Does Selection-Socialization Help to Explain Accountants’ Weak Ethical Reasoning?

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William J. Read
D. Paul Scarbrough

ABSTRACT. Recent business headlines, particularly those related to the collapsed energy-trading giant, Enron and its auditor, Arthur Andersen raise concerns about accountants’ ethical reasoning. We propose, and provide evidence from 90 new auditors from Big-Five accounting firms, that a selection-socialization effect exists in the accounting profession that results in hiring accountants with disproportionately higher levels of the Sensing/Thinking (ST) cognitive style. This finding is important and relevant because we also find that the ST cognitive style is associated with relatively low levels of ethical reasoning, regardless of gender. This finding implies a need for emphasis on the ethical training of accountants. The results also suggest that accounting firms should consider recruiting accountants with cognitive styles associated with relatively higher levels of ethical reasoning.

KEY WORDS: cognitive style, DIT, ethical reasoning, MBTI, selection socialization

Introduction

Independent accountants have come under increasing criticism recently in the wake of well-publicized business failures involving allegations of improper professional conduct. By some accounts, the accounting profession is in crisis following alarming disclosures about one Big-Five firm’s complicity in the Enron debacle, including charges of fraudulent auditing and obstruction of justice (e.g., see, Brady et al., 2002). In an apparent effort to repair the accounting profession’s tarnished image and to restore public trust in independent accountants, the American Institute of Certified Public Accountants (AICPA) has recently begun a marketing campaign that emphasizes accountants’ competence and integrity as well as the profession’s zero tolerance for members who break the rules.

While the AICPA’s campaign may be a step in the right direction, we suggest that the profession needs to do more by focusing on its selection of those who enter the profession. We propose and provide evidence that currently a selection-socialization occurs in accounting whereby a disproportionate number of individuals with the Sensing/Thinking (ST) cognitive style is selected to enter the accounting profession. We find that the ST is also associated with

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relatively lower levels of ethical reasoning than other cognitive styles. Furthermore, despite the general finding in the literature that women have higher levels of ethical reasoning, we find that women newly recruited by Big-Five accounting firms do not have higher levels of ethical reasoning than their male counterparts. This finding provides further evidence of a selection-socialization phenomenon in the accounting profession.

Specifically, an interesting finding from the cognitive style literature is that as high as 50 percent of accounting students and practicing accountants have a cognitive style called Sensing/Thinking (cf., students: Geary and Rooney, 1993; Fisher and Ott, 1996; and practicing accountants: Jacoby, 1981; Scarbrough, 1993, p. 5; Vaassen et al., 1993; Schloemer and Schloemer, 1997). In contrast, a national database indicates the expected proportion to be only in the 2.67–15.45 percent range (Myers and McCaulley, 1985). These results suggest that a self-selection process takes place where a disproportionate number of individuals with the Sensing/Thinking cognitive style select accounting as their career. As explained later, Sensing/Thinking is one of four cognitive styles in a classification scheme based on the Myers-Briggs Type Indicator, or MBTI (Myers and McCaulley, 1985, pp. 11–18).

The observation about ST individuals entering into the accounting profession is consistent with a study in the ethical reasoning of accountants in which the author observed that a selection-socialization phenomenon may be operating whereby people with lower levels of ethical reasoning enter into the profession (Ponemon, 1992). This observation is important and worthy of further research because studies of ethical reasoning of accounting students and practicing accountants have reported two findings that we find disturbing. First, accounting graduates generally possess lower levels of ethical reasoning than the average of all college graduates (Lampe and Finn, 1992a, p. 46; Armstrong, 1987, p. 32) in general, and liberal arts students in particular (e.g., Ponemon and Glazer, 1990, p. 202). While accounting students did score as high or higher than other business students in studies by Icerman et al. (1991, p. 56) and Jeffrey (1993, p. 92), their ethical reasoning was still lower than national averages for college students in Rest (1994, p. 14).

