

**An Analysis of Factors Influencing Ethical Compliance in The Accounting
Profession in Kenya**

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Fulfilment for the Degree of Master of Business Administration of Strathmore
University**

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Declaration

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

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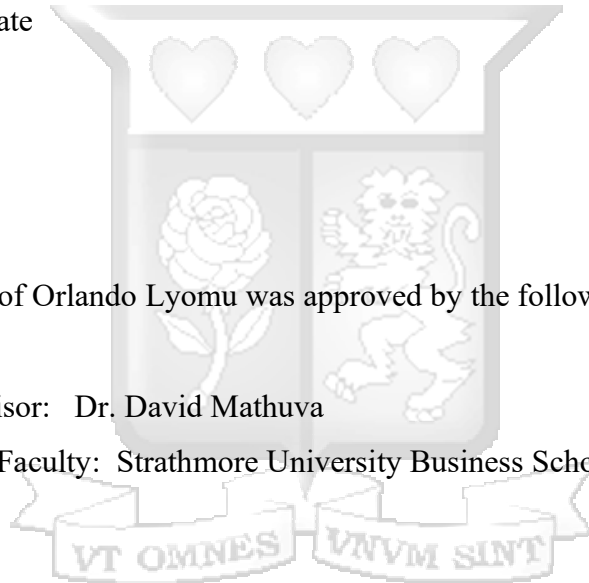
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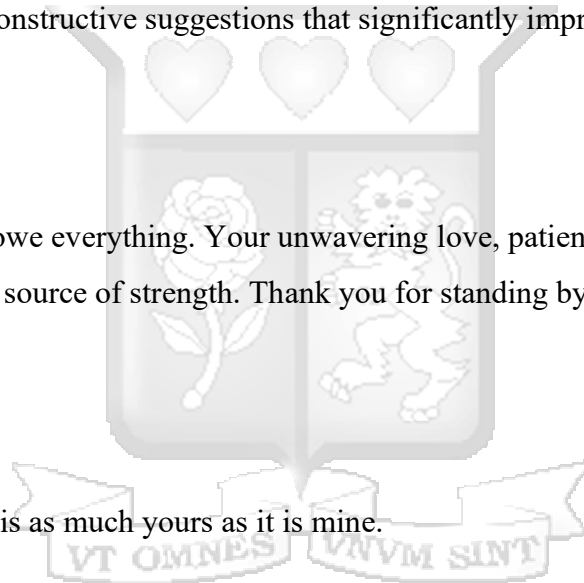
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To my family, I owe everything. Your unwavering love, patience, and belief in me have been my greatest source of strength. Thank you for standing by me every step of the way.

This dissertation is as much yours as it is mine.



DEDICATION

To my beloved father,

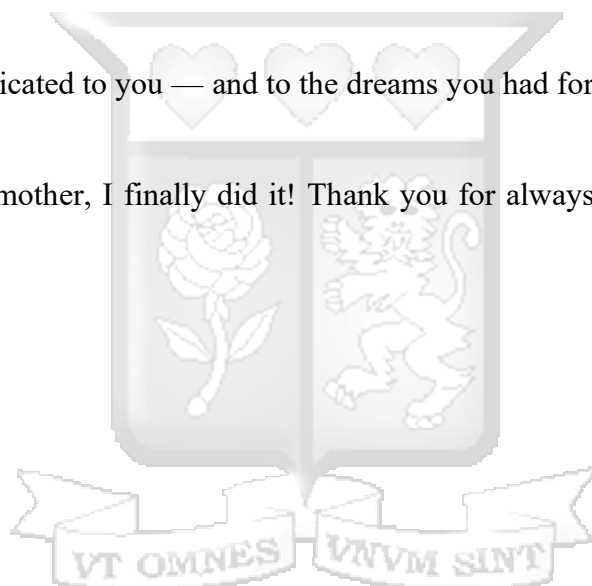
Joseph Edward Lyomu,

whose memory has been my constant source of strength.

You may not be here to see this moment, but your love, values, and encouragement have guided me every step of the way. Losing you in my final year was the hardest chapter of this journey, but it also gave me deeper purpose and resolve.

This work is dedicated to you — and to the dreams you had for me.

To my beloved mother, I finally did it! Thank you for always supporting my academic endeavours.



ABSTRACT

This study investigates the key factors influencing ethical compliance in the accounting profession in Kenya. In recent years, the proliferation of accounting scandals both in Kenya and globally, has drawn increased attention from both practitioners and scholars, highlighting the urgent need to strengthen ethical standards within the profession. This research is motivated by the need to safeguard financial integrity, enhance regulatory effectiveness, and align professional conduct with global ethical benchmarks, within the accounting profession in Kenya.

The general objective of the study was to examine the factors that impact ethical compliance among accounting professionals in Kenya. Specifically, the study sought to determine the extent to which gender, firm size, and employee authority level influence ethical compliance. A positivist research philosophy was adopted, relying on quantitative data to test hypotheses and generalize findings. A descriptive research design was employed to analyze the characteristics of the study population and to evaluate relationships between the identified variables.

The target population comprised 2,500 members of the Institute of Certified Public Accountants of Kenya (ICPAK) based in Nairobi County. From this, a sample of 250 members was selected, and 220 valid responses were received, yielding a response rate of 88%. Data analysis revealed strong and statistically significant positive correlations between all three independent variables — gender ($r = 0.788^{**}$), firm size ($r = 0.835^{**}$), and employee authority level ($r = 0.810^{**}$) — and ethical compliance.

These findings suggest that ethical behavior among accounting professionals is significantly shaped by demographic and organizational factors. The study concludes that ethical compliance must be upheld through concerted efforts by professional bodies, policymakers, and other stakeholders. It recommends strengthening gender equity, supporting ethical practices across firms of varying sizes, and reinforcing ethical awareness at all levels of authority.

Despite some limitations, including limited data on respondents' work locations and participant hesitancy due to confidentiality concerns, the study offers important insights into the ethical dynamics of Kenya's accounting profession. The findings are expected to inform ethical education, governance practices, and policy development within the field.



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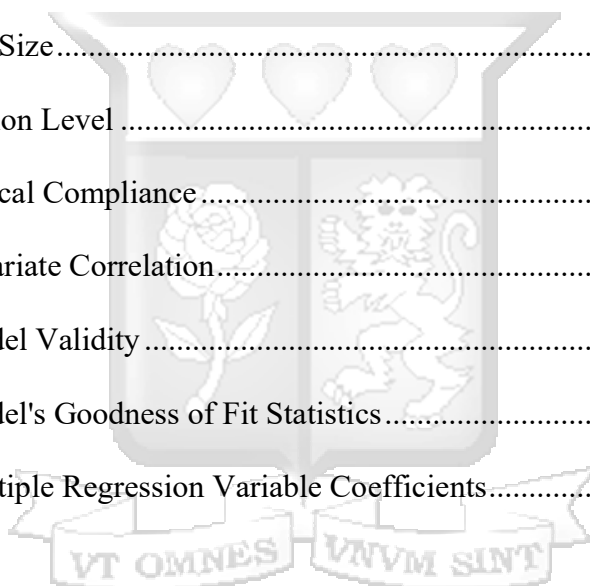
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ACCRONYMS

CPA	Certified Public Accountant
EDM	Ethical Decision Making
ICIPAK	Institute of Certified Public Accountants
IESBA	International Ethics Standards Board for Accountants.
KEMSA	Kenya Medical Supplies Authority
NYS	National Youth Service
TPB	Theory of Planned Behaviour



OPERATIONAL DEFINITION OF TERMS

Employee Authority level	This refers to a structured categorization that outlines the scope of decision-making power, responsibilities, and access privileges granted to employees within an organization. These levels ensure clarity, accountability, and operational efficiency.
Firm size	The common metrics for gauging a company's size include its market share, total assets, the amount of staff members, as well as financing.
Gender	The binary genders, particularly when taken in the context of cultural as well as social distinctions as opposed to biological distinctions, or any of several different characteristics which do not map onto conventional notions of male and female.
Ethical compliance	When a business operates in accordance with its stated moral beliefs and its applicable laws, it is being ethically compliant. Going above and beyond what is needed by law entails treating participants with respect including honor being truthful regardless of whether they are it is not in the spirit of the law.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Accounting plays a critical role of resource allocation in the functioning of organizations as they deliver profits. A business's viability is dependent on money, finances, as well as accurate documentation of transactions (Anggraini et al., 2020; Mathenge, 2012). In terms of ethical considerations, the accounting profession is inherently compromised when a gatekeeper, who is responsible for recording transactions, permits errors in judgment. In such a scenario, the business's activities become untrustworthy; agreements are subject to scrutiny, assessments are compromised, revenues are tainted, as well as cost are incomparable to anything that exists (Weiss, 2015). According to Gassama et al. (2021), examining the conduct of employees to ascertain whether they will exhibit ethical behavior, ultimately enabling them to aid organizational leadership in problem-solving is key.

