Social responsibility, professional commitment and tax fraud

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Abstract

Purpose – The purpose of this paper is to document relationships between accountants' socioeconomic beliefs and attitudes and their professional commitment and ethical decisions in a domain-specific context. Specifically, it investigates the relationships among Chinese tax accountants' level of belief in the importance of corporate ethics and social responsibility, affective/normative professional commitment and ethical judgements/intentions in a case involving client pressure to commit tax fraud.

Design/methodology/approach – The study employs a survey of tax practitioners employed by public accounting firms in China. The data are analyzed using linear regression and structural equation modelling.

Findings – The stakeholder view, representing both normative and practical support for the importance of corporate ethics and social responsibility, was strongly and positively associated with professional commitment among tax practitioners. The stakeholder view also exhibited a strong negative association with intentions to engage in tax fraud. Tax accountants who possessed higher levels of professional commitment judged tax fraud as more unethical, and such ethical judgements were associated with a lower likelihood of intending to engage in fraud.

Originality/value – The associations between: first, professional accountants' beliefs in the importance of corporate ethics and social responsibility and their level of professional commitment; and second, professional commitment and tax professionals' ethical judgements have received little attention in the prior literature. The findings of this study suggest that the integrity of public accounting services may be influenced by relatively broad socioeconomic attitudes, and that this effect may operate partially through commitment to professional values.

Keywords China, Ethical decision making, Corporate ethics and social responsibility, PRESOR, Professional commitment, Tax fraud

Paper type Research paper

1. Introduction

Prior studies in accounting and business ethics have failed to recognise the potential influence of attitudes towards corporate ethics and social responsibility on professional commitment. Indeed, Hall *et al.* (2005) note that only a limited number of studies of accountants' professional commitment have been conducted, and the majority of these studies have investigated the correlates or consequences of commitment rather than its antecedents[1]. The few studies that have investigated the antecedents of accountants' professional commitment have primarily focused on individual differences in personality traits such as ethical orientation (e.g. Shaub *et al.*, 1993), to the exclusion of broader socioeconomic attitudes such as belief in the importance of corporate ethics and social responsibility. However, it seems likely that such broader attitudes and beliefs have the potential to influence professional commitment, and consequently ethical decision making, among accounting professionals.

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We argue that accountants who believe more strongly in the importance of corporate ethics and social responsibility are likely to take their role in regulating corporate behaviour more seriously. They are likely to believe more strongly in the social importance of the accounting profession, and consequently to possess higher levels of professional commitment. Greater commitment to the profession should in turn reduce the likelihood that public accountants will engage in unethical behaviours that violate the letter or spirit of professional standards (Hall *et al.*, 2005). Further, empirical evidence suggests it is likely that the level of belief in the importance of corporate ethics and social responsibility will directly influence ethical decision processes (Shafer and Simmons, 2008).

Regardless of their technical specialisation, all licensed public accountants have a duty to protect the public interest, as recognised in the basic principles of codes of professional conduct (e.g. AICPA, 2012). In the context of the provision of tax services, protecting the public interest encompasses the prevention of tax fraud, since such fraud effectively diverts funds from public uses. The extent to which tax accountants are willing to uphold their public interest obligations in the face of client pressure for fraudulent reporting is likely to depend partially on both their belief in the importance of corporate ethics and social responsibility and their level of commitment to the profession and its ideals. Tax accountants who believe more strongly in the importance of ethics and social responsibility and are highly committed to their profession and its values should possess higher levels of moral fortitude that allow them to resist the temptation to compromise their beliefs and values in the face of undue pressure from clients.

In this study, using a survey of tax practitioners employed by public accounting firms in mainland China, we investigate the relationships among tax accountants' level of belief in the importance of corporate ethics and social responsibility, affective/normative professional commitment (NPC) and ethical judgements/intentions in a case involving client pressure to commit tax fraud. The findings of the study provide general support for our arguments.

These results have important implications for public accounting firms, implying that an increased emphasis on the importance of upholding standards of corporate ethics and social responsibility on the part of tax clients may increase commitment to the public accounting profession and decrease the likelihood that tax professionals will facilitate fraudulent reporting.

Research on ethical decisions in taxation appears timely due to heightened concern over the detrimental effects of questionable tax practices on government revenues. Indeed, the provision of questionable tax services by prominent public accounting firms has recently come under the spotlight, especially in cases where these firms have promoted to their clients aggressive avoidance practices that straddle the line between legal tax planning and illegal evasion (e.g. Sikka, 2010)[2]. These concerns are particularly relevant in the wake of the ongoing economic turmoil which has strongly impacted public finances and highlighted the need for governments to improve tax yields.

In developed economies, the provision of taxation services is commonly regulated both by government and, if the providers are members of a professional accounting body, the professional standards of those bodies. These regulations and standards normally give professionals the right and responsibility to act as advocates for their clients in minimising taxes within ethical and legal boundaries. Thus, they render it acceptable for tax professionals and their corporate clients to engage in prudent tax planning strategies that minimise taxes, but only those strategies that are not overly aggressive and do not break the law. Thus, as long as tax minimisation strategies are reasonable and not deemed too aggressive or without any basis under the law, they should be considered ethical and socially responsible.

In the USA, for example, certified accountants, as well as lawyers and other tax specialists, must, in order to practice before the IRS, qualify as Federally Authorized Tax Practitioners (FATPs). FATPs are subject to a recently introduced set of procedures and regulations described in Treasury Department Circular No. 230, which contains rules of conduct in preparing tax returns. In particular, persons preparing returns must not take a position on the return unless there is a realistic possibility of the position being sustained on its merits. Members of the American Institute of Certified Public Accountants are also subject to the Institute's Statements on Standards for Tax Services (SSTSs). SSTS No. 1 states that questionable strategies must have a "realistic possibility of being sustained administratively or judicially on its merits if challenged"[3].

In Australia, the Tax Practitioners Board registers and regulates the certification of tax practitioners. The Board also regulates the ethical and professional conduct of tax practitioners through its Code of Professional Conduct. Amongst the 14 principles set out in the Code, Principle 1 states that "You must act honestly and with integrity", while Principle 10 states that "You must take reasonable care to ensure that taxation laws are applied correctly to the circumstances in relation to which you are providing advice to a client". Additionally, members of the three professional accounting bodies in Australia must comply with the Code of Ethics for Professional Accountants, established by the Accounting Professional and Ethics Standards Board (APESB). This code, based upon the International Federation of Accountants (IFAC)'s International Code of Ethics for Professional Accountants, sets out five fundamental principles (integrity, objectivity, competence and due care, confidentiality and professional behaviour) with which members should comply. The APESB also issues Accounting and Professional Ethical Standards (APESs). APES 220 (Taxation Services) states in section 5.4 that a "Member shall not promote, or assist in the promotion of, or otherwise encourage any tax schemes or arrangements where the dominant purpose is to derive a tax benefit and it is not reasonably arguable that the tax benefit is available under Taxation Law"[4].

