

A CRITICAL APPRAISAL OF MORAL COURAGE AS ETHICAL BEHAVIOUR AMONG AUDITING PROFESSION: ISSUES AND CHALLENGES

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ABSTRACT

The study examines “moral courage as ethical behaviour among Auditing profession: issues and challenges”. The meaning and importance of moral courage were thoroughly x-rayed. The literature review was used to analyse the impact among auditors. The study revealed that the importance of moral courage among the auditing profession cannot be over-emphasized since it is the moral compass that drives auditors. Moral courage was recommended to be entrenched in the training codes of young auditors as a panacea for ethical codes of professional conduct of auditors. The study concluded that moral courage can only thrive where there is good moral, sound judgments, integrity, boldness, justice, professional competency, and ethical standard.

Keywords: Moral Courage, Ethical Behaviour, Professional code of Conduct, Moral Compass and Professional Competency.

BACKGROUND OF THE STUDY

Introduction

Moral courage bridges the gap between making a decision among alternatives judgment and also acting on the decisions made already. According to the philosopher Aristotle, Courage is the Golden Mean between cowardice, recklessness and where that golden mean lies depends on the specific circumstance. To determine the golden mean entails acting courageously, in all facets of life.

The words of Sanchez and Cabello, (2013) opined that courage is pro-social behaviour such as speaking and carrying out action on ones’ findings and perceptions. They further stressed

that moral courage is moral competence that tends to overcome the fear of doing the right things among the auditing professionals.

Moral courage is a phenomenon and a skill that auditors both external and internal should learn how to maintain and act on. Moral courage involved setting rational ethical values against mindless selfish gains and regularly compromising ethical norms by yielding to or act on self-serving temptation to auditing professionals (Kolodinsky 2012). This implied that an auditor should not succumb to situational pressure in handling or discharging their professional duties rather an auditor should be decorated with high moral intensity demonstrated with the courage to adhere to the ethics of the profession.

Douglas et al (2014) explained that courage is a concept that has multiple dimensions which include health, physical and moral courage. Among all the dimensions moral courage is the most pronounced. Lopez et al (2003) defined moral courage as the strength to change moral intentions into actions despite pressures from the organization to do the contrary. Moral courage is a quality that makes auditors, groups, firms, organizations stand up on their beliefs, principles for a greater good when confronted with adverse consequences and social disapproval or enchantments.

Moral courage is demonstrated by auditors as a compass that drives the profession when confronted with inherent dangers that surround the auditing profession. Auditors tend to embrace moral courage in other to carry out their work effectively and efficiently.

Moral courage is the ability of an auditor to stand firm and being unwavering when faced with temptations and professional dilemmas in a workplace. An auditor applies moral courage and ethical principles to wriggle out of the dilemma being confronted within the workplace. Moral courage and moral imagination generate empathy which affects auditors. Moral courage involves doing the right things and insisted facing the blames and admonishment that could come from doing the right thing as stipulated by ethical standards (Lopez et al 2003). They articulated that moral courage changes moral intentions into actions not minding pressure and reprisals attacks and disapproval of people of like minds that benefits from illegalities and irregularities. Moral courage is ciniquanon for behavioural attitude and professional conduct.

Comer and Vega(2010) articulated that the remedy to the problems of ethical dilemmas and to resist fear and pressure among auditors in the workplace is to adopt and promote moral courage. They further stressed their opinion that moral courage is the bedrock of all ethical decisions among auditors particular. Moral courage advocates for ethical training and behavioural attitude that inculcate sound moral strength, rather than concentrating on regulations and imposing controls and compliance among auditors.