Ethics pertains to the conduct, evaluation, as well as actions of people. Included in it are optimism, imperativeness, as well as normalization. With the proliferation of accounting scandals, both professionals and academics have taken a keen interest in ethical issues (PricewaterhouseCoopers, 2019). As the field of accounting moves in a global and ethical direction, the issues that impact ethical decision-making also change. Few, if any, studies have established a connection between the factors mentioned above (Zarei et al., 2016). According to Fernando and Chowdhury (2010), researchers may have avoided investigating and positively relating these factors. Therefore, the intention of this inquiry is to address that knowledge vacuum by investigating what drives accountants to make moral decisions.

A foundational principle of the investigation will be the theory of planned behavior. Additional concepts that have been covered include Kant's theory of morality but also the Cognitive theory of ethical decision making. In accordance with the theory of planned behavior, someone's actions are dictated by their behavioral purpose to carry out a certain action. According to Fishbein and Ajzen (1975), one's intentions strongly indicate their subsequent actions. Jones (1991) contrasts the cognitive developmental approach, that centers on a person's moral growth, with cognitive theory as it pertains to making ethical decisions. For a thorough theoretical analysis of how one's religious

affiliation, and work experience impact ethical decision making (EDM), Sullivan (1989) suggests looking to Kant's theory of morality.

Financial openness, citizen protection, as well as confidence in economic institutions are all greatly assisted by the work of accountants. Several high-profile economic frauds around the globe, including those at Enron, as well as WorldCom, have brought attention to serious breaches of ethics in the accounting industry which have prompted immediate demands for stricter regulations along with additional stringent regulation (Zarei et al., 2016).

Globally, organizations as well as economies suffer when companies engage in unethical actions. The worldwide economic downturns of recent years as well as the widespread collapse of formerly successful companies like Enron demonstrate the consequences of unethical management and business practices. It is the responsibility of professional accountants to maintain, promote, and influence ethical behavior as well as inside their organizations. As guardians of openness and confidence, they are bound by a professional charter of conduct (IESBA Code, 2016). Organizations today are rife with immoral and unlawful behavior, such as extortion, embezzlement, sexual assault, as well as the exploitation of classified data (Trevino & Nelson, 2021). There has been a renewed focus on moral problems because of this trend, which has increased the public's eyebrows about the improper behavior of public servants as well as officials (Pajo & McGhee, 2003). This kind of immoral behavior hurts people and businesses alike. Thus, businesses have developed codes of ethics as well as implemented ethical initiatives to curb these immoral activities (Beeri et al., 2013; Wolf, 2013).

The impact of accounting ethics on the reliability of financial reports was the focus of an investigation conducted in Asia by Kamyabi et al. (2015). The investigation's primary emphasis was on expert knowledge, degree of technical competence, as well as staff requirements as it pertained to ethical behavior in accounting. It was shown to be a statistical high. According to Jajairam (2017), accountants ought to behave in a way that supports moral standards as well as sound administration, create an environment where confidence as well as openness thrive, add the reliability to making choices, while offering interested parties with an accurate view of the wellness of the company. Management that is both trustworthy as well as based on ethics is a very important obligation of accountants in government as well as practicing privately. Aside from technical competence, they should also utilize their power to promote moral conduct but also

making decisions in their firms (Voss, 2021). Various factors, such as the degree of maturity in regulating as well as enforcing organizations' legal responsibilities, the requirements and responsibilities of key staff, as well as the national identity as well as customs, influence how ethics are applied. Regardless of the magnitude, industry, or location of an organization, the fundamental character of ethical dilemmas remains constant. Typical moral concerns in the field of accounting as well as financial services involve things like conflicts of interest, giving inaccurate data or reports, as well as helping with reimbursements or kickbacks (Todorović, 2018). Efficacious involving stakeholders, openness, as well as responsibility are the primary security measures, which are also international, which entail ethical management, strong governance, a code of conduct founded on principles, as well as accountable corporate culture (International Federation of Accountants, 2018). Zarei et al., (2016), identified global drivers of accounting code of ethics which include ensuring proper accounting practices, maintaining a high standard of professionalism, and addressing potential conflicts of interest. As the world continues to shrink in size and population, the accounting industry is under greater strain than ever to improve its standing among the public by offering a more complete view of a business's financial condition as well as potential future through more open, streamlined with complete documentation than is currently available.

In Kenya, although the behavioral field of accounting data has voiced worry on the impact of demands on the mindsets and skills of accounting officers (Wangombe et al., 2013), most of this research has been on audit clientele's demands. Additional investigation into the internal audit organization challenges caused by the inherent struggle between cost as well as quality is necessary. For example, in 2017, counties and ministries in Kenya misallocated more than 200 million shillings (Office of the Auditor General, 2019). Supporting the efficiency of global financial markets, standard establishing organizations in more than 150 nations have taken on or are aligning with the Worldwide Federation of Accounting professionals Code of Ethics. Members of the public, private, academic, as well as administrative sectors are all governed by the code (Allen & Bunting, 2008).

All CPAs in Kenya are required to adhere to the rules set down by the Institute of Certified Public Accountants of Kenya (ICPAK), an expert organization. The Accountancy Act, CAP 531, enacted by Kenyan lawmakers, formalized its establishment. From that point on, ICPAK has made it its

mission to advance and oversee Kenya's accounting sector to boost both the discipline's as well as the membership's contributions to the prosperity and success of Kenya. Among the issues highlighted in the ICPAK Plan of Action 2021–2025 is the fact that members do not follow the rules of conduct for skilled practitioners, which leads to an increase in instances of dishonesty as well as deceptive accounting activities by establishments (ICPAK, 2020).

When faced with a moral conundrum, auditing as well as accounting professionals who have a firm grasp of professional ethics are better able to make the call that will benefit their clients plus the public. Tragically, numerous reports of corruption in Kenya have recently flooded press headlines. Most of these cases include accountants according to the definition by the Accountant's Act, 15, 2008. Although the participants in question are bound by a code of conduct that spells out the rules of conduct for a qualified accountant, this study will attempt to answer the question of why so many of these incidents are occurring.

Unjust methods of accounting have been at the center of multiple financial scandals in Kenya, affecting organizations from both the private and public sectors. The essential function of accounting professionals in maintaining or violating rules of ethics has been brought to light by notable instances regarding government agencies like Kenya Medical Supplies Authority (KEMSA) and National Youth Service (NYS). To establish and sustain public confidence in the accounting profession, it is essential that accountants adhere to ethical standards. There is an increasing requirement to rebuild trust in accountant-provided data on finances in Kenya, a country where impropriety image is still high. Institutions such like the Auditor General's office have placed an emphasis on accountability and ethical behavior lately. But getting them to really do it is still difficult. Hence, the necessity to learn what factors impact compliance with ethical standards across accounting professionals and why violations like these happen inspired this research.

