

UNIVERSITI TEKNOLOGI MARA

**COMPLIANCE TO CODE OF ETHICS: A MIXED
METHOD STUDY ON THE MALAYSIAN
ACCOUNTING PROFESSION**

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Thesis submitted in fulfilment of the requirements
for the degree of

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Candidate's Declaration

I declare that the work in this thesis was carried out in accordance with the regulations of the University Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any other degree or qualification.

In the event that my thesis be found to violate the conditions mentioned above, I voluntarily waive the right of conferment of my degree and agree to be subjected to the disciplinary rules and regulations of University Teknologi MARA.

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Abstract

The phenomenon of global and national corporate collapse due to ethical malpractices, the evidence of mixed findings on the usefulness and effectiveness of code in prior studies and the incidents of anomaly with respect to compliance to codes of ethics by professional accountants underpinned this research on professional accountants' behavioural intention to comply with a codes of ethics. This three-phased study adopts a socio-psychological perspective on Malaysian professional accountants' compliance to the By-Laws of the Malaysian Institute of Accountant (MIABL) (revised 2007). This is achieved by identifying the determinants of compliance behaviour and factors affecting these determinants based on Ajzen's (1988) Theory of Planned Behaviour (TPB) which provides the "skeletal proposition" in understanding such behaviour. The robustnesses of the mixed method approach employed in this study demonstrated inherent and internal consistency of findings from different sources or methods. Findings and analysis of content analysis conducted in phase one revealed code of ethics that is "public practice" in focus, and "designation specific" and "individual specific", which found strong support from the Experts survey undertaken in phase two of the study. Variability in behavioural intention towards MIABL compliance was discovered in the in-depth interviews conducted in phase three of the study. The variability that exists within and between categories of practice in the accountancy profession in Malaysia reflects importance of structures and landscapes on the basis of political economy theory. This relates to the environment facing the accounting profession within a developing country, which is country specific and where the profession continues to develop along international lines. Description and interpretation of the findings from the three-phased study suggests professional accountants' aspirations on their behavioural intention to comply with the MIABL. Variability in behavioural intention towards MIABL compliance is due to limitations faced by professional accountants in certain designations and categories of practice. Recognition of the impact of regulatory designation is crucial in both policy formulation and accounting pedagogy. The methodology employed in this study is essentially qualitative-biased. Despite the inherent limitations, the theory-guided mixed-methods approach employed allows research to explain a significant portion of a given phenomena while remaining open to discovering critical issues embedded in or surrounding that phenomena. This study contributes to conceptual and contextual clarification of what constitutes compliance behaviour to a code of ethics in the regulation of the accounting profession on the part of professional accountants in a developing country.

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