. Hofstede's cross-cultural study includes another four dimensions of power distance, uncertainty avoidance, long-term orientation and masculinity/femininity (Hofstede, 2001). Thus, the present research does not comprehensively incorporate all five dimensions within the model examined and again this lack of coverage can be extended in future research. Finally, it could be perceived that one of the most prominent outcomes emanating from this study is based on the premise that individualism oriented ethical beliefs is regarded as being more preferable. By relying on this outcome it could therefore be assumed that only ethics courses that have been examined in this study are likely to be effective in closing potential gaps in ethics education. However, this premise is highly dependent on the principle and value prevailed in the western countries. To simplify the model the approach taken in this study has been to ignore possible debate on what may be considered to be the definition of universally accepted ethics. This argument should also be considered in future research. Apart from these limitations, this study contributed to a better understanding of the effectiveness of ethics learning exposure towards ethics beliefs among undergraduate students in Japan and Australia.

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