Moral courage advocates that auditors exhibit a sound level of professional objectivity in gathering and evaluating vital information concerning the financial position of the organization. Also, the auditor is confronted with relevant circumstances of unduly influence by individuals and the organisation which affects the judgments of an auditor. In the auditing profession, the confidentiality of auditors cannot be compromised and auditors respect the concepts of value and ownership of information they receive during conducting or discharging their professional duties. An auditor should not disclose information concerning the client, organisation without appropriate authority unless there is a professional and legal obligation to do so. Auditors demonstrate moral courage through competency. Competency

helps the auditor to strike a balance between the ethical and unethical professional practice for an auditor to exhibit quality, thorough and sound knowledge of his professional needs by acquiring the necessary skills and experience needed as a professional auditor to demonstrate moral courage. For auditors to have unwavering moral courage, the auditor should be independent refers to the independent working style of the auditor which depicts that auditors should not be biased, unfettered, uninfluenced, and being objective in performing audit responsibilities in totality. Moral courage is the ability to take action for moral obligations despite the outcome of the risk of the adverse implications. Moral courage, therefore, involves deliberation and careful thought. Moral courage, also required physical courage when there are physical consequences like violence and punishment or other bodily perils.

The paper will go a long way in showing the work of an auditor in exposing fraud and other irregularities in the organisation. (Comer and Vega, 2011) pointed out that moral courage motivates auditors in investigating financial crimes and corruption. Moral courage helps auditors in fighting all levels of fraud, illegal acts, and unethical behaviour, this can only be achieved when an auditor exhibits a high level of moral standard like being truthful, impartial, and commitment to duty. An auditor should not be overwhelmed with the activities financial and non - financial activities happening around and within his organisation.

Statement of the Problem

The following are the challenge that confronts auditors in demonstrating moral courage in their working places, they are as follows;

- Fear of losing their job when management and directors are involved in the irregularities.
- Attacks and reprisal attacks at the cause of doing the right things in the workplace by the auditor.
- Auditors cannot effectively demonstrate the moral courage in them because they are working under the wings and caprices of management, this means that they can be hire and fire by management.

Objectives of the Study

The main objective of the study is to critically appraise the moral courage as ethical behaviour among auditing profession. Other specific objectives include:

To determine the relationship between moral courage and ethical behaviour among auditors.

To evaluate the impact of attacks and reprisal attack on auditors at the course of demonstrating moral courage in the workplace by auditors.

Significances of Moral Courage

The following are the importance of moral courage in the auditing profession;

Firstly, moral courage helps the auditors to fight for their rights in workplaces without attaching any fear. Hannah et al, (2011) posited that moral courage enables the auditors to act meaningfully on their intentions by evaluating and analysing every issue critically and properly in a morally courageous manner before carrying out sound judgment on it.

Secondly, moral courage helps the auditors to go the extra- mile to entrench sound morals in discharging their professional duties without minding whose ox is gored. This is done strictly in compliance with professional codes of conduct.

Thirdly, moral courage as a skill helps in equipping auditors on how to undertake those activities that will not jeopardize the ethics of the auditing profession.

LITERATURE REVIEW

Conceptual Framework

Osswald et al, (2012) stated that moral courage is a courageous behaviour, learned and trained. Moral courage is an important virtue in a society and not a vice. Bierhoff,(2002) considers moral courage as a type of social behaviour that covers a broad range of actions intended to benefit the entire people, not a section or a particular group. Moral courage is encompassing, it knows no region, race, colour, gender, religion, and status. Moral courage strives for equal opportunity, integrity, and other ethical values and standards.

Lopez et al (2010) stated that moral courage is the behavioral outshow of authenticity in the face of the discomfort of dissension, non-approval, or rejection. This implied that moral courage among auditors is the boldness to speak up or take the necessary action for oneself or others.

Hannah et al (2013) explained that moral courage among auditors could be inhibited through a malleable contextual influence from the managers having the power to hire or fire over the auditors. The internal auditors under the wings and caprices of the directors and managers that employed them, can be easily disengaged or fired by their bosses. This could hinder auditors from demonstrating or exhibiting moral courage in their workplace as a result of the power of the employer to detect their pace by having maximum control in a workplace as an employer, in case of internal auditors. The institute of internal auditors, 2009 made it clear that auditors can encounter familiarity threats of social pressure arising from close relationships with managers. This can equally affect the independence of the auditor in the course of carrying out his work. They x-rayed the above-mentioned detrimental factors affecting moral courage among the auditing profession.