In mainland China, an equivalent regulatory environment for accounting professionals providing tax services has been established in recent years. In 2006, the country's tax authority, the State Administration of Taxation, made effective the Provisional Method for Management of Certified Tax Agents (Order No. 14), Rule no. 5 of which states that certified tax agents (CTAs)[5] and tax agent firms should comply with professional ethics and practising standards. They should follow the principles of independence, objectivity, impartiality and integrity when practising. In October 2014, the China Certified Tax Agents Association (CCTAA) implemented, on a trial basis, its Code of Professional Ethics for Certified Tax Agents. Rule no. 3 of the First Chapter states that Certified Tax Agents should, inter alia, act in the public interest and fulfil their professional role as tax service providers. The CCTAA Code specifically mentions that a CTA should not fabricate evidence and mislead others, and should correct false or misleading information immediately. From 2010, members of the Chinese Institute of Certified Public Accountants (CICPA) have also been regulated by the Institute's Code of Ethics, which, like Australia and many other countries, is currently in the process of converging with IFAC's International Code of Ethics for Professional Accountants.

However, the CICPA Code does not specifically refer to tax assignments. On the surface, then, China is following a well-established route towards regulating the ethical behaviour of tax accountants. However, very little is currently known of the effectiveness in practice of this comparatively new regulatory regime, suggesting that research in this area would be of value.

We review selected literature and develop our research hypotheses in the next section. We then present our research method and findings in detail. The paper concludes with a discussion of our findings, conclusions and suggestions for further research.

2. Literature review and hypothesis development

2.1 Antecedents of the ethical decisions of taxpayers and tax professionals

A substantial body of literature exists on the factors affecting the ethical decisions of taxpayers. These factors include: individuals' ethical beliefs and ethical standards (e.g. Reckers *et al.*, 1994; Bobek and Hatfield, 2003); contextual ethical beliefs and social norms (e.g. Henderson and Kaplan, 2005; Wenzel, 2004, 2005); opportunity (e.g. Blanthorne and Kaplan, 2008); moral beliefs of self, peers and society (e.g. Bobek *et al.*, 2007, 2013); audit risk and sanction severity (e.g. Chang *et al.*, 1987; Madeo *et al.*, 1987; Marshall *et al.*, 2006); and sense of social responsibility (Dowling, 2014).

Tax professionals have an influence on the ethical climate and the level of tax compliance in a society as taxpayers tend to rely on them to understand and comply with their tax obligations (Tomasic and Pentony, 1991; Tan, 1999). Although prior studies have found that taxpayers prefer conservative advice with respect to tax compliance (Collins *et al.*, 1990; Hite and McGill, 1992; Tan, 1999; Sakurai and Braithwaite, 2003), the rising number of cases highlighting aggressive tax avoidance and tax fraud (Godar *et al.*, 2005; Dyreng *et al.*, 2008; Sikka and Hampton, 2005; Sikka, 2010) have led to questions about the ethical behaviour of tax practitioners (Shafer and Simmons, 2008). Klepper *et al.* (1991) suggest that tax practitioners perform two roles: giving conservative advice and enforcing the tax law when the law is unambiguous, while giving aggressive advice and exploiting the tax law when the law is ambiguous. Using a specific ambiguous tax law setting in New Zealand, Tan (2011) found that practitioners' recommendations are influenced by clients' risk preference, clients' sanction risk, practitioners' ethics and practitioners' risk propensity.

Prior studies on the antecedents of the ethical decisions of tax professionals include economic factors such as penalties (e.g. Newberry *et al.*, 1993; Reckers *et al.*, 1991; Cuccia, 1994; Marshall *et al.*, 2006); audit probability (e.g. LaRue and Reckers, 1989; Duncan *et al.*, 1989; Marshall *et al.*, 2006); client risk attitude (e.g. Cloyd, 1995; Schisler, 1994; Duncan *et al.*, 1989); client year-end payment status (e.g. Sanders and Wyndelts, 1989; LaRue and Reckers, 1989; Schisler, 1994, 1995); client size and threat of client loss (e.g. Ayres *et al.*, 1989; Reckers *et al.*, 1991; Newberry *et al.*, 1993; Doyle *et al.*, 2014); tax professionals' risk attitude (e.g. Carnes *et al.*, 1996); and tax professionals' experience and technical knowledge (e.g. Kaplan *et al.*, 1988; LaRue and Reckers, 1989; Duncan *et al.*, 1989).

Prior studies have also found that personal ethical beliefs and the ethical environment affect tax professionals' reporting decisions. Yetmar and Eastman (2000) found role conflict negatively and job satisfaction positively influenced tax practitioners' ethical sensitivity, which triggers ethical decision processes. Burns and Kiecker (1995) found that the ethical judgements of tax supervisors are dependent on both deontological (essential characteristics of the behaviour) and teleological considerations (consequences of the behaviour). Bobek and Radtke (2007) found an association between tax professionals' self-identified ethical dilemmas and the ethical environments of their firms. Doyle *et al.* (2013) found tax professionals generally reason at lower levels in a tax context than in social scenarios, and are affected by training/socialisation in the tax context. In China, Shafer and Simmons (2011) found that organisational ethical culture has a strong impact on the ethical decisions of tax professionals, and that relativism judgements determine behavioural intentions.

While prior studies have thus investigated a wide variety of potential antecedents of the ethical decisions of tax professionals, no prior study in accounting or business ethics has examined the relationship between tax professionals' belief in the importance of corporate ethics and social responsibility and their levels of professional commitment, nor the relationship between their professional commitment and ethical decision making. We now turn our attention to these potentially significant antecedents of ethical decision making.

2.2 Perceived importance of ethics and social responsibility

The construct of the perceived role of ethics and social responsibility (PRESOR) in corporate success was developed by Singhapakdi and his colleagues (Singhapakdi *et al.*, 1995, 1996). Singhapakdi *et al.* (1996) developed an instrument to measure this construct, which has been used in several studies in marketing and business ethics. In most recent studies, the items in the PRESOR instrument have loaded on two distinct dimensions: the stockholder view and the stakeholder view (e.g. Shafer and Simmons, 2008). The stockholder view consists of five statements that prioritise corporate profits and shareholder interests over concern for ethics and social responsibility (e.g. "the most important concern for a business is making a profit, even if it means bending or breaking the rules", "to remain competitive in a global environment, business firms will have to disregard ethics and social responsibility", "efficiency is much more important to a firm than whether or not the firm is seen as ethical or socially responsibility"). This view is quite narrowly pragmatic in orientation, emphasising the primacy of profitability and efficiency over ethics and social responsibility. The stakeholder view, by contrast, emphasises the importance of corporate ethics and social responsibility from a deontological or principled perspective (e.g. "being ethical and socially responsible is the most important thing a firm can do", "business has a social responsibility beyond making a profit"), and also maintains that ethical/socially responsible behaviour is not only compatible with but essential to the profitability and survival of a business (e.g. "social responsibility and profitability can be compatible", "good ethics is often good business", "business ethics and social responsibility are critical to the survival of a business enterprise").