1.2 Research Problem.

Financial falsifying as well as prominent business scandals have been on upward trend globally in the past several years. The ethical behavior of accountants has come under scrutiny because of this. More and more, those who have an interest in the matter are wondering if accountants are being ethical (Zarei et al., 2016). Additionally, Financial openness as well as economic development are pillars upon which the financial reporting profession rests. Substantial

ramifications for governance of corporations including trust among investors in Kenya could result from a decline in public faith in accountants caused by ethical violations (Mintz and Morris, 2017).

Globally, in response to instances of non-compliance with the rules of integrity by accounting professionals in emerging economies, Syed et al. (2012) conducted a study in Malaysia to grasp the psychological intent of professionals in accountancy to adhere to the codes of morality. The main reasons why accounting experts in Ghana do not follow these ethics were highlighted by Kwame et al. (2016) and include an absence of sufficient moral schooling, an unsupportive the company's atmosphere as well as a lack of backing from upper leadership. In Kenya, because of inadequate management of companies, the nation has lost a lot of money as well as seen a lot of businesses fall under. There is still a loophole that allows top executives to steal from shareholders, collude for contracts and bribe the accounting authority even if there are solid rules in place (Wairimu, 2010). According to Ayoyi and Mukoswa (2015), all stakeholders in a system for purchasing ought to be bound by openness as well as easily understood rules of conduct.

There exist contextually gaps as most of the studies have been done globally (Gassama et al., 2021; Todorović, 2018). According to Zarei et al. (2016), the accounting profession is under greater strain than ever before to improve its reputation among consumers in an era of globalization. This pressure includes pushing beyond the boundaries of conventional financial disclosure to offer a clearer, more comprehensive view of the financial condition of a business and prospects. According to studies conducted by Mintz and Morris (2017), the moral judgement of an organization is significantly correlated with the degree of administration. According to Moores, Smith, and Limayem (2018), the trade is believed to influence people's ethical behavior. Employees at businesses that make potentially harmful goods, like illegal drugs, could have more attuned to moral concerns, according to the study's authors, than those whose jobs involve making safer things, like furnishings.

Methodologically, there is still a lack of micro-level empirical analysis of the factors affecting ethical decision making in the accounting profession (Ringle et al, 2022). According to Powel (2012) on the implications of making ethical decisions for British accountants, when looking at the correlation, most of the data used were inconclusive. New evidence suggests strong relationships between the variables (Owusu & Korankye, 2023). According to Ringle et al. (2022),

larger organizations are more likely to support the ethical judgements made by their employees through the adoption of beneficial mechanisms that smaller companies do not have.

Conceptually, most of the studies done have not considered all the aspects of ethical compliance in the accounting profession fully. Several studies show that there has been a growing focus on moral choices because of the growing importance of accountants performing their tasks ethically (Aprilliani, Anggaraini & Anwar, 2014; Wangombe et al., 2013). Because people of varying genders make distinct decisions whenever confronted with moral dilemmas, this has prompted a plethora of studies examining the moral decision of accountants as well as accountant students. Three of these variables gender, firm size, and position level have emerged as particularly salient (Buchan 2005). In their study of accountants, (Mathenge, 2012; Ballantine and McCourt, 2011) found that when presented with audit challenges, both genders made similar decisions regarding ethics.

The findings from studies on business ethics are still very variable as well as ambiguous, in terms of impact of the organization quantity in ethical compliance. As per study by Lehnert, Park, and Singh (2015), people in higher positions in audit companies are at more risk than people in lower positions. Another group of studies however, found no evidence that professional qualification influences ethical compliance (Hir et al., 2022; Dunn and Sainty, 2019). When Latan et al. (2019) looked at the impact of ethical judgements on Portuguese accountants, they discovered no correlation between credentials as well as moral reasoning. Hence, concerning what factors impact accountants' ethical compliance in Kenya, the studies offer conflicting conclusions with contextual, methodological and conceptual gaps. This study therefore seeks to provide information on the factors influencing ethical decision-making process in the accounting profession in Kenya.

1.3 Research Objective

1.3.1 General Objective

The general objective of the study is to analyze the factors influencing ethical compliance in the accounting profession in Kenya.

1.3.2 Specific Objective

1. To determine the extent to which gender influences ethical compliance in the accounting profession in Kenya.

2. To determine whether firm size influences ethical compliance in the accounting profession in Kenya.
3. To assess whether employee authority level influences ethical compliance in the accounting profession in Kenya.

1.4 Research Questions

1. To what extent do gender influence ethical compliance in the accounting profession in Kenya?
2. Does the firm size influence ethical compliance in the accounting profession in Kenya?
3. How does employee authority level influence ethical compliance in the accounting profession in Kenya?

1.5 Scope of the Study

The elements impacting ethical compliance in Kenya's accounting profession will be examined in this investigation. Three characteristics will serve as the research's boundaries: employee authority level, business size, as well as gender. The 250 qualified accountants of ICPAK in Nairobi County, the sole organization in Kenya that oversees the accounting industry locally, will make up the population sample. The investigation is scheduled to take three months to complete from September to end of November 2023.

1.6 Significance of the Study

To the researchers, many insights gathered from the research, which will aid in bridging the knowledge gap in accounting profession ethics. This would be accomplished by learning more about the gender, size of the firm, as well as degree of employee power of accountants in Kenya's accounting profession when it comes to making moral decisions. The research will aid in raising essential understanding about this field of investigation, as the bulk of research findings conducted in the nation have not placed much emphasis on it.

The practitioners within the accounting profession will make use of the findings. This will be particularly useful for the ICPAK professionals in terms of ethical compliance in the accounting profession. Application of this knowledge will benefit everyone in need of professional accounting services which will in turn enhance proper service delivery to the citizens. Hence, organizations

will be better equipped to offer enhance financial breakthrough via proper management of their financial situations.

The government as well as policy makers would find the report to be quite helpful in developing accounting professional methods that guarantee stability as well as ongoing profitability. The results of this research would be of great interest to policymakers throughout Kenya's economy, since they will provide justification for implementing some or all its recommendations. This research would provide useful suggestions that accounting industry practitioners could implement to boost shareholders' wealth as well as companies' overall value. Top management in Kenya but also shareholders in the accounting profession like ICPAK would find it to be a useful point of reference. This research would provide professionals with workable ideas that they may implement to eventually raise the wealth of stakeholders as well as the worth of accounting professionals.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In keeping with the aims of the investigation, this section will provide an overview of the empirical research on the elements impacting moral decision-making within the Kenyan accounting field. The conceptual framework as well as underlying theories of the research are also emphasized.

Examining the theoretical as well as conceptual literature as well as empirical studies on topics such as culture in organizations, schooling, remuneration of accounting professionals, ICPAKs Ethics as well as corporate values, but also accounting education in Kenya, this chapter presents the research on the variables impacting ethical decision making in the accounting profession in Kenya. In doing so, it reveals some misconceptions about the connection. Both the conceptual framework and the research hypothesis are built upon it.

2.2 Theoretical Review

According to Fishbein and Ajzen (1975), the idea of planned behavior serves as the primary theoretical foundation for this inquiry. Sullivan (1989) and Rests (1986) also included theories such as Kant's theory of morality but also the cognitive approach of ethical decision making. That is why the hypotheses that follow provide the theoretical framework for our investigation.

2.2.1 Theory of planned behavior

According to the TRA, which was created by Fishbein and Ajzen (1975), a person's behavioral intent dictates their actual conduct. According to Fishbein and Ajzen (1975), one's intentions strongly indicate their subsequent actions. TRA goes on to say that subjective norms as well as a person's mindset regarding the action impact one's behavioral intent. If a person's actions aren't entirely controlled by their will, the TRA's predictive power becomes questionable. It is understood that people can influence some behaviors but not others. Not only that, but the TRA model doesn't account for either the likelihood of not doing the behavior or the repercussions of not doing it (Chang 1998).