Second, Rest (1994, pp. 13–14) indicates that ethical reasoning increases with age and education. For example, in a meta-analysis of various studies with a total of over 6000 subjects, Thoma (1986, p. 173) reported that age and education explain approximately 52 percent of the variation in ethical reasoning in cases where more educated and older people have higher levels of ethical reasoning than younger and less educated people. In contrast, studies in accounting indicate that older and more experienced audit managers possess lower levels of ethical reasoning than the younger and less experienced audit seniors (cf., Ponemon, 1992, p. 247; Ponemon and Gabhart, 1993, p. 59). In an explanation of this problem, Ponemon (1992, p. 252) suggests that high-ranking accountants may be attracting people similar to themselves in a selection socialization mechanism, thus promoting a lower level of ethical reasoning than lower rank accountants.

Based on the results reported in the cognitive style and ethical reasoning literature, one can hypothesize that there is an association between cognitive style and ethical reasoning of accounting students. We extend Fisher and Ott’s (1996) study to new recruits to investigate whether the selection-socialization mechanism is operating. Also, given the large number of women who have been attracted to the accounting profession in recent years, we investigate whether their selection has resulted in ethical reasoning that is similar to that of their male counterparts.

The remainder of the paper is organized as follows. The next section describes the background literature on ethical reasoning and cognitive style leading to the study’s hypotheses. A section describing the method of investigation follows. The results of the hypotheses testing are provided next, followed by a summary and implications of the results.
Literature review and research hypotheses

Ethical reasoning

The accounting literature on ethical reasoning is dominated by Kohlberg's (1981, pp. 409–412) stage model of moral development. According to Kohlberg's model, there are three levels of moral development (Pre-conventional, Conventional and Post-conventional), with each level subdivided into two stages, yielding six total stages. Each of the six stages is viewed as cognitively higher than previous stages. The third, or Post-conventional level of moral cognition is where an individual commits to a “principled” level of ethics. At Stage 5, the individual is attracted to the ethics of social contract, natural law and utilitarianism. Thus, moral conduct at this stage is the result of written consensus achieved by due process, such as the Bill of Rights. At the final stage, Stage 6, the ethics of unwritten global ethical principles are accepted. This stage refers to ethical theories of justice, duties and equal human rights, even if it means violating laws and regulation (e.g., civil disobedience), and even if it means that some people must suffer.

Kohlberg’s stage developmental theory predicts that people progress from a lower stage to higher stages throughout life and that education and training can assist people to achieve higher stages of moral development. A major step in applying Kohlberg’s theory was the development of the Defining Issues Test (DIT) by James Rest. The DIT is a self-administered, multiple-choice questionnaire. Six dilemmas are used in the full-version of the instrument. Each scenario is accompanied by twelve questions (for a total of 72) that were designed to represent the different considerations that are diagnostic of different schemes of fairness (Rest, 1986, p. 196). The subject indicates the importance of each diagnostic item in the resolution of the dilemma by using a 4-level scale. While several indices have been developed from the DIT, the most commonly used score is the P-score, the P standing for principled moral thinking [Rest, 1994, p. 13]. The P-score is based on the relative importance that a subject gives to items representing Stages 5 and 6 [Rest, 1994, p. 13].

Reliability of the DIT. From the early years of research, the DIT instrument demonstrated relatively high reliability rates. Rest (1994, p. 13) summarizes the results of many studies, and reports that the “test-retest correlation of the DIT (over a period of several weeks) averages in the 0.80s, and the internal reliability of the DIT also averages in the 0.80s (Chronbach’s Alpha).”