Much of the prior research into views towards the importance of corporate ethics and social responsibility has focused on documenting the antecedents of these attitudes. For instance, researchers have found that cultural differences, ethical orientation and demographic characteristics such as age and gender influence PRESOR attitudes (Singhapakdi *et al.*, 2001; Ahmed *et al.*, 2003; Axinn *et al.*, 2004). Researchers have also recognised important consequences of PRESOR attitudes, in particular the potential for such attitudes to influence ethical decision-making processes (Singhapakdi *et al.*, 2001, 1996). A limited number of empirical studies have also documented associations between PRESOR attitudes and ethical decision-making processes. For instance, based on a survey of marketing professionals, Singhapakdi (1999) found that those who believed more strongly in the importance of ethics and social responsibility developed more ethical behavioural intentions. Similarly, Singhapakdi *et al.* (2008) documented a positive relationship between PRESOR attitudes and Thai business people's behavioural intentions when confronted with ethical issues[6].

The potential impact of belief in the importance of corporate ethics and social responsibility on tax accountants' ethical decisions has received very little attention. Indeed, Shafer and Simmons (2008) appears to be the only prior study to investigate this issue. These authors examined the effects of Machiavellianism and PRESOR attitudes on the ethical decisions of tax practitioners employed in both public accounting and private industry in Hong Kong. They reported highly significant correlations between both the stockholder and stakeholder views and participants' ethical judgements and behavioural intentions relating to aggressive tax avoidance/tax fraud schemes. As anticipated, stronger belief in the importance of ethics and social responsibility was associated with more critical ethical judgements and lower estimated likelihoods of participating in aggressive tax avoidance/tax fraud. They also found that the stockholder view mediated the relationship between Machiavellianism and ethical judgements. In light of the latter finding, the authors suggested that the stockholder view provided a rationalisation mechanism for high Machiavellians to justify tax fraud.

We sought to extend certain findings of Shafer and Simmons (2008) with respect to the associations between PRESOR attitudes and ethical decision making in the context of mainland China. That study documented that Hong Kong tax professionals who believed more strongly in the stockholder (stakeholder) view of corporate ethics and social responsibility judged tax fraud more (less) leniently and were more (less) likely to express intentions to engage in similar actions. Thus, tax professionals who felt that corporate ethical and social obligations are primarily limited to satisfying the interests of shareholders and must be sacrificed in the pursuit of profitability, competitiveness or efficiency judged client tax fraud more leniently and admitted a greater likelihood of acquiescing in client fraud schemes. This association between PRESOR attitudes (which are focused on ethics and social responsibility) and the proclivity to acquiesce in tax fraud (an illegal act) may be partially explained by the fact that it can be relatively easy to cross the sometimes ill-defined and often-disputed boundary between "aggressive" tax reporting and reporting strategies that are deemed fraudulent. If one believes that ethics and social responsibility are relatively unimportant in the face of pressures to increase profits, it should clearly be easier to rationalise aggressive tax reporting, and such reporting decisions may become a "slippery slope" that leads to the normalisation or common acceptance of reporting strategies or practices that are technically fraudulent[7]. In contrast, practitioners who more strongly endorse the stakeholder view are more likely to feel that aggressive tax reporting is unethical in principle (deontological evaluation) and also may pose a threat to the profitability and even the survival of their clients (teleological evaluation) if they become publicly known as "tax cheats". These beliefs should enhance their moral fortitude to uphold professional and legal standards in the face of client pressure. Accordingly, such individuals should judge tax fraud more negatively and consequently be less likely to condone such actions.

In more general terms, individuals who believe more strongly in the importance of corporate ethics and social responsibility should be less likely to support tax fraud and less likely to intend to engage in or facilitate such activity. This line of reasoning leads to the following hypotheses:

H1. Tax professionals who believe more (less) strongly in the importance of corporate ethics and social responsibility will judge tax fraud more (less) harshly.

H2. Tax professionals who believe more (less) strongly in the importance of corporate ethics and social responsibility will express a lower (higher) likelihood of engaging in tax fraud.

2.3 Professional commitment

Over the last two decades, research has documented that professional/occupational commitment often contains three distinct dimensions: affective, normative, and continuance commitment (see, e.g. Meyer *et al.*, 1993; Smith and Hall, 2008). Essentially, affective professional commitment (APC) refers to the extent to which individuals want to stay in their profession due to emotional attachments; NPC refers to the extent to which individuals feel they ought to stay in their profession due to a sense of obligation to it; and continuance professional commitment (CPC) refers to the extent to which individuals feel they need to stay in their profession due to their investment in job- or organisation-specific skills and/or the lack of suitable employment alternatives (Meyer *et al.*, 1993).

In the accounting literature, studies of professional commitment have focused primarily on affective commitment (Hall *et al.*, 2005). Researchers have investigated a limited number of antecedents of affective commitment, such as seniority within the profession (Jeffrey and Weatherholt, 1996) and ethical orientation (Shaub *et al.*, 1993); its correlates, such as job satisfaction (Poznanski and Bline, 1997) and affective organisational commitment (Aranya and Ferris, 1984); and various consequences of APC including professional (Bline *et al.*, 1991; Smith and Hall, 2008) and organisational (Ferris, 1981) turnover intentions[8].

The focus of the current study was on potentially significant antecedents and consequences of tax practitioners' APC and NPC[9]. As noted by Hall *et al.* (2005), relatively few studies have investigated the antecedents of accountants' professional commitment. Based on our review of the relevant literature, it appears that no prior study has investigated the impact of attitudes towards the importance of corporate ethics and social responsibility on professional commitment either in business ethics or accounting. It also appears that no prior study has addressed the potential impact of professional commitment on tax professionals' ethical decisions; thus, this is clearly a matter that should be addressed. These issues are discussed in more detail in the following paragraphs.