Accordingly, Ajzen (1991) expanded upon the TRA by creating the Theory of Planned Behavior (TPB) and including a sense of behavioral control as a factor in the purpose of behavior. According to Ajzen (1991), the TPB posits that a person's perception of the conduct, personal standards, and notions of control over their behaviors are the three antecedents that impact their intent when they

act. Work on accounting as well as finance-related decisions pertaining to ethics has already made utilize of the TPB (Carpenter and Reimers 2005).

Supervisors' making choices is heavily impacted by organizational culture, as well as prior research has demonstrated that attitude is the most important component in determining a person's goals (Buchan 2005). The TPB is supported empirically by Flannery and May (2000) when it comes to environmental administrators' choices regarding ethics. In fact, the TPB was determined to be a reliable indicator of ethical decision-making among Taiwanese workers by Fang (2006). Both the research of medical ethical making choices by Randall and Gibson (1991) as well as the investigation of accounting morality by Gibson and Frakes (1997) provide empirical evidence in favor of the theory. According to Chang (1998), additional research into immoral behavior may be laid by using the TRA as well as TPB. To that end, we contend that these theories could prove ideal for expanding our understanding of the Caribbean accounting community's unethical practices.

The theory has been criticized for assuming that Irrespective of the purpose, the individual has obtained the opportunity along with the assets necessary to successfully conduct what they want to do. To better comprehend as well as impact accountants' ethical conduct, the Theory of Planned Behavior provides a robust paradigm. Accountants' trust including backing networks, as well as mindsets, can be greatly improved by efforts made by accounting associations along with enterprises to enhance ethical compliance. The theory aids the study by showing how accountants' behavior plays a key role on how they make critical decisions. The findings support theory buy highlighting the behavioral aspects that necessitate ethical compliance in the accounting profession.

2.2.2 Cognitive Theory to Ethical decision making

This view is contrasted with the cognitive evolutionary strategy, which looks at how people's morality develops over time. Jones (1991) put out an issue-contingent model of moral choice, expanding on Rest's (1986) request to examine contextual elements. According to Treviño, Weaver, and Reynolds (2006), the issue-contingent model states that when generating morally conscious as well as consequential decisions, the relevant context, specifically the features of the problem, is of utmost importance. So, rather than replacing liberal or individual-focused designs, the issue-contingent paradigm complements both (Jones, 1991).

The traits that characterize an ethical dilemma, as stated by Jones (1991), are mirrored in the moral gravity of the matter. A concept which reflects the degree of issue-related ethical obligations in a circumstance" is what "moral severity" refers to (Jones, 1991). As a result, people's attention as well as experience are more focused on topics with strong moral convictions as opposed to problems with weaker convictions. So, when there's a lot of moral magnitude, people are more likely to see the problem as having ethical or moral consequences. Based on Rest's (1986) research, Jones' (1991) argument about moral weight corresponds well to how conscious a person is of the moral implications of a problem.

In addition, Jones (1991) outlined six factors that are thought to add to the moral gravity of a particular circumstance. To start, the scope of repercussions is the sum of the good or bad that the appropriate participants have experienced because of the moral deed. Secondly, the degree to whether an action is perceived as good or bad by society is known as the social agreement on an ethical matter. Third, the chance of impact reflects the chances that an act will really happen as well as whether it will have an impact, positive or negative, if it happens. The fourth consideration is temporal immediateness, which is the amount of time that has passed since the deed of morality occurred and the earliest possible moment when its consequences may be felt. The "perceiving of proximity" to the societal, cultural, psychological in nature or bodily ramifications of the ethical choice on major players is signified by the fifth factor, the closeness of the ethical problem. Finally, the intensity of impact shows how an ethical act's intensity is related to the number of persons engaged. According to Jones (1991), a moral issue becomes more pronounced when a smaller number of people are affected by a larger quantity. Although these parts are distinct, they form the concept of ethical weight but also should, as a result, show interaction effects. This means that, everything else being equal, if we raise or lower the value of any one element, the total level of morality must rise or fall (Jones, 1991).

Regarding Jones' (1991) issue-contingent strategy, it is important to identify a few drawbacks. While the issue-contingent paradigm posits that people should rely on their intuition when assessing situations, it fails to consider the impact of variations among people on impressions. Some people may naturally have a better or worse eye for spotting unethical occurrences, while individuals might not. Therefore, when Rest's (1986) stage theory is used to describe how people make decisions, it fails to take into consideration that particular person's variations might decrease

the connection between moral intensity as well as ethical consciousness. Furthermore, one's vulnerability to ethical standards might be impacted by a variety of mental prejudices including cautious prejudices (Medeiros, et al., 2014). The idea that prejudices vary among persons is not addressed by Jones (1991), who argues that prejudices ought to remain consistent when it comes to moral matters. Taking this into account might significantly change how seriously people take ethical dilemmas as well how much they think about the consequences of every one of the six ethical importance factors, even when they already think that the scenario is morally significant. Not only can we learn the correct solution to an ethical dilemma by applying the theory, but we can also learn how accountants arrive at that solution. It places an emphasis on thinking, being self-aware, and making decisions, all of that are critical for accountants to uphold the confidence of others in their profession. The findings support the theory in ethical decision making as it helps in understanding how serious accountants take ethical dilemmas as well how much they think about the consequences thus impacting on their professional ethical compliance.

2.2.3 Kant's Theory of Morality

Assessing the effects of occupational expertise, and religious commitment on EDM can be facilitated by utilizing the comprehensive theoretical framework of Kantian theory of morality (Sullivan, 1989). We take inspiration from Kant's theories regarding the relationship between independence, liberty, as well as morality. According to Kant, moral guidelines that serve as a personal moral compass might be derived from organizations or life's logic (Reath, 2020; Wood, 2020). While moral standards offer a framework for moral behavior, people's moral decisions are shaped by their responsibility to understand the regulations (autonomy) as well as their free choice to adopt the rules (freedom) (Sullivan, 1989).

This research makes the case that, professional impact, as well as faith can all serve as sources of moral guidelines, in line with Kantian's conception of ethics. Nevertheless, the degree as well as scope of their influence are mostly determined by how effectively each factor affects people's understanding and application of the moral principles that are advocated. On Rest's (1986) EDM scale, for example, a low level of ethical standards imbibe will indicate a minimal impact, whereas a high amount of ethical rule contemplation could indicate EDM at the higher levels of the EDM spectrum. Since it stresses the importance of honesty, objectivity, and responsibility, the theory is great for encouraging accountants to follow ethical standards. Although it doesn't offer

the same level of adaptability, it does give a solid foundation for making ethical decisions in a field that values honesty as well as openness. Additionally, the findings aid in the theory by highlighting how accountants' professionalism and faith all serve as sources of moral guidelines in ethical compliance. Irrespective of the motivation, the individual has amassed the means to effectively carry out the intended action.

2.3 Empirical Review

Empirical research on the relationship among gender, firm size, and position degree on the procedure of making ethical decisions in Kenya's accounting profession shall be covered in this section.

2.3.1 Gender and ethical Compliance

Conventional wisdom holds that an individual's gender is an indication of their "side bets" or a subjective trait that influences their level of emotional investment and their ability to maintain that investment over time (Helmy, 2018). It's possible that men and women react differently to the ways in which some institutional policies impact employee engagement. In most societies, men and women have distinct social orientations. According to Reidenbach and Robin (1990), people's views on ethics vary depending on their gender.