It is important to note that Gilligan (1982, Ch. 5) proposed an alternative theory of moral development, which is more oriented toward women’s caring strength than men’s justice orientation. This theory asserts a gender-based difference in moral reasoning and has found some support in the literature. For example, Lyons (1983, pp. 126–127) provided evidence indicating that women are more concerned about caring for others (75 percent), as compared with men who are more rights-oriented (79 percent). Also, other studies of moral reasoning and individual identification, which examine traditional role sets (e.g., masculinity/femininity) rather than biological gender, indicate some relationship between the role set and the P-score (cf., Lifton, 1985, p. 325; Ford and Lowery, 1986, p. 780).

Since the P-score measures the rights-oriented principles in stages 5 and 6, there is the possibility that it may be biased toward men, making the P-score higher for men than for women. However, large-scale studies have indicated that women’s P-score is equal or higher than men. For example, Thoma’s (1986, p. 173) meta-analysis indicated that women have higher ethical reasoning than men. Similar results have been reported for accounting students and accountants. For example, female students in Abdolmohammadi et al. (1997, pp. 1722–1723) had significantly higher levels of the P-score than male students. Bernardi and Arnold (1997, p. 660) reported that female accountants had significantly higher levels of the P-score than the male accountants. Lampe and Finn (1992b, p. 77), Shaub (1994, p. 15), Bernardi (1995, pp. 25, 27), Etherington and Schulting (1995, p. 245), and Sweeney (1995, p. 224) have reported similar results. However, other studies of gender effects (e.g., Ponemon and Gabhart, 1993, p. 57) have not found significant differences between males and females.
Given that the accounting profession has succeeded in attracting relatively equal numbers of men and women in recent years (and our sample as described below confirms this result), it is worthwhile to investigate whether the ethical reasoning of female accounting recruits is equal to that of their male counterparts. Thus, we state our gender effect hypothesis in the null form to test Ponemon’s (1992, p. 252) selection-socialization effect in which accountants tend to select and retain colleagues who have P-scores that do not differ significantly from each other. Thus, we expect that staff accountants recently recruited into accounting firms have similar levels of the P-score regardless of gender. Thus:

H₁: There is no significant difference between the P-scores of male and female staff accountants.

Cognitive style

We use The Myers-Briggs Type Indicator (MBTI) as the instrument to measure cognitive style. There are two axes of the MBTI used in defining cognitive style: Sensing/iNtuition and Thinking/Feeling. The two axes can be diagrammed as follows:

<table>
<thead>
<tr>
<th>Perception</th>
<th>Sensing</th>
<th>iNtuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judgement</td>
<td>Thinking</td>
<td>ST</td>
</tr>
<tr>
<td></td>
<td>Feeling</td>
<td>SF</td>
</tr>
</tbody>
</table>

The abbreviations shown in the diagram are used to identify the cognitive styles. The Sensing/iNtuition axis is how a person perceives, while the Thinking/Feeling axis describes how a person makes judgments. From the perspective of the MBTI, these two axes indicate fundamental cognitive preferences of individuals.

The two poles of the perception axis define ways of developing awareness of things: sensing or intuiting. A sensing person prefers objective facts and information drawn from the senses. An intuitive person prefers non-concrete or gestalt awareness of the possibilities of the thing or situation. The two poles of the judgment axis define ways of making decisions: thinking or feeling. A thinking person prefers an impersonal, cause-to-effect analysis. This leads to the use of truth/untruth based decisions. A feeling person relies primarily on affective processes, such as good/bad to make decisions.

In a review of the studies using MBTI for classification of accountants and others by their personality types, Wheeler (2001) reported that this psychometric instrument reliably measures personality characteristics. Several studies in accounting have classified accounting students and practicing accountants into various MBTI types. Importantly, the dominant type has been found to be the ST. For example, over 50 percent of the accounting students in Fisher and Ott (1996, p. 63) were found to be STs. Similarly, Scarbrough (1993, p. 5) reports that 43 percent of the practicing accountants in his sample were of the ST type. The expected percentage for a randomly selected US sample, using the MBTI Form G that is used in our study is estimated (using data from Myers and McCaully, 1985, pp. 5–51) to be 2.67–15.45 percent. Thus, we expect that the dominant cognitive style selected by accounting firms is ST. This expectation leads to the second hypothesis as:

H₂: The dominant cognitive style among staff accountants is ST.