2.3.1 Effects of PRESOR attitudes on professional commitment. It has long been recognised that paying one's fair share of taxes is a matter of social responsibility (Sakurai and Braithwaite, 2003; Scholz and Pinney, 1995; McGraw and Scholz, 1991; Cialdini, 1989). Thus, tax professionals who believe more strongly in the importance of ethical and socially responsible behaviour should be more committed to ensuring that their clients comply with the tax law (Shafer and Simmons, 2008). They should also believe more strongly in the social role of their profession and be more likely to internalise the espoused values of that profession, such as serving the public interest[10]. If individuals believe more strongly in the importance of their profession to society and internalise the values and goals of that profession, they should possess higher levels of emotional attachment and sense of obligation to the profession. This argument is consistent with Hall *et al.* (2005), who observe that APC in particular may reflect identification with a profession's goals and a willingness to contribute to those goals. This apparent relationship between the perceived importance of corporate ethics and social responsibility and professional commitment has important practical implications, because professional commitment may influence a variety of outcomes such as ethical decision processes, job satisfaction and turnover intentions (Hall *et al.*, 2005). Thus, one objective of our study was to extend previous business and accounting research by investigating this relationship. Based on the foregoing discussion, we propose the following hypothesis:

H3. Tax professionals who believe more (less) strongly in the importance of corporate ethics and social responsibility will possess higher (lower) levels of professional commitment.

2.3.2 Effects of professional commitment on ethical decisions. Several prior studies have investigated the effects of professional commitment on accountants' ethical decision-making processes, generally using a one-dimensional measure that essentially measures affective commitment (Hall *et al.*, 2005)[11]. Both Jeffrey and Weatherholt (1996) and Jeffrey *et al.* (1996) reported a significant positive relationship between professional commitment and rule observance attitudes among accountants in public practice and private industry. Studies have also investigated the influence of APC on accountants' ethical sensitivity. Using a sample of 207 auditors from a national accounting firm in the USA, Shaub *et al.* (1993) found that professional commitment had no significant effect on ethical sensitivity, defined as the ability to recognise ethical issues in a brief case. Yetmar and Eastman (2000) also failed to find a link between professional commitment and the ability to identify ethical issues based on their study of approximately 400 US tax specialists. Lord and DeZoort (2001) tested the effects of organisational pressures, organisational commitment, and professional commitment on the mean balance proposed by auditing staff for an asset of dubious value. The effects of professional commitment on the proposed asset value were generally weak. Even in the absence of any organisational pressure to accept the client's desired balance, professional commitment had only a marginally significant effect ($p = 0.09$). In the presence of organisational pressure to accede to the client's wishes, professional commitment had no significant impact. The authors interpreted the results as indicating that any beneficial effects of professional commitment were outweighed by organisational pressures for aggressive reporting.

A limited number of studies have also examined the effects of professional commitment on accountants' and auditors' behavioural intentions. In a study based on a sample of 73 auditing seniors attending a firm training session, Kaplan and Whitecotton (2001) found that professional commitment did not significantly affect intentions to report an unethical act by an audit manager (failure to disclose an outstanding job offer from an audit client). In contrast, Taylor and Curtis (2010) found that commitment had a significant positive relationship with audit seniors' intentions to report unethical behaviour. However, professional commitment did not significantly affect the "perseverance" of their reporting intentions, defined as the highest organisational level to which they would pursue the matter.

While the findings of Jeffrey and Weatherholt (1996), Jeffrey *et al.* (1996) and Taylor and Curtis (2010) all suggest that the influence of accountants' professional commitment on ethical decision making may be positive, the results of prior literature taken as a whole are clearly mixed, raising some doubt about this influence. As observed by Hall *et al.* (2005), there is undoubtedly a need for additional research on the potential influence of accountants' professional commitment on their ethical decision-making processes.

To the authors' knowledge, no prior study has examined the effects of professional commitment on tax practitioners' ethical judgements or behavioural intentions.

A high level of APC, representing strong emotional attachment to one's profession (Meyer *et al.*, 1993), suggests a strong awareness of and willingness to be guided by professional ideals such as social obligations or commitment to serve the public interest. In the case of tax professionals, a public service ideal clearly suggests that tax fraud should not be condoned or facilitated, because such fraud effectively transfers wealth from the public to individuals. This clearly violates the professional ideal of social obligation. Thus, tax practitioners with higher levels of APC should judge tax fraud more harshly.

Higher levels of APC should also increase the likelihood that tax professionals will resist pressures to engage in tax fraud. To have ethical intentions, a person must possess the fortitude or resolve to stick by their morality judgements in the face of pressures for compromise (Hunt and Vitell, 1986, 1991; Rest, 1986; Treviño, 1986). Emotional attachment to one's profession and its ideals should enhance such resolve, leading to a greater likelihood of possessing ethical intentions.

In contrast with the attention afforded to APC, there has been very little research on the influence of NPC in the accounting literature[12]. A high level of NPC, which refers to the extent to which individuals feel they should stay in their profession through a sense of obligation, may result from feelings of gratitude for benefits received from the profession (Meyer *et al.*, 1993). It should also result from strong sentiments towards the importance of the profession to society. Professionals with high levels of NPC should therefore be more strongly aware of and guided by the profession's ideals. Thus, as with APC, a tax practitioner's level of NPC is therefore likely to be associated with more ethical decisions[13]. This discussion suggests the following hypotheses:

H4. Tax professionals with higher (lower) levels of professional commitment will judge tax fraud more (less) harshly.

H5. Tax professionals with higher (lower) levels of professional commitment will express a lower (higher) likelihood of engaging in tax fraud.

Consistent with classic models of ethical decision making (e.g. Rest, 1986; Hunt and Vitell, 1986, 1991), we also anticipated that ethical judgements would be significantly associated with behavioural intentions[14]. This proposition is reflected in the following hypothesis:

H6. Tax professionals whose ethical judgements regarding tax fraud are more (less) harsh will express a lower (higher) likelihood of engaging in such schemes.

A summary of the hypothesised relationships in our model is presented in Figure 1.