The degree to which personnel are invested in the company as well as their propensity to report wrongdoing are correlated with their views on the scheme's objectives as well as adherence (Mitonga and Cilliers, 2015). Ogungbamila and Udegbe (2014) found that although women report being treated poorly by their male coworkers, men are more likely to react violently when it comes to organizational vengeance and interpersonal assault. In contrast, women tend to be more sensitive when it comes to moral dilemmas. Possessing an occupation, in the eyes of males, is more crucial than rights for employees, but in the eyes of women, it grants them greater freedom (Angelina, 2015).

Compared to women, males place a higher value on compensated employment; however, women place a higher value on personal traits as well as relationships with others (Mitonga and Cilliers, 2015). Compared to men, women seem to be more morally inclined (Angelina, 2015). Females are more associated with enhanced ethical judgement, ethical intention, as well as greater altruism, whereas males display less variability in these areas. According to Ogungbamila and Udegbe

(2014), female employees reported an improved standard of life at work compared to men in the workforce. When it comes to workplace stress, inclusion in society, as well as exchanges, the study participants discovered that both genders are significantly different. There is a lack of support for equal pay for women in underdeveloped nations (Nadeem et al., 2015).

A desirable employee, according to traditional metrics, is a person who is willing to put in longer hours at the job (Angelina, 2015). Males' engagement and intention to leave were predicted by focused on tasks measurements, while females' engagement as well as intention to stay were influenced by focused on relationships characteristics (Sulaiman et al., 2022). While female workers report the same degree of participation, tiredness, generally fulfilment with their jobs as their male counterparts, Haron et al. (2014) found that female workers are younger, smaller scale, work shorter shifts, and make less money than male workers. According to Mitonga and Cilliers (2015), the gender gap varies the most regarding maternity leave as well as the total combined gender of workers, while it varies the least regarding education along with wages.

When looking at gender and attitudes towards ethics, the results are contradictory. While some research has found a correlation between gender and ethical behavior, other studies have found no such thing. Another stereotype is that women are more careful with their details than males. Although it has gained widespread recognition, the statement's veracity, particularly within the accounting field, remains unproven. There is a more noticeable gender gap when it comes to ethical behavior, according to research by Ballantine and Mccourt (2011).

Ameen et al. (1996), who studied learners in accounting, found that women exhibited higher levels of ethics than men. Perhaps you're less pessimistic about accountancy' pervasiveness, too. Previous research with individuals who are not accountant has shown comparable findings (Dawson, 1997). According to Haron et al. (2014), men often think of moral dilemmas in terms of cold, hard, abstract principles, while women see themselves more as threads in a 'web' of relationships with those closest to them. Maintaining these connections, not harming other people in these interactions, as well as ensuring the health of others are the main concerns of women when they face moral dilemmas. Ethics, for women, is not so much about following cold, objective norms as it is about providing for oneself while remaining accountable to the people to which one has intimate ties.

Furthermore, other research has failed to find any discernible gender disparity in moral reasoning (Casali and Perano, 2021; Hair et al., 2019). To investigate the impact of ethical philosophy as well as ethical decision-making, Casali and Perano (2021) studied accountants who were participants of the Portuguese Association of Certified Accountants. The researchers in Portugal discovered no statistically significant variation in accounting ethics based on gender. Research on financial professionals' ability to make moral decisions was also carried out by Hair et al. (2019). Ethical choice-making was not significantly impacted by the similarity in perception between male and female interviewees. Finally, Kpportorgbi, Aboagye-Otchere, & Kwakye (2023) looked at how gender as well as location impacted accountants. In both public accounting organizations along with private businesses, they did not find a difference of statistical significance between the ways in which male and female make ethical decisions.

In hypothetical through envisioned situations, desire for society and deceitful behavior could have a larger role than in situations where people confront actual incentives to behave unethically. Most studies that find gender disparities during studies fail to provide evidence that they accounted for socially desirableness or assessed it (Sulaiman et al., 2022). The disparity in ethical perspectives between sexes vanished in one instance while they did this. Recognizing that they were working with an Indonesian population, they also discovered that, in a separate multinational sample, women consistently exceeded males on a test, measuring responses that are desirable to society. Men may be more forthcoming regarding their deceit than women, which could lead to a contradiction that makes it harder to determine which sex is "fairer" (Oboh et al., 2020). This is because social desire has also been found to be an explanation of between-sex differences in other sensory as well as attitude measures. Reacting in a customary as opposed to spontaneous manner might contribute to ethical behavior, suggesting that the meaning of social fitness in EDM is multifaceted.

Compared to men, Owusu and Korankye (2023) discovered that female respondents' moral values were less impacted by societal factors. There are gender disparities in making ethical choices, according to Liu's (2020) research. The investigation determined that whenever family is a consideration, people of both sexes behave differently, choosing ethically sound options. Research on gender variations in ethical behavior has shown contradictory findings so far (Hirth-Goebel, 2019).

2.3.2 Firm Size and Ethical Compliance

Even though Aprilliani et al. (2014) did not imply that audit company size affects accountants' moral conduct. On the other hand, they stressed that moral capacity for reasoning rises in proportion to the degree to which employees of small firms encounter ethical challenges. This, in turn, causes people to make moral decisions. There is usually no formal training that is internal available to small audit firms. So, kids usually figure out how to handle moral conundrums by themselves. As the quantity of moral conundrums grows, experts learn from their mistakes and use what they've learned to future problems, according to the high moral conduct. Regarding "training" in addressing ethical problems, moral conduct is not beneficial for professionals who do not commonly face such situations in their job or who have no previous employment history. As a result, these professionals constantly depend on their own evaluations of what's best.

Many have questioned the ethics of auditing services in the wake of high-profile scandals concerning companies like Enron and Worldcom. Conflicting findings have been reported in earlier research. Because big businesses are governed by administrative rules as well as oversight, accountants working for such companies are more inclined to act morally than their smaller counterparts (Casalli & Perano, 2021). Consequently, compared to smaller businesses, big ones face higher restrictions on their decision-making (Delgado et al, 2022). Compared to their smaller and medium-sized counterparts, auditors working for big companies are more inclined to condemn unethical behavior and less likely to admit to engaging in it themselves. To earn the respect and confidence of the public, they must act in accordance with the standards established by the field's rules of ethics. Minute firms, on the other hand, tend to work with other small businesses that aren't particularly concerned with making ethical decisions.

Ringle et al. (2022) and Moores, Smith, and Limayem (2018) are among those who have verified that larger audit firms have a favorable relationship with quality of auditing. However, according to other enquiries, both large as well as small audit companies may achieve a satisfactory standard of auditing excellence, therefore there's nothing distinct between the two in this regard (Delgado et al, 2022). Having said that, bigger organizations appear to be more dedicated as well as competent in their pursuit of better audit quality. Oboh et al. (2020) state that this is because a company strives to keep its image based on producing suitable audit reports, has highly competent professionals on staff, and provides extensive technical knowledge.

The effect of company size on conformity with ethical standards was investigated by Oboh et al. (2020) in Nigeria. The study design employed was descriptive. While it was found that all organizations adhere to ethical standards, the extent to which they do so differs by area. Organizational conformity to ethics is affected by factors such as business size, level of rivals, and audit systems, according to the study. Ethical conformity is unaffected by age, according to the research investigation.

According to studies conducted by Mintz and Morris (2017), the ethical choice-making of an organization is significantly correlated with the degree of administration. According to Moores, Smith, and Limayem (2018), the industry is believed to influence people's ethical behavior. A person's level of sensitivity to moral dilemmas may vary depending on whether they work for a company that manufactures safe things like furnishings or one that manufactures deadly stuff like cocaine.

Ethical compliance in Malaysian businesses was investigated by Moores, Smith, and Limayem (2018). A research plan was implemented. Small and medium-sized enterprise (SME) participants in Padang were the focus. It became out that the size of an organization has zero bearing on how ethically compliant it is. Additionally, there was no correlation between age and respect for ethics. The handling of risks had a substantial impact on complying with ethical standards. According to the results, not every aspect of a company's operations affects compliance with tax laws.