This hypothesis is used here to ensure that our sample is similar to prior samples in accounting and accounting studies.

The relationship between DIT and MBTI

The major characteristics of the MBTI classifications are adapted from a summary by Fisher and Ott (1996, p. 60) as reported in Table I. From the descriptions of the cognitive styles and the DIT Stages 5 and 6, we derived the relationship listed in the last line of Table I. We propose that there will be an order effect such that the average P-scores will be (from highest to
### TABLE I
Characteristics of cognitive styles

<table>
<thead>
<tr>
<th>Focus on</th>
<th>Sensing/Feeling</th>
<th>Sensing/Thinking</th>
<th>INuitive/Feeling</th>
<th>INuitive/Thinking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facts</td>
<td>Facts</td>
<td>Possibilities</td>
<td>Possibilities</td>
<td></td>
</tr>
<tr>
<td>Handle these with</td>
<td>Personal warmth</td>
<td>Impersonal analysis</td>
<td>Personal warmth</td>
<td>Impersonal analysis</td>
</tr>
<tr>
<td>Tend to become</td>
<td>Sympathetic and friendly</td>
<td>Practical and matter-of-fact</td>
<td>Enthusiastic and insightful</td>
<td>Logical and ingenious</td>
</tr>
<tr>
<td>Good at</td>
<td>Empathizing; Cooperating; Personalizing</td>
<td>Observing and ordering; Filing and recalling; Sequencing and categorizing</td>
<td>Imagining; Forming hypotheses; Making new combinations</td>
<td>Discovery and inquiry; Problem solving; Comparing and contrasting</td>
</tr>
<tr>
<td>Important issues in moral reasoning and judgments</td>
<td>Personal cost/benefit and group norms</td>
<td>Conform to Laws and codes of conduct</td>
<td>Harmony based on personal values and values of others close to them</td>
<td>Justice and fairness; Leading to objective Decision making</td>
</tr>
<tr>
<td>Expected level of moral reasoning</td>
<td>Low</td>
<td>Moderately low</td>
<td>Moderately high</td>
<td>High</td>
</tr>
</tbody>
</table>

Adapted from Fisher and Ott (1996, p. 60).
lowest) SF, ST, NF, and NT. This relationship is the basis for hypothesis three (H3) in the current study.

The feature of the MBTI version of cognitive style of greatest importance to this study is that it is value-free. It does not presume that one method of thinking is superior to another. On the other hand, the DIT is value-laden. Although placed in the context of ethics, many of the items used in scoring the DIT are not related to ethics per se, but measure the use of instrumentally rational decision criteria. The DIT attempts to measure the conceptual approach to making moral decisions, not the morality of those decisions. For example, in one of the DIT cases, Heinz and the Drug, the response which will give the highest P-score is if the respondent considers the following statement to be most important in making his/her decision: “What values are going to be the basis for governing how people act towards each other”. It appears to us that this item would also be strongly related to the NT pole of the cognitive style, thus generating the highest level of the P-score for the NT as compared with other cognitive styles. Thus, an item-level evaluation suggests that the DIT and MBTI may be operating in the same space, even if the theories used are dissimilar (i.e., rather than co-variates, they may be alternate measures of the same cognitive process). Thus, from Table I, we propose the following hypothesis:

H3: There is the following order for P-scores (lowest to highest): SF, ST, NF, NT.

### Method

#### Subjects

The offices of five international accounting firms located in the Northeast United States participated in the study. At each participating firm, a contact partner acted as the study coordinator. A total of 190 packets were distributed to the participating firms and 91 responses (48% response rate) were returned. Upon completing the instruments, each respondent sealed them in an envelope that was then given to the coordinating partner, who returned them as a group to us. Each participant received a packet containing instructions, a demographic questionnaire, Rest’s Defining Issues Test, and the Myers-Briggs Type Indicator. The instructional materials in each packet assured participants that their identity would not be disclosed and only aggregate data would be reported. The responses from one subject were eliminated because of failure to complete all parts of the questionnaires, leaving 90 useable responses.