Alfor, (1999) explained that people who exercise moral courage in their profession like auditors, unfortunately, face retaliation from the workforce that felt the impact of change caused by the auditor. This could lead to reprisal attacks, social isolation, bullying, and threats among the colleagues as a result of correction or whistleblowing of their irregularities in their workplace. Taylor and Curtis, (2013) emphasized that auditors undergo one form of risk of reprisal attack because of their independent examination and investigation which reveals the inherent frauds and misstatement in the accounting books of the organization. In the course of carrying their legitimate work, auditors faced one form of reprisal attacks by their staff, management, and clients that are not comfortable with their mode of operation which does not allow fraud and other forms of irregularities in the workplace, these reprisal attacks could affect their moral courage in their workplace. Verschoor, (2012) stated that organisations, governments in the case of public sectors should roll out legal sanctions or consequences that will serve as a deterrent to people that involved themselves in this ugly attitudes of attacking the auditors in carrying out their assigned duties which hinder their will power to execute moral courage in them.

Burke and Cooper, (2010) explained that moral courage discourages unethical attitudes or behaviours like bribery and corruption, fraud, collusion, teeming, and lading, which tarnishes the organizational image and reputations, which can result in legal liabilities and reduce public trust. Moral courage discourages immoral behaviours among the auditing profession as

a result auditors may be attacked, harassed, ostracized, and face other unpleasant reactions in maintaining a high moral standard in order to effect positive ethical change in the workplace. Moral courage could be developed within the auditing profession through the following ways:

Undergoing training on ethical codes and moral conducts; having a thorough training on the fundamental codes of conducts and the ethical norms regulating the auditing profession will go a long way in enhancing the moral courage of the auditing profession.

Osswald et al, (2012) viewed moral courage in the auditing profession as a virtue or character learned in the act of practicing the actual audit work. Audit practitioners can develop the virtue of moral courage by acting and behaving virtuously, this involves living a life devoid of vices that negate or hinder moral courage, those ethical norms, values that foster the formation of habits and characters which helps auditors to cultivate the qualities that encourage moral courage among the auditors.

Auditors can develop moral courage through training acquired while in school as audit personnel, in the course of their training moral courage is imbibed in them. They are trained to work in a tense environment where there is pressure. Auditors could develop moral courage by acting professionally which is characterized by several challenges that hinder the growth and development of the audit profession. Also, auditors develop moral courage through the learning of ethical behaviour which is one of the codes of conduct in the audit profession. Ethical behaviour helps auditors to develop self-esteem that helps auditors to apply moral courage in his day to day audit practice. Jackson, (1996) pointed out that ethical problems are acute dilemmas or problems for auditors to work on compliance issues in which correct action is easily identified but is difficult to carry out. The moral training on ethical codes of the profession has been instilled in the life of an auditor that makes them differentiate between what is good and evil, thereby having the will or the inner strength to refrain from yielding to moral temptation or unethical behaviours or attitudes which affects their work as an auditor, which is not in line with the principle of moral courage and ethics (Monin et al, 2007).

The concept of moral courage articulated and popularised in business ethical behavioural growth among auditors.

Explanation of Ethical and Moral Terminology

Words	Meanings
Moral Courage	This depicts the willingness and ability to speak out and do that which is right in the face of force that would lead a person to act in a certain manner Lachman (2010)
Moral Virtue	Habit of practicing virtue performance of repeated acts virtue as a courage.(Aristotle, 350BCE,1998)
Ethical competence	This is the ability of a person to analyse and respond to a moral problem, unrestrained by response, belief and emotional fixations
Moral Integrity	Having the feeling of achieving truthfulness and honesty about oneself in a fundamental way, to perceive oneself as striving to leave a legacy of moral life , (Laabs,2007)
Moral Imagination	Ability to reflect and reason beyond the horizon of individual and

	collective situation and circumstance, (Lachman, 2009)
Moral Character	Ability to possess the virtue of wisdom, justice, temperance, goodwill and courage, (Stanford Encyclopedia of philosophy, 2007)
Moral Perception	This is the ability to observe the happenings from the moral perspective. (Lachman, 2009)
Moral Sensitivity	(Lachman, 2009) ability to incorporate and understand extensive array of information and take a justified action on them immediately in a moral ways.