The system of a big auditing business will surely have some elements like professional competency, inspector eligibility, including supplementary technological data. These factors might be considered to aid in the discovery of potential mistakes when evaluating the impact of the amount of auditing firms on the integrity of audits (Moores, Smith & Limayem, 2018). Audit organizations at big corporations would have more technology expertise than those at smaller firms due to the increased degree of specialization among major auditing firms' workers. Better quality is backed by bigger auditing companies. Regarding the effect of volume on complying with ethical standards, the conclusions of the research on the ethics of businesses remain contradictory as well as contradictory (Delgado et al., 2022).

New evidence suggests strong relationships between the variables (Owusu & Korankye, 2023). According to Ringle et al. (2022), larger organizations are more likely to endorse the ethical judgements made by their employees through the adoption of beneficial measures that lesser-known businesses do not have. Startups that are under pressure to stay relevant with larger ones may be more prone to act unethically, according to Hirth-Goebel (2019). Whenever auditors are faced with choosing options on ethical difficulties, Oboh et al. (2020) state that the size of the enterprise does not play a significant role.

2.3.3 Employee Authority level and ethical Compliance

Adult moral growth, academic achievement, a rewarding work, and commitment are all interconnected, as pointed out by Eendenich and Trapp (2020). Work that allows you some degree of independence as well as creativity fosters personal growth as well as moral maturation. Similarly, research on accountants' moral conduct has revealed that senior accountants feel more duty-bound to their work than their junior counterparts. Power hierarchy or dominance in audit businesses leads to various ethical behaviors amongst auditing firms, according to Gamarra & Giroto (2022). The more responsibility one has, the more important it is to adhere to ethical ideals. According to research by Lehnert, Park, and Singh (2015), people in higher positions in audit firms are at more risk than people in lower positions. Prior studies have demonstrated a strong correlation among a public accounting professional's rank as well as their growth in ethics. Compared to accountants in positions of lesser responsibility, those in upper management as well as partnership roles typically have less developed ethical standards.

According to research by Lehnert, Park, and Singh (2015), people in higher positions in audit companies are at more risk than people in lower positions. Prior studies have demonstrated a strong correlation among a public accounting professional's rank as well as their growth in ethics. Compared to accountants in positions of lesser responsibility, those in executive as well as partnership roles typically have less developed ethical standards. According to Dunn and Sainty (2019), a strong institution declaration should convey the objectives as well as principles that are meant to inspire those who work there along with the stakeholders. So, it seems that the positions main responsibility is making sure everyone follows the rules of ethics.

Payne et al. (2020) investigated the potential connections between ethical thinking and hierarchical position. They found that moral understanding tends to improve for auditors as they advance to the supervisor level, but it tends to decline for managers as they advance to the partner level. The value of ethics is not as heavily stressed in accounting course syllabuses. Therefore, the results of earlier studies may not have been as accurate given the senior administrators' as well as partners' educational backgrounds. Still, the emphasis on ethical learning in accountancy dates to the late 1980s. Poje & Groff (2021) discovered that as responsibility levels rise, so does code understanding.

However, according to another set of research (Hir et al., 2022; Dunn and Sainty, 2019; Haron et al., 2014), there is no proof that one's level of professional training affects their ethical judgement. There was no statistically significant correlation between accounting credentials and moral reasoning in a study by Latan et al. (2019) that looked at the Portuguese accounting industry. Liu et al. (2020) confirmed this, finding that highly skilled healthcare workers in the United States are less likely to act ethically. According to the data, employees who possess specialized skills tend to act less ethically.

According to studies, people who have worked in a variety of fields are more likely to think creatively and independently (Hir et al., 2022). People who have lived through a variety of scenarios have learnt to adapt their dispute resolution strategies to fit a variety of contexts. Key components of adjusting to new circumstances and creating remedies to difficult concerns are the ability to think theoretically, make juxtapositions alongside illustrative as well as participate in such activities (Haron et al., 2014; Dunn and Sainty, 2019).

2.4 Summary of Literature and Research Gaps

This section lays out the fundamental limitations in our understanding of the literature review's findings about the impact of gender, company size, job level on accounting professionals' ability to make ethical decisions in Kenya. Beneath is a summary of the literature review in Table 2.1.

Table 2.1: Summary of Empirical Review and Knowledge Gap

Author(s)	Study	Objective	Findings	Gaps	Focus of Proposed Study
Powel (2012)	Implications of making ethical decisions for British accountants	Examine the impact of accountants' decisions regarding ethics on their performance	Far from compelling, the proof pointed to a relationship.	When looking at the correlation, the data was inconclusive.	We are going to assess inclusive data.
Helmy (2018)	The impact of company regulations and ethical norms on employee conduct	Assess the influence on ethical behavior of business procedures as well as codes of conduct.	It is believed that there is only a weak correlation between the influence of business policies on ethical behavior as well as the effectiveness of ethical standards.	The study did not take place in Kenya.	The study did not take place in Kenya.
Delgado et al, (2022)	Influence of employee compensation on company performance	Analyze the connections among worker compensation and the success of the company.	The performance of businesses is affected by employee compensation.	It paid close attention to compensation but paid no attention to anything else.	The study should take other variables into account.
Gamarra & Giroto (2022)	The effect on a worker's behavior and decision-making caused by the company's compensation plan	Use the company's compensation plan to assess how an employee's choices and actions have affected the business.	Ethical codes and the effects of business rules on ethical behavior were found to be in their early stages.	The investigation lacked thoroughness.	A thorough investigation must be conducted.

Lehnert, Park, and Singh (2015)	The impact of ethics on the efficiency of accounting firms	Learn how accountants' moral compass influences their work.	Accountants' work is impacted by ethical considerations.	Nothing else was considered.	Culture as well as rules must be considered in the research.
Poje & Groff (2021)	Accounting professionals' ethical decision-making	The purpose of this study is to examine how ethical decision-making influences public accountants	Decisions about ethics have an impact on the accounting field	Nothing else was considered.	Traditions and rules must be considered.
Carpenter & Reimers, (2005).	Dishonest and deceitful accounting practices	Resulting from dishonest and deceitful financial reporting	Dishonest and deceitful accounting practices	The investigation lacked thoroughness.	A thorough investigation must be conducted.
Todorović (2018)	A look at how accountants and businesspeople in Canada make moral decisions differently.	Accounting along with company executives in Canada make ethical decisions.	Professionals in the accounting field and ethical decision-making	Specifically, it ignored all businesses outside of Canada.	Must shift attention to other ventures
Fang, (2006)	Accounting Trends in Anti-Corruption, Green, Moral, and Social Dimensions	The goal of this social, ethical, environmental, and corruption-related accounting study is to	Emerging tendencies in social, ethical, ecological, as well as corruption-related accounting	Nothing else was considered.	Other elements should be considered for the study.
Endemic and Trapp (2020)	Examining what makes moral ferocity tick	Examining what makes a person morally intense	What makes a morally intense	Nothing else was considered.	The study must consider all relevant elements.

2.5 Conceptual Framework

According to Ravitch and Riggan (2012), a conceptual framework is a way to explain the relationship between different types of concepts and the variations that were researched. Figure 2.1 beneath shows the conceptual model that was developed for the research paper from the literature as well as empirical analysis.