The subjects were not chosen at random, but were selected by the coordinating partner in each of the participating firms. Given our focus on selection-socialization, we concentrated on staff accountants recently recruited by their firms. Table II provides subjects’ mean audit experience by gender. There were 47 female and 43 males in the sample with mean experience of 4.17 and 4.70 months respectively. These experience levels were not significantly different at the 0.05 level (two-sample t-statistic between the means = 1.15). Male accountants had a wider range of experience (1.00–14.00 months, standard deviation = 2.53) than did their female counterparts (1.00–9.00 months, standard deviation = 1.69).

<table>
<thead>
<tr>
<th>Gender</th>
<th>Sample</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Max</th>
<th>Min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>47</td>
<td>4.17</td>
<td>1.69</td>
<td>9.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Male</td>
<td>43</td>
<td>4.70</td>
<td>2.53</td>
<td>14.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>4.22</td>
<td>2.14</td>
<td>14.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>
As expected a majority of the subjects majored in accounting in their undergraduate programs (63) or graduate programs (15). Only 12 subjects reported to have majored in other fields such as economics, finance, or business management.

Results

The MBTI forms were manually scored. The DIT questionnaires were scored by the Center for the Study of Ethical Development at the University of Minnesota.

Gender effects (H1)

Table III presents mean $P$-scores and their standard deviations by gender. The two-sample $t$-test was performed on the data to test the hypothesis of mean differences between female and male participants. The results are consistent with the prediction of the hypothesis indicating that the mean $P$-scores (44.8 for women and 43.5 for men) were not significantly different ($T$-statistic = 0.54, $P$-value = 0.59). This evidence indicates a selection process in which accounting firms recruit females and males of similar ethical reasoning into the profession. This finding is in contrast to evidence from various studies, including accounting students that indicates that females generally have higher levels of the $P$-score than males.

Cognitive Styles (H2)

Table IV presents the cognitive styles of the participants by gender. Consistent with the expectation stated in hypothesis 2 (H2), the dominant cognitive style was ST (46%). A proportionately higher number of males (53%) than females (38%) possessed the ST style. On the other hand, 28% of the female subjects were of the SF type compared with only 12% of males. As shown in Table I, SF would a priori be thought to result in the lowest level of the $P$-score while ST is expected to result in medium level of the $P$-score.

Collectively, 66% of females are either ST or SF as compared with 65% of males, which is consistent with expecting lower levels of the $P$-score for our sample. Also, there are some differences between females and males concerning the frequency of the NF and NT, but these differences are not statistically significant. Indeed, the overall Chi-Squared test of frequency differences between females and males was not significant at the 0.05 level (Chi-Squared Statistic = 4.91, $P$-value = 0.18).

<table>
<thead>
<tr>
<th>Gender</th>
<th>Sample</th>
<th>SF</th>
<th>ST</th>
<th>NF</th>
<th>NT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>47</td>
<td>13</td>
<td>18</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>(100%)</td>
<td>(28%)</td>
<td>(38%)</td>
<td>(17%)</td>
<td>(17%)</td>
</tr>
<tr>
<td>Male</td>
<td>43</td>
<td>5</td>
<td>23</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>(100%)</td>
<td>(12%)</td>
<td>(53%)</td>
<td>(12%)</td>
<td>(23%)</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>18</td>
<td>41</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>(100%)</td>
<td>(20%)</td>
<td>(46%)</td>
<td>(14%)</td>
<td>(20%)</td>
</tr>
</tbody>
</table>

Chi-Squared Statistic = 4.91, $P$-value = 0.18.
= 4.91, \( P \)-value = 0.18). Consequently, and consistent with prior literature, there is support for the hypothesis that the dominant cognitive style of practicing accountants selected into an accounting career is the ST style and that males and females selected to enter the accounting profession are similar in terms of cognitive style.