3. Research method

3.1 Instrument

The instrument included: first, a vignette involving client pressure on a public accountant to facilitate tax fraud (see Appendix); second, in total, 12 items adapted from Meyer *et al.* (1993) to elicit APC and NPC; third, the PRESOR scale (Singhapakdi *et al.*, 1996); and fourth, a demographic questionnaire. In response to the ethical vignette, participants provided: first, overall ethical judgements; second, judgements on six dimensions of the Multidimensional Ethics Scale (MES) (just, fair, morally right, acceptable to the respondent's family, culturally acceptable and traditionally acceptable) that have commonly been used in accounting ethics research (e.g. Henderson and Kaplan, 2005; Shafer, 2008, 2015); third, the estimated likelihood of their

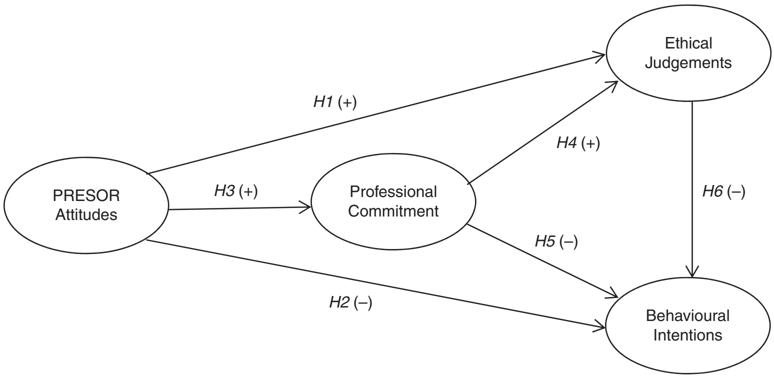


Figure 1.
Hypothesised model

peers or professional colleagues engaging in the action; and fourth, the estimated likelihood that they personally would engage in the action[15]. All responses to the vignette were provided on seven-point scales, with higher numbers indicating more unethical actions and higher likelihoods of engaging in the actions. Once participants had completed their responses to the vignettes, they then completed the other scales. Responses to the professional commitment items were provided on a six-point scale anchored on "completely disagree" (1) and "completely agree" (6). Responses to the PRESOR scale were provided on a seven-point scale anchored on "disagree strongly" (1) and "agree strongly" (7). Following common practice for research in business ethics, the instrument included a letter from the researchers ensuring participants that their responses would be anonymous and treated confidentially.

A number of measures were taken to enhance the reliability and validity of the instrument. The tax vignette addressed an issue commonly encountered in practice (shifting income among members of a corporate group), and was developed in cooperation with tax practitioners in Hong Kong and Mainland China. The vignette involved a clear case of client pressure to commit tax fraud: a request by the client that the tax professional create a fictitious intra-group expense provision. To strengthen the validity of the instrument, it was carefully translated using the prevalent procedure of back-translation [16]. Following this procedure, the Chinese version of the instrument was pre-tested using several experienced tax advisors in China to ensure its clarity and the realism of the ethical dilemma. Feedback from the pre-test group, obtained through interviews, was generally favourable and resulted in only minor modifications to the wording of the instrument.

3.2 Participants

The data for this study were collected with the cooperation of a professional research firm, which assisted in establishing contacts at local Chinese Certified Public Accountant (CPA) firms (those with no operations outside China, Hong Kong, Macao and Taiwan) and in distributing and collecting the instruments. The participating firms were located in several major metropolitan areas of China. Approximately 1,200 copies of the instrument were distributed to tax personnel at the partner, manager and senior levels. Employees at the senior level or higher were considered most appropriate for tests of the effects of professional commitment. Participants were instructed to complete the instrument without assistance and place it in a sealed envelope for collection by the research firm. A total of 276 usable responses were received, yielding an effective response rate slightly below 25 per cent.

The demographic characteristics of the sample are summarised in Table I. The sample was almost evenly divided between male and female, and included 68 partners, 99 managers and 102 seniors. On average, participants were approximately 37 years old and had over 11 years of public accounting experience. The great majority of participants held either bachelors or masters degrees, as would be anticipated. Approximately two-thirds of participants held CPA or equivalent certifications.

3.3 Preliminary analysis

Exploratory principal components factor analysis was used as an initial test for the scale structures. The analysis for the ethical judgement measures indicated that overall ethical judgements ("ethical/unethical") and the six items from the MES all loaded strongly (loadings ranged from 0.711 to 0.825) on a single factor. The coefficient α for this factor was strong at 0.90. Accordingly, we computed an ethical judgement variable for each participant as the mean of the seven items[17]. This measure should be interpreted as a composite measure of ethical judgements that incorporates both elements of moral equity and relativism. The two alternative measures of behavioural intentions (peers and self) were not empirically distinct and thus were combined into a single measure following Shafer (2015)[18]. The internal reliability of this measure of behavioural intentions was quite strong, with a coefficient α of 0.91. Thus, we also computed a single measure for behavioural intentions as the mean of these two items.

Gender[a]	
Male	129
Female	142
Age	
Mean	36.8
SD	7.2
Professional experience (years)	
Mean	11.4
SD	7.5
Position[a]	
Senior	102
Manager	99
Partner	68
Degree held	
Associate/none	29
Bachelors	163
Masters	75
Other[b]	9
Professional certifications held	
CPA or equivalent[c]	187
None or not reported[d]	89

Notes: [a]Numbers do not total 276 due to missing values; [b]these consisted of advanced degrees such as law degrees and PhDs; [c]this category includes substantially equivalent certifications such as Chartered Accountants; [d]we feel it is safe to assume that those who did not respond to this category are not certified; thus, the nonresponses were combined with those who reported no certifications

Table I.
Summary of demographic data

The analysis for the PRESOR scale indicated that, using a minimum cutoff of 0.5, each of the eight stakeholder view items (see Appendix) loaded on a single dimension with a coefficient α of 0.85. We computed the mean response to these eight items as our measure of the stakeholder view. The results for the stockholder view indicated that three of the five items loaded significantly on one factor, while the other two items loaded on a distinct dimension. The internal reliabilities of these two dimensions, based on coefficient α, were well below the commonly used 0.7 cutoff; consequently, the stockholder view items were excluded from further analyses.

We found that five of the six normative commitment items and three of the six affective commitment items loaded on a single factor with an acceptable reliability of 0.76. Accordingly, we computed a composite measure of affective/normative commitment for each participant by calculating the mean of these eight items (see Appendix for detailed items).

Based on the results of correlation analysis and one-way ANOVA models, we also found that several demographic characteristics were associated with ethical decisions. Age (but not professional experience) was significantly correlated ($p < 0.05$) with both ethical judgements and behavioural intentions. Older participants judged the action as more unethical and estimated a lower likelihood of committing the action. ANOVA results indicated that gender was also significantly associated with both ethical judgements and behavioural intentions, with females making more ethical decisions. Education level was significantly associated with ethical judgements but not with behavioural intentions. In this case, participants with higher levels of education tended to judge the transgression more harshly. A significant association was also found between the level of a respondent's position within their firm and their ethical judgements: those in higher positions tended to judge the action as less ethical. We also tested the relationships between the demographic variables and both the stakeholder view and professional commitment. Correlation analysis indicated that neither the stakeholder view nor professional commitment were significantly associated with age or experience. ANOVA results indicated that neither the stakeholder view nor professional commitment were significantly associated with gender, education level or position within one's firm.