Theoretical Review

Sekerka et al, (2009) emphasized that moral courage among auditors should be seen as a moral force building, not regulations or forcing of compliance or penalties on people that deviate from norms and standards. They deposited that ethics should not be seen alone as a panacea for enforcing or demanding compliance, since moral courage is anchored on ethics. Therefore, the auditor should embrace moral attitude as a driving force, instead of being subdue into one regulation by the professional code of conducts of the auditing profession. They stressed that moral courage in work among the auditing profession should be seen as usual behaviour that should not be enforced or been regulated with any form of a penalty rather it should flow like the normal way of life among the teeming populations of the auditing profession. Bagozzi, (2007:132) is of the view that moral courage among auditing professionals should be acquired as a skill in the course of learning and performing audit work, he mentioned that skills are learned gradually with experience during the period of learning and acquiring knowledge about the work, so moral courage could be developed among auditors in the course of training and practice. In another perspective, he opined that moral courage among auditors should be seen as normal strength cultivated in the workplace or by upbringing not been regulated or enforced by any form of standard, code of conducts, or laws of a country.

Auditors could develop this moral courage by acquiring moral virtues, this implied that auditors should imbibe the cardinal pillars of virtues which include justices, strength, prudence, and temperance. Justice involved that auditors should uphold justice in the course of carrying out their daily activities. Also, auditors can develop moral courage by having moral strength, this means that auditors should exhibit physical, mental, or intellectual strength and moral force to enable them to carry out their work. Virtue as a way developing moral courage among professionals could be achieved through prudence. Prudence as one of the cardinals of virtue connotes that auditors should be thorough in rendering their opinions or judgments in their profession. Prudence implied that the auditor applied professional skepticism in deciding on issues concerning the profession which encourages moral courage. Prudence also required auditors to be moderate and fair in all circumstances. Finally, the last four pillars of virtue are temperance. Temperance is a virtue and a quality that makes auditor balance activities in moderation of his noble profession. This involved striking a balance between his work and activities. For an auditor to achieve this, patience is needed, and this can also go a long way in enhancing moral courage among auditing professionals.

Moral courage among auditors could be developed through ethical character. Ethical character in auditors produces ethical behaviours which help in developing moral courage among auditing professionals. Ethical character includes integrity, honesty, and trust. Integrity is a quality that entails that auditors should be truthful, upright, and morally sound which goes a long way in developing moral courage among the auditing profession. The ethical character which translates to ethical behaviours, auditors should not in any way

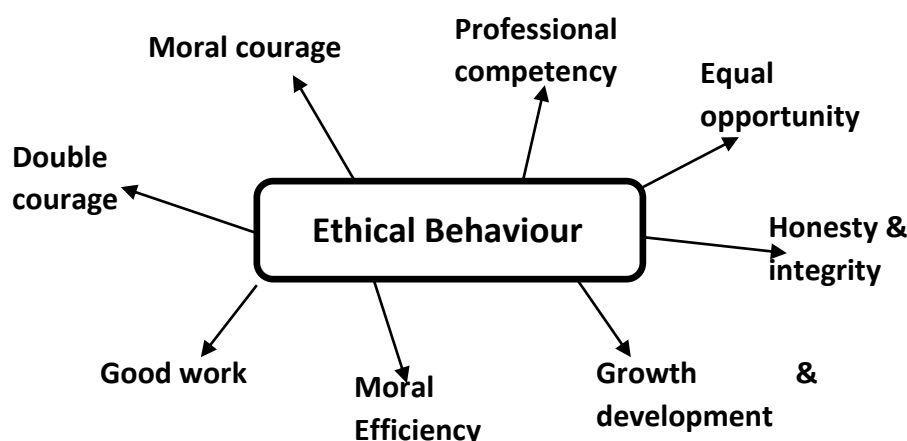
associate themselves with any form of unethical behaviour in order to promote moral courage in their workplace, the unethical behaviours include lying of any kind, cheating, stealing, gossiping, etc, these vices do not encourage moral courage and auditors should disassociate themselves from partaking in them and do the right things even when nobody is looking at them or with less supervision. These will help auditors developing moral courage in the auditing profession.