Moral reasoning by cognitive style (H3)

Table V presents mean \( P \)-scores and their standard deviations by cognitive style. Overall, the mean \( P \)-score for the sample was 44.16 with a standard deviation of 11.72, which is consistent with a previous study (i.e., mean \( P \)-score of 44.71 in Ponemon, 1992, p. 247). The mean \( P \)-scores are consistent with the prediction of hypothesis 3 as presented in Table I, i.e., that the NT group with a mean \( P \)-score of 47.85 has the highest moral reasoning while the SF group with a mean \( P \)-score of 40.55 has the lowest moral reasoning. The ST and NF groups are in the middle with mean \( P \)-scores of 43.58 and 45.88, respectively. Given the relatively large differences between the scores (a 7-point difference from highest to lowest) we note that the variance in responses was large.

Further examination of this data (Table VI) shows a consistent pattern for males and females across cognitive styles. However, an exception is that female S’s have higher \( P \)-scores than males, and male N’s have higher \( P \)-scores than females. This hints at a more complex relationship not examined in this study. We discuss this issue further in the final section.

Other analyses

We also compared the \( P \)-scores of the various accounting firms who participated in the study using the analysis of variance method. On average, we found no significant differences in \( P \)-scores of these accounting firms. In addition, we classified firms by their perceived audit methodology (i.e., structured, semi-structured, and unstructured), and conducted an analysis of variance. No statistically significant differences were found for audit methodology either. These

<table>
<thead>
<tr>
<th>( P )-score</th>
<th>SF ( n = 18 )</th>
<th>ST ( n = 41 )</th>
<th>NF ( n = 13 )</th>
<th>NT ( n = 18 )</th>
<th>Total ( n = 90 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>40.55</td>
<td>43.58</td>
<td>45.88</td>
<td>47.85</td>
<td>44.16</td>
</tr>
<tr>
<td>Std Dev.</td>
<td>13.68</td>
<td>11.87</td>
<td>11.33</td>
<td>8.83</td>
<td>11.72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Sample</th>
<th>SF</th>
<th>ST</th>
<th>NF</th>
<th>NT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>( N = 47 )</td>
<td>13</td>
<td>18</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>( P )-score</td>
<td>42.4*</td>
<td>46.3*</td>
<td>42.9</td>
<td>46.6</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>( N = 43 )</td>
<td>5</td>
<td>23</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>( P )-score</td>
<td>35.5</td>
<td>41.2</td>
<td>50.6*</td>
<td>48.8*</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>( N = 90 )</td>
<td>18</td>
<td>41</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>( P )-score</td>
<td>40.5</td>
<td>43.5</td>
<td>45.8</td>
<td>47.8</td>
<td></td>
</tr>
</tbody>
</table>

* Higher score of pair by gender.
results indicate that the findings reported on the main hypotheses are robust.

**Summary and implications**

Allegations of unethical conduct by independent accountants have surfaced recently in the wake of high-profile business scandals. Some observers note that the accounting profession faces a crisis of confidence as a result of its failure to maintain public trust. For its part, the profession’s industry trade group, the AICPA, has responded by re-affirming its commitment to the investing and lending public and stating its intolerance for accountants who do not observe the professional code of conduct. These events provide motivation for our study that examined whether a self-selection process occurs in the accounting profession that results in disproportionately more accountants with a certain cognitive style that has also been associated with low levels of ethical reasoning. Our finding from a sample of 90 new recruits into the Big-Five accounting firms is that the Sensing/Thinking (ST) cognitive style in the Myers-Briggs Type Indicator classification is the dominant cognitive style. While the national average is between 2.67–15.45 percent, 46 percent of our subjects were ST. We also found support for the hypothesis that cognitive style is an explanatory variable for ethical reasoning. In addition, we tested the hypothesis that a selection bias may be operating whereby women do not differ from men in their moral reasoning. In contrast, meta-analyses of a large number of studies of ethical reasoning indicate that women generally possess higher levels of the P-score than men. Therefore, the finding that ST is the dominant cognitive style of our sample of new recruits into accounting firms confirms the results of a series of studies, and establishes that our sample is similar to prior samples in MBTI research. We also compared our P-score result and found it to be almost the same as Poneman (1992), thereby establishing the similarity with prior DIT research.