4. Primary findings

4.1 Correlation analysis

The results of bivariate correlation analysis presented in Table II are consistent with each of our hypotheses, and all the significance levels for the correlations were highly significant. As anticipated in *H1 (2)*, participants' perceived importance of corporate ethics and social responsibility, as measured by the stakeholder view, was positively (negatively) correlated with their ethical judgements (behavioural intentions). The stakeholder view was also significantly and positively correlated with professional commitment, in accordance with *H3*[19]. *H4 (5)* is supported by the positive (negative) correlations between ethical judgements (behavioural intentions) and professional commitment. Finally, the negative correlation between ethical judgements and behavioural intentions provides support for *H6*.

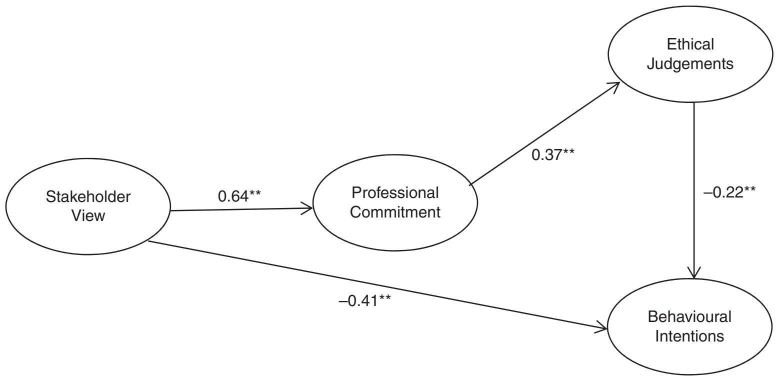
4.2 Structural equation results

The results of a structural equation model using Lisrel are displayed in Figure 2. We tested the overall fit of the model based on several commonly used measures. The root mean square error of approximation was 0.077, below the recommended 0.10 cutoff (Hu and Bentler, 1998). The Comparative Fit Index and Incremental Fit Index were

Table II. Descriptive statistics and correlations

	Descriptive statistics	Correlations			
	Mean (SD)	Ethical judgement	Behavioural intentions	Stakeholder view	Professional commitment
Ethical Judgements	5.1 (0.94)	–			
Behavioural intentions	3.7 (1.54)	−0.227 (0.000)	–		
Stakeholder view	4.6 (0.93)	0.197 (0.002)	−0.371 (0.000)	–	
Professional commitment	4.7 (0.81)	0.314 (0.000)	−0.172 (0.006)	0.485 (0.000)	–

Notes: For the correlations, reported numbers represent Pearson correlation coefficients; numbers in parentheses are p-values based on two-tailed significance tests



Notes: ** The relationship is significant at the 0.01 level or smaller. Only significant paths are displayed in the above figure

Figure 2. SEM results

both 0.92, exceeding the commonly adopted threshold of 0.90 (Byrne, 2001; Hu and Bentler, 1999). These results, taken together, indicate the model provided a relatively strong fit to the data.

The hypotheses were tested by reference to the path coefficients. The lack of a significant association between the stakeholder view and ethical judgements did not support *H1*. However, *H2* was supported by the highly significant link between the stakeholder view and behavioural intentions. *H3* was also supported by the strong association between the stakeholder view and professional commitment. The significant association between professional commitment and ethical judgements provided support for *H4*, but contrary to our expectations in *H5* the link between professional commitment and behavioural intentions was not significant. *H6* was supported by the significant negative path from ethical judgements to behavioural intentions. This pattern of findings indicates that, while the stakeholder view is directly associated with behavioural intentions, it is only indirectly associated with ethical judgements through its association with professional commitment. In addition, professional commitment is only indirectly associated with behavioural intentions through its association with ethical judgements.

The lack of a direct association between the stakeholder view and ethical judgements may be due in part to the fact that the stakeholder view includes a quite pragmatic aspect, with its focus on the practical benefits of corporate ethics and social responsibility to business success (e.g. "good ethics is good business"). Indeed, influential models of ethical decision making in business suggest that practical considerations should have a stronger influence on behavioural intentions than on ethical judgements[20]. Accordingly, one could argue that the stakeholder view should be more strongly associated with behavioural intentions than with more conceptually-based morality judgements. A logical argument can also be made regarding the lack of a significant direct association between professional commitment and behavioural intentions in the structural equations model. Commitment to one's profession is somewhat idealistic in nature, and consequently it does not appear too surprising that it should have a stronger association with ethical/moral judgements than with more pragmatically oriented behavioural intentions.

4.3 Regression models

As a supplemental analysis, we ran regression models that controlled for certain demographic characteristics while testing the effects of our antecedent variables on ethical judgements and behavioural intentions. The results of these models are reported in Table III. As indicated in the table, both models had a strong fit and explained approximately 15 per cent of the variation in the dependent measures. With one exception (the association between position and ethical judgements), all significant relationships between demographic variables and ethical decisions documented in our correlation and ANOVA models were also significant in the regressions. It is notable that gender in particular had highly significant effects on both ethical judgements and behavioural intentions (again, females made more ethical decisions)[21].

The basic findings of our SEM model with respect to the relationships between: first, the stakeholder view and ethical judgements vs behavioural intentions; and second, professional commitment and ethical judgements vs behavioural intentions also held true in the regression models. Specifically, there was a highly significant relationship between the stakeholder view and behavioural intentions, but no significant

Independent variables	Std. β	t-statistic	p-value
Panel A: dependent variable = ethical judgements[a]			
Professional commitment	0.237	3.50	0.001
Stakeholder view	0.076	1.13	0.260
Age	0.118	1.98	0.048
Gender	−0.197	−3.28	0.001
Education	0.121	2.03	0.043
Position	0.071	1.12	0.232
Panel B: dependent variable = behavioural intentions[b]			
Professional commitment	0.015	0.22	0.826
Stakeholder view	−0.365	−5.51	0.000
Age	−0.121	−2.06	0.041
Gender	0.164	2.77	0.006
Education	−0.059	−1.01	0.314
Position	−0.058	−0.99	0.324

Notes: [a]F-value = 8.2; model significance = 0.000; adjusted R^2 = 0.15. [b]F-value = 9.3; model significance = 0.000; adjusted R^2 = 0.17

Table III.
Regressions for ethical decisions

relationship between the stakeholder view and ethical judgements. There was also a highly significant relationship between professional commitment and ethical judgements, but no significant relationship between professional commitment and behavioural intentions.

5. Discussion

This study documents significant relationships that should be of interest to both accounting researchers and practitioners. As anticipated, we found a strong positive relationship between tax professionals' belief in the importance of corporate ethics and social responsibility (the stakeholder view) and their level of professional commitment. This relationship has not been addressed in prior business ethics or accounting studies. We also found that tax professionals who more strongly believed in the importance of corporate ethics and social responsibility were significantly less likely to express intentions to facilitate tax fraud by a client. These results highlight the potential influence of attitudes towards relatively broad socioeconomic issues (such as the perceived importance of corporate ethics and social responsibility) on professional accountants' ethical decisions, an issue that has received little attention in the accounting literature.