Van Peurseem (2005) explained that auditors encounter lots of challenges navigating through their roles as internal and external auditors. Auditors heavily rely on moral courage because it is the moral compass that determines their own values beliefs. But the audit profession derived its primary source of moral through ethics code of conduct and international professional standards and framework. The code of ethics is necessary and very important for the proper and appropriate functioning of the auditors. The principles that are relevant to the professional practices of auditors are integrity, objectivity, confidentiality, competency, and independence.

Osswald et al (2012) stated that moral courage is a courageous behaviour and important virtue in society. It is not an inborn behaviour but it could be learned and trained. This implies that an auditor should have a sound moral action that enhances his managerial skills and emotional durability which in turn promotes efficacy and moral courage.

Kamon and Knolls, (2007:661) opined that moral courage forces or allows people to use their discretion in the face of challenging circumstances on what he or they ultimately believe is right and just without minding the consequences despite the economic, social, and physiological effects of the outcome of their actions. This is because auditors built their actions on the hallmark of ethical and moral standards, which is in line with the professional code of conduct. They summarised the ethical behaviour in a diagrammatical form as follows

Summary of Ethical Behaviour



Findings

The study revealed that the importance of moral courage in the auditing profession cannot be overemphasized. It shows that moral courage is a moral compass that drives the auditing profession.

The paper indicated that moral courage helps both internal and external auditors in overcoming ethical and professional dilemmas that confront the auditors in the

implementation of decisions and control of conflicts that could arise as a result of discharging their duties.

The study pointed out that regulators of the accounting and auditing profession and government should establish laws that will discourage attacks and reprisal attacks on auditors. This will reduce undue pressure exerted by management and the general public on auditors.

The work revealed that the close relationship of an auditor with the management can make auditors compromise and also reduce his independence as an auditor in giving his opinion. Finally, the study found that auditors should not succumb to situational pressures in handling their duties, rather auditors should be decorated with high moral intensity to demonstrate moral courage in their workplace.

CONCLUSION

Auditors can be fulfilled when they epitomized the culture of moral courage by embracing ethical behaviour that encourages morally courageous action in their workplace.

Sekerka et al (2009) concurred that moral courage is a quality or attribute that enhances good morals, sound judgements, justices, integrity, boldness in the face of difficulties, ethical behaviour, moral virtues, and professional competency help moral courage to strive. White, (1998) admonishes that durable moral courage should be seen among auditors, which is the capacity to insist on demonstrating genuinely and committed morally courageous behaviour. Auditors may encounter difficulties like; rejections in their workplace, condemnation for resistance to succumb to internal and external pressure, retaliation, and reprisal attacks by their colleagues, within and outside the organisation. Not minding the circumstances that surround the auditing profession, auditors should look at the ethics of the profession as a moral compass directing their activities in the profession. Auditors should insist on the moral value, ethical standards, and professional codes of conducts that encourages moral courage in them, which help them to carry out their work without fear or favour. Finally, moral courage among auditing professionals should be strengthened in all ramifications because it is a virtue and not vice and it is needed among the auditors.

RECOMMENDATIONS

The following recommendations were provided ;

Auditors should be regularly engaged in training on the importance of moral courage among auditors in any organisation.

Auditors should adhere strictly to both the ethical code and professional code of conduct of the auditing profession.

The study recommended that auditors should embrace the four cardinal of virtue; peace, honesty, justice, and temperance.

The government should roll out legal sanctions or laws that will serve as a deterrent to people that carry out attacks and reprisal attacks on auditors at the course of carrying out their assigned duties. This will spur them up in executing and manifesting the moral courage in them.

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