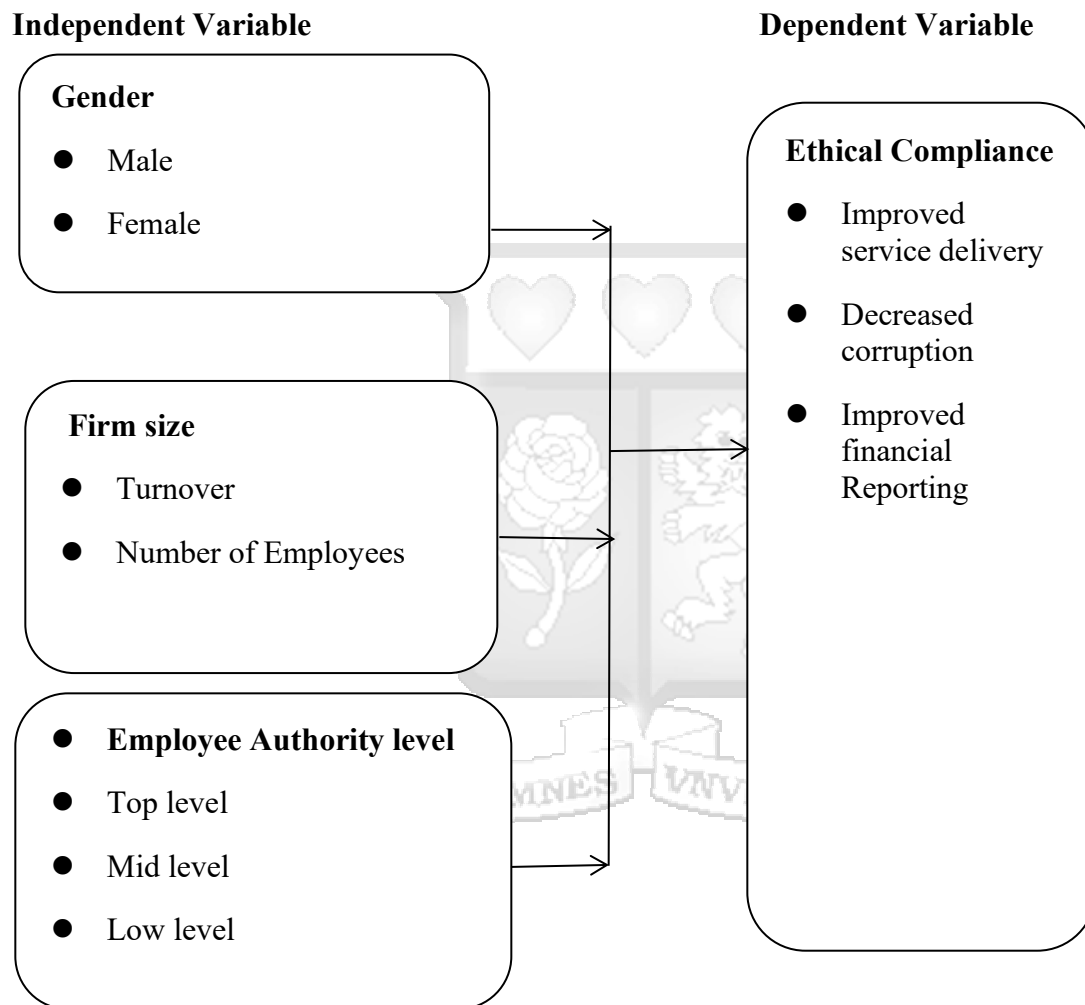


Figure 2.1: Conceptual Framework

2.6 Conceptual Hypothesis

The following null hypotheses are drawn from the conceptual framework and research objectives.

H₀₁ : Gender does not have significant influence on ethical compliance in the accounting profession.

H₀₂: Firm size does not have significant on ethical compliance in the accounting profession.

H₀₃: Employee authority level does not have a significant impact on ethical compliance in the accounting profession.

2.5.1 Operationalization of the Variables

Table 2.2: Operationalization of the Variables

Variable	Indicator	Measure of Indicator	Questionnaire Items	Supporting Literature
(Independent Variable) Gender	male	point Likert Type Scale	Section B	Helmy (2018)
	female			Haron et al. (2014)
(Independent Variable) Firm size	Profits	Point Likert Type Scale	Section C	Casalli & Perano (2021)
	Number of workers			Aprilliani et al. (2014)
(Independent Variable) Employee Authority	Top level	Point Likert Type Scale	Section D	Endenich & Trapp (2020)
	Mid-level			Gamarra & Giroto (2022)
	Lower level			
(Ethical decision-making process) Dependent variable	Improved service delivery	Point Likert Type Scale	Section E	Cheng & Firth, (2005)
	Decreased corruption			

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter addressed the process to be followed in conducting the research, the populations and population sampling methodology, data collections tools and techniques and analytical methods to be used. The different elements that were covered in this chapter included the research design, philosophy, data collection and data presentation techniques. All these elements were crucial as they help in achieving the research objectives and answering the various research questions.

3.2 Research Philosophy

The positivist and phenomenology are two main schools of research philosophy. The research study philosophies like as pragmatism as well as realism exist in constituent to these two major schools of cognitive content (Nachmias & Nachmias, 2004). This study adopted the positivist philosophy. As per Saunders, et al. (2007) it utilized quantitative approaches as opposed to phenomenology, that adopts a qualitative approach.

According to Cooper & Schindler (2006), positivism is a research study philosophy that prioritizes precision in quantification as well as the reliability of findings. This study, therefore, adopted a positivistic research philosophy because it was based on quantitative data and was quantitatively test the validity of results and research hypotheses to generalize the study results to the population. This investigation adhered to the positivist stance for ontological, epistemological, as well as scientific reasons. Such factors would affect the report's underlying assumptions, in addition to the outcomes of hypothesis testing based on the discovered factors, which were used to determine the existence of a connection throughout the sample population.

3.3 Research Design

Yin (2003) defined study design as the connection among the empirical information and form the conclusions drawn from the study questions. For the survey, a descriptive research design was used. Descriptive research provides a precise image of individuals, events, or situations (Kothari, 2014). For this reason, it is thought that the descriptive survey is a great approach to achieve the survey's objectives. The primary goals of descriptive research are to describe the characteristics of the population under study, create personalized forecasts, as well as determine if two variables are

connected. The study was able to get a feel for all the research objectives with the descriptive design employed here. This methodology was also allowed for the collection of quantitative information, since the research would be able to recognize patterns depicted in the factors, allowing for simple interpretation of the existing links among these factors (Kombo & Tromp, 2006).

3.4 Population and Sample

A population is all the demographic subsets or things that share some characteristics, according to Mugenda (2014). According to ICPAK, (2023), there are over 35,000 members. The 25,000 ICPAK members are in Nairobi County, who made up the population of the research. These ICPAK professionals work in a wide variety of businesses and have a wide range of responsibilities. Nairobi County was chosen since most of the ICPAK are concentrated in the city. Using a non-probabilistic method, researchers employ the deliberate random sampling technique to pick samples according to their comprehension as well as familiarity with the topic of investigation. This ensures that the research population is representative of the respondents who are being studied. This made sure that all the people who are chosen to participate in the survey could give useful data that advanced the study's aims. The standard of unpredictability states that each component must have a comparable likelihood at each draw for a sample to be considered random. 250 ICPAK members are going to be chosen using this procedure. A minimum of 10% of the population is required for a sample, according to Mugenda & Mugenda (2014).

Table 3.3: Sample Size

Position	Population	Sample	Percentage
Top level	5000	50	20
Middle level	7500	75	30
Lower level	12500	125	50
Total	25000	250	100

3.5 Data Collection Methods

Both primary and secondary data collection techniques are applicable in the study. Secondary data will be gathered from peer-reviewed journal articles, ICPAK reports, new media articles and books

are used to build the literature for the study. Primary data was collected from the respondents by use of questionnaires (see Appendix 1) which had both closed and open-ended questions. Structured questionnaires comprised of closed-ended questions designed based on the objectives and hypotheses of the research and further guided by reviewed literature and theories. The questionnaires will be targeted to the ICPAK certified accountants. The primary centered information was gathered utilizing self-administered questionnaires. There are five sections in the questionnaire and section I was utilized to gather information on profile of profile of respondents; section II collected information on Gender; section III on firm size; section IV on Employee level of Authority (Kombo & Tromp, 2006).