Professional commitment was not directly associated with intentions to engage in tax fraud, but was strongly associated with participants' ethical judgements, which in turn were associated with their intentions to participate in the tax fraud scheme. These findings suggest that higher levels of professional commitment may predispose individuals to possess greater moral fortitude in upholding professional standards in the face of client pressure to commit unethical or fraudulent activities. Thus it appears that professional commitment can help to constrain the propensity of accountants to accede to the client's wishes, and deter them from suggesting fraudulent tax schemes that enhance the short-term financial interests of a client.

The findings also have important practical implications. Specifically, they suggest that tax departments within public accounting firms may reduce the likelihood of professional employees acquiescing in fraudulent tax evasion schemes by emphasising the importance of helping ensure that corporate clients uphold high standards of ethics and social responsibility. Such emphasis might be provided on a regular basis through training and socialisation processes.

The study is subject to a number of limitations; consequently, the results should be interpreted with a certain degree of caution. First, and probably most significant is the fact that the relationships observed are all based on correlational data and thus do not establish causal relationships among the variables. If future experimental studies can be designed to confirm the observed relationships they would provide more assurance regarding causal relationships; however, it may be challenging to develop realistic experimental manipulations of variables such as the perceived importance of ethics and social responsibility and professional commitment. Second, lack of data on the survey population prevented us from applying tests of representativeness to the sample. Third, difficulties of collecting data in mainland China required us to use a convenience sampling technique, gathering the data through a network of personal contacts at CPA firms rather than a random sampling of the population of tax professionals. Although common in such research (e.g. Shafer, 2009; Shafer and Simmons, 2011), this technique meant that we were not able to collect information on the demographic characteristics of all participants who received the instrument, so we could not conduct meaningful tests of nonresponse bias. Fourth, due to constraints on the volume of data we were able to collect, we did not control for social desirability bias amongst the responses. These constraints also meant that we included only one vignette in our survey, when the use of multiple vignettes may have provided us with a more nuanced depiction of the associations investigated.

There were also differences in the performance of some measurement scales in the current study and prior studies conducted primarily in Western contexts. Specifically, the fact that the stockholder view dimension of the PRESOR scale was not sufficiently reliable for use, as well as the fact that most of the affective and normative commitment items loaded on a single dimension. The differences in the performance of these scales in China and Western countries could be due to cultural, social and/or political differences in the contexts. For instance, it is possible that our Chinese participants were somewhat confused by the stockholder view items because this ideology has not been as clearly articulated in China and the Chinese "socialist market economy" has been in an ongoing state of transition for over three decades and currently includes a complex milieu of private and state-owned enterprises (e.g. Wang, 2003; Snell and Tseng, 2002). It is also not particularly surprising that in some contexts APC and NPC measures may be conflated, because it has long been documented that these two forms of commitment are strongly and positively correlated (e.g. Meyer *et al.*, 1993). This is the first study to document a relationship between the relatively general social/economic attitudes measured by the PRESOR scale and the domain-specific values and attitudes of professional tax practitioners such as those measured by professional commitment scales. Such relationships potentially have implications for a variety of professional sub-groups such as auditors and management consultants. Accordingly, researchers may wish to extend the current study to other accounting sub-disciplines. Future studies should extend the range of attitudes examined as well. For example, direct measures of political viewpoints may also be associated with PRESOR attitudes and consequently with ethical decision making in business and accounting. This contention draws general support from the recent findings of Chin *et al.* (2013) that CEOs' political ideologies (measured by political donations) are associated with their commitment to corporate social responsibility. Studies could also extend the range of consequences examined by testing the relationships between PRESOR attitudes, professional commitment and other potential outcomes such as job satisfaction and turnover intentions. Studies in alternative cultural contexts could also increase the generalisability of our findings.

Notes

1. In adopting terms such as "antecedents" and "consequences" in our discussion of professional commitment, we are following the conceptual model developed by Hall *et al.* (2005). Accordingly, our use of the term "antecedents" is not meant to imply linearity in time, but rather simply to provide a terminological scheme that makes it clear that, in theory, we feel that certain variables should precede or influence professional commitment.

2. Although tax professionals have, generally speaking, the right to act in the best interests of their clients, the ethical codes of accounting associations obviously do not extend this right to facilitating tax fraud. For example, the Hong Kong Institute of Certified Public Accountants Code of Ethics section 430.6 states: a member must not associate himself with any return or communication which he has reason to believe (a) contains a false or misleading statement (b) contains statements or information furnished by the client recklessly or without any real knowledge of whether they are true or false, or (c) omits or obscures information required to be submitted and such omission or obscurity would mislead the Inland Revenue Department.

3. AICPA Statement on Standards for Tax Services No. 1: Tax Return Positions, para. 5(a) at www.aicpa.org/InterestAreas/Tax/Resources/StandardsEthics/StatementsonStandardsforTaxServices/DownloadableDocuments/SSTS,%20Effective%20January%201,%202010.pdf
4. For a further discussion of the relevant codes, in the context of the influences on the compliance behaviour of company taxpayers in Australia, see Lavermicocca and McKerchar (2013).
5. CTAs are professionals who obtain a qualification within the territory of China to provide general tax services and tax certification services. Tax certification services include certain professional assessments and tax return certification.
6. It is common practice to reverse-score the stockholder view items in the PRESOR scale; consequently, higher scores on both the stockholder and stakeholder views represent stronger belief in the importance of corporate ethics and social responsibility.
7. A fine line exists between aggressive tax avoidance and fraudulent behaviour in taxation. Indeed, the difference often cannot be clearly specified a priori, and may often depend upon the judgment of tax courts (which in turn may depend on the level of incriminating evidence available to the revenue authorities). This argument suggests that a propensity for unethical behaviour may lead to the commission of fraud. For a discussion, see Prebble and Prebble (2010).
8. For a thorough review of prior literature involving the antecedents, correlates and outcomes of accountants' professional commitment, see Hall *et al.* (2005).
9. Continuance commitment, which refers to the extent to which individuals feel they have to or need to stay in their profession, may be a consequence of the high costs of leaving the profession, or due to a perceived lack of acceptable employment alternatives (Meyer *et al.*, 1993). As with normative commitment, there has been very little research undertaken to date on continuance commitment in the accounting literature. The only prior study of continuance commitment appears to be that of Smith and Hall (2008), who found no relationship between CPC and professional turnover intentions. In contrast to APC and NPC, there seems to be little reason to believe that high levels of CPC would be associated with a strong awareness of and acceptance of professional ideals. Rather, these sentiments are more likely to stem from material or practical concerns. Thus, we feel it is less likely to influence ethical decision-making processes, and have omitted it from our study.
10. Attitudes towards PRESOR, being broad-based and arguably more in the nature of an individual's values or "worldview", are likely to be a precursor to more domain-specific attitudes, such as commitment to a particular profession (see Rokeach, 1973).
11. In our review of studies of the relationship between professional commitment and ethical decision making, we exclude studies that used undergraduate accounting students as participants.
12. Smith and Hall (2008) appears to be the only empirical study to date of NPC in the accounting profession, finding no significant relationship between NPC and the professional turnover intentions of public accountants.
13. Meyer *et al.* (1993) note that, although affective and normative professional commitment are distinct constructs, they tend to exhibit strong positive correlations and share certain common antecedents such as work experiences. Thus, it seems reasonable to expect that they will have similar consequences.
14. In formulating the above hypothesis, we rely on the classic Rest (1986) model of ethical decision making. This model postulates a four-part process: first, recognition of an ethical or moral issue; second, making an ethical judgment; third, developing behavioural intentions; and fourth, engaging in actual behaviour. However, as in most accounting studies, this