The significant relationship between the cognitive style and the DIT P-score in our study has implications for the practice and research in accounting. However, our finding concerning the MBTI-DIT theoretical order effect (SF, ST, NF, NT) raises the possibility that, rather than being covariates, the MBTI and DIT may be homologous. It is important to investigate this issue further for additional evidence, particularly in the face of the changes in the mix of professionals (more women and more non-accounting majors) being recruited into accounting firms.

As represented in our sample, the accounting profession has succeeded in attracting equal numbers of women and men in recent years. However, our results indicate that women recruited into public accounting do not exhibit higher levels of moral reasoning than do men, thus providing support for a selection-socialization phenomenon as suggested by Ponemon (1992, p. 252). Another explanation may be that the group decision-making in accounting has resulted in insignificant differences between men and women. There is some evidence in the literature (e.g., Abdolmohammadi et al., 1997, p. 1723) that groups of students converge on a compromise ethical reasoning score as compared with individual members. Future studies are needed to investigate this possibility in the context of accountants’ ethical reasoning.

The pattern we observe in Table VI (SF and ST females having higher P-scores, and NF and NT women having lower P-scores than men) indicates that our ability to test the differences between men and women would be very sensitive to the mix of genders and cognitive styles in the sample. While our sample is gender balanced and fairly large, it is nevertheless limited for a complete investigation of this issue. Future studies with larger sample sizes can be helpful to investigate the generalizability of our results.

Finally, the possible conceptual overlap between the DIT literature and the MBTI literature is worthy of further investigation. Although the two approaches may be examining a similar domain, the perspectives are radically different. Neither can be dismissed, yet our choice of where to place our faith is also a choice of where to place our actions for investigation and improvement. Choosing the DIT is an acceptance of auditor’s inferior moral reasoning.
capacity, while choosing the MBTI is acceptance of auditor’s different reasoning styles. Whether this MBTI-DIT choice is an empirical choice or a policy choice is a question for future investigation.

Additionally, we raise an issue basic to any action-oriented use of the P-score: The merits of different levels of the P-score for professional accountants have not been thoroughly investigated. Although there is a presumption that higher is better, independent accountants serve a very special function in society and one that may be better served by a sensible, and locally focussed, pragmatism than an idealistic and universalistic search for truth. In fact, the paradox of truth is seen even in our popular culture in which we observe the image of Captain Truth (for example, in early Saturday Night Live episodes) used as a metaphor for the destructive impact of purposeless truth and high ethical standards.

We should see the issue of ethics in the context that an accountant’s work product and decisions are subject to the most minute dissection and examination based on legal standards, and in a venue that is becoming increasingly more juridified (cf. Habermas 1987, p. 356). Perhaps the continuous self-examination required in our current legal system holds accountants to the highest standard of juridification rather than of ethical cognition. In other words, we may have a system failure not a personal deficiency. Nevertheless, we cannot dismiss the need for better training of accountants in ethical reasoning, particularly among ST types. We also cannot dismiss the idea that accounting firms need to attract and retain proportionately more individuals with cognitive styles (i.e., NF and NT types) that are associated with relatively high levels of ethical reasoning. While the accounting profession is likely to face reform in the wake of the Enron debacle, improving the ethical reasoning of accountants is crucial to enhancing public trust.

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