3.6 Data Analysis

According to Bryman (2016), Data analysis is the process through which researchers make sense of unstructured data. Data analysis is key to meeting the study objectives as it presents an explanation of the data collected from the field with what the researcher hypothesized. Quantitative methods of analysis were employed in the study. Data collected was checked for accuracy and where necessary, follow up calls to respondents made to ensure any ambiguity is eliminated. Data were then coded and classified into relevant categories. A quantitative method was used for data analysis in relation to the positivism philosophy used for this research. This produces highly specific and precise data utilizing descriptive as well as inferential statistical analysis. The descriptive statistical analysis, bivariate correlations as well as simple and spearman's correlation analysis was used to measure the degree to which two variables are related. To determine the type and extent of the link among a dependent component and the independent factors, regression analysis was utilized. Predicting as well as comprehending the impact of various elements on the result is made easier with its support in quantifying the relationship between alterations in independent variables along with modifications in the factor that is dependent (Kombo & Tromp, 2006).

Table 3.4: Summary of Objectives, Hypotheses and Analytical Model

Objectives	Hypotheses	Analytical Model	Interpretation
To determine the extent to which gender influences ethical compliance in the accounting profession in Kenya.	H1: Gender does not have significant influence on ethical compliance in the accounting profession.	$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$	<ul style="list-style-type: none"> • $\rho=+1$: perfect positive monotonic correlation • $\rho=-1$: perfect negative monotonic correlation • $\rho=0$: no correlation (no monotonic relationship)
To determine whether firm size influences ethical compliance in the accounting profession in Kenya.	H2: Firm size does not have significant influence on ethical compliance in the accounting profession.	$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$	<ul style="list-style-type: none"> • $\rho=+1$: perfect positive monotonic correlation • $\rho=-1$: perfect negative monotonic correlation • $\rho=0$: no correlation (no monotonic relationship)
To assess whether employee authority influences ethical compliance in the accounting profession in Kenya.	H3: Employee authority level does not have significant influence on ethical compliance in the accounting profession.	$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$	<ul style="list-style-type: none"> • $\rho=+1$: perfect positive monotonic correlation • $\rho=-1$: perfect negative monotonic correlation • $\rho=0$: no correlation (no monotonic relationship)

Where.

- ρ (rho): Spearman's rank correlation coefficient. Its value ranges from -1 to +1.
 - +1 indicates a perfect positive correlation.
 - -1 indicates a perfect negative correlation.
 - 0 indicates no correlation.
- d_i : The difference between the ranks of each pair of values (i.e., $\text{rank}(X_i) - \text{rank}(Y_i)$).
- $\sum d_i^2$: The sum of the squared differences between ranks.
- n : The number of data pairs.

3.7 Research Quality

The degree to which the results accurately reflect the target variable is known as validity. According to Stokes and Wall (2017), validity is achieved when the results obtained from the data synthesis processes accurately reflect the occurrence being studied. Two categories of validity exist: content validity as well as face validity. A pre-test is the best approach to increase the likelihood of face validity (Bryman & Cramer, 2012). Content validity refers to how well a measurement captures all aspects of a social concept. To ensure the content validity of the analysis, experts in the field of inquiry, particularly members of the line administrative employees, will be engaged.

The degree to which the outcomes from each measurement process are consistent when tested again is what dependability is all about, say Tavakol and Bell (2011). The research questionnaire's Cronbach alpha will be calculated by applying SPSS Version 25. The survey also conducted reliability tests to determine whether there is internal consistency within the study instrument. This involved the calculation of the Cronbach alpha scores to check on the acceptability of the study questionnaire. The research used the provided decision rule whereby only variables with a Cronbach score of above 0.7 are considered adequate for adoption in the main survey (Tavakol and Dennick 2011). The constructs that do not meet this threshold will not be considered.

The internal coherence of the survey was assessed using Cronbach's Alpha, a reliability metric. To determine dependability, SPSS version 26 was used to compute Cronbach's alpha. For components

retrieved from dichotomous through/or multi-point structured surveys or scales at the 0.5 relevance level, the alpha coefficient, from 0 to 1, could be a more trustworthy created scale is indicated by a higher value. A reliability coefficient of 0.7 is considered satisfactory by Cooper & Schindler (2008). Firm size ($\alpha=0.835$), employee authority ($\alpha=0.810$), and gender ($\alpha=0.788$) as shown in table 4.3 below. Because their reliability scores were higher than the required 0.7, this shows that all four scales proved trustworthy (Mugenda & Mugenda, 2008).

Table 3.5: Reliability Coefficients

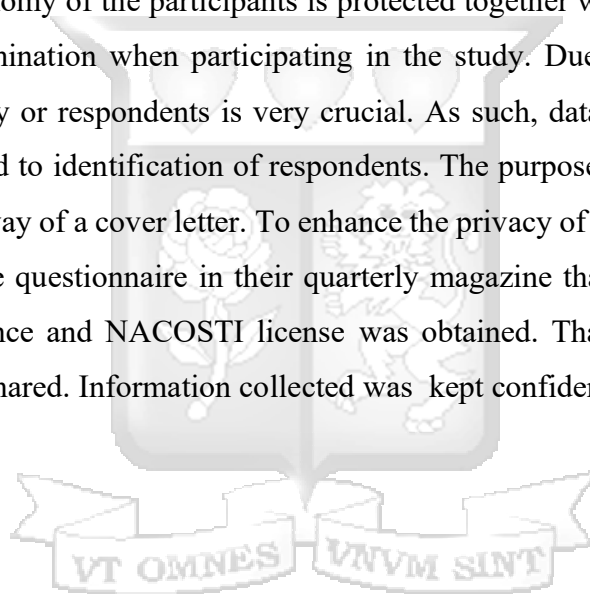
Scale	Cronbach's Alpha	Number of items
Gender	0.788	12
Firm size	0.835	11
Employee Authority	0.810	15

Validity test was done by administering the questionnaire in a pilot study before data collection from the target population. The study instrument's face validity and content validity were strengthened by consulting with university experts during master's committee demonstrations, open forums, including departmental project examinations at the University. The researcher fixed any questions that were unreliable, vague, or had two sides. Content validity was ascertained by exposing it to double checks by an expert from among those who teach research methods. That way, the survey inquired about all the relevant factors, such as gender, firm size, ethical authority on ethical decision making in the accounting profession. Following Nassiuma (2000), a pilot study was carried out by the examiner to confirm the anticipated variability, identify potential sources of error, as well as remove unnecessary questions. Researching the sample components, as well as potential reactions as well as measurement issues, can be better understood with the help of the trial (Muendo, 2015). I would suggest using no fewer than of 10 replies in the test responder group to ensure transparency as well as appropriateness (Aaker, Kumar and Day, 2004). The pilot study sampled 10 responses via convenience sampling of ICPAK members.

To guarantee that presumptions for spearman's correlation analysis are met, data will be tested for linearity, normality, multicollinearity, homoscedasticity and autocorrelation (serial correlation) (Osborne & Waters, 2002)

3.8 Ethical Considerations

Before the participating in the study, prior information will be provided to the participants on the nature of the study. The participants were also informed how information collected from them was used. This is important as it ensures that informed consent is gotten from the participants who agree to participate in the study knowingly, voluntarily and in an intelligent way. This also helped in ensuring that the autonomy of the participants is protected together with their individual rights since there is self-determination when participating in the study. Due to the sensitivity of the research topic, anonymity or respondents is very crucial. As such, data collected excluded any information that may lead to identification of respondents. The purpose of the