study focuses upon the association between the second and third steps in this model. In contrast to the type of research presented here, qualitative research may be better suited to investigating the other steps in the model.

15. Questions regarding: first, personal behavioural intentions; and second, perceived peer intentions have been included in prior accounting ethics studies in an attempt to control for social desirabiltiy response bias (Randall and Fernandes, 1991; Cohen *et al.*, 1996; Shafer, 2015). Presumably, participants will report more honestly regarding what they believe their peers will do, and such reports are likely to be a more accurate measure of what they would do personally than self-reports.

16. To meet the requirements of back-translation, the instrument was first translated from English into Chinese, and then independently back-translated from Chinese into English. The original and back-translated English versions were then compared by the translators, and all discrepancies resolved to their satisfaction.

17. It does not appear surprising that the "overall" ethical judgment measure (ethical/unethical) loaded on the same dimension as the three moral equity items (just/unjust, fair/unfair, morally right/not morally right), as these items are closely related conceptually and it is undoubtedly difficult for many individuals to make a very clear distinction between the meaning of terms such as ethical, just, fair and moral. Most prior studies have unquestionably treated "overall" ethical judgments as a separate measure, but our empirical findings and those of Shafer (2015) suggest that this distinction is inappropriate. It is somewhat more surprising that the three relativism items also loaded on this same factor, but this result is also consistent with the findings of Shafer (2015). It is also consistent with the proposition that what is culturally or traditionally acceptable in Chinese society plays a particularly important role in the formation of ethical judgments (see Vitell *et al.*, 1993; Bond, 2008). Thus, it may be the case that Chinese tax professionals very closely associate what is traditionally or culturally acceptable with what is ethical or moral. It should also be noted that all the basic relationships among the variables measured in our study are substantively the same regardless of whether we use a four-item measure of ethical judgments that includes overall judgments and the three moral equity items, or the expanded seven-item measure of ethical judgments.

18. As previously discussed, prior studies have sometimes assumed that participants will make more honest reports regarding what they feel their peers would do. However, we failed to find any distinction between the two measures. The peer and self-reported intention variables were highly correlated with each other ($r = 0.84$), and when treated as separate variables their patterns of correlations with the other variables in the study were very similar. In addition, when subjected to an exploratory factor analysis, the two measures loaded very strongly on a single dimension, with loadings in excess of 0.95. Because no empirical distinction exists between the alternative measures, we combined them into a single measure. Based on these findings, it appears that the use of peer intentions may not be a valid approach for controlling social desirabitliy response bias.

19. Most of the observed correlations between PRESOR attitudes and professional commitment, while highly significant, are only moderate in magnitude (the highest correlation is that between the stakeholder view and professional commitment at 0.485), implying that these two measures do not represent the same construct. This conclusion is supported by the conceptual differences in the two constructs. The stakeholder view represents: first, the belief that corporations have obligations to multiple stakeholder groups beyond merely their shareholders; and second, the practical or utilitarian belief that "good ethics is good business", i.e., that being ethical and socially responsible is critical for long-term business success and survival, presumably due to factors such as reputational effects. In contrast, professional commitment represents loyalty or felt obligations to accountants' profession and its ethical and moral standards. PRESOR

attitudes and professional commitment therefore appear to be distinct and separately measurable conceptual constructs and, accordingly, discriminant validity should not be of major concern.

20. For instance, the Hunt and Vitell (1991) model acknowledges that practical (teleological) considerations may influence ethical judgments (which in turn influence behavioural intentions), but includes an additional direct link between practical considerations and behavioural intentions. Accordingly, the influence of practical considerations on intentions to act should be greater than on judgments of what is morally or ethically correct. We feel that this is also an intuitive proposition.

21. Due to the significant correlation between the stakeholder view and professional commitment, we tested for multicollinearity by examining the variance inflation factors in the regression models. None of the variance inflation factors exceeded 1.6, indicating that the regression results were not biased due to multicollinearity.

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Appendix. Tax case and scales

Tax case

Mr Chan has been the tax preparer of Company A, based in Shanghai, for several years. Company A has made unexpectedly high profits in the last month of the year. Mr Chan is asked by the company to create an expense provision representing service fees for services rendered in Hong Kong by an associated company incorporated in Hong Kong. This is done to reduce the taxable profits of A by moving those profits to the associated company. The associated company has made substantial losses this year in Hong Kong, and so can set off the transferred profits against its losses. However, Mr Chan is aware that, in fact, there have been no services provided by the associated company.

Action: Mr Chan prepares Company A's tax return with the inclusion of the provision for service fees expense.

Stakeholder view: ($\alpha = 0.849$)

1. Being ethical and socially responsible is the most important thing a firm can do.
2. The ethics and social responsibility of a firm are essential to its long-term profitability.
3. The overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible.
4. Business ethics and social responsibility are critical to the survival of a business enterprise.
5. A firm's first priority should be employee morale.
6. Business has a social responsibility beyond making a profit.
7. Social responsibility and profitability can be compatible.
8. Good ethics is often good business.

Professional commitment: ($\alpha = 0.761$)

1. Public accounting is important to my self-image.
2. I am proud to be in the public accounting profession.
3. I am enthusiastic about public accounting.
4. I believe people who have been trained in a profession have a responsibility to stay in that profession for a reasonable period of time.
5. I feel a responsibility to the public accounting profession to continue in it.
6. Even if it were to my advantage, I do not feel that it would be right to leave public accounting now.
7. I would feel guilty if I left public accounting.
8. I am in public accounting because of a sense of loyalty to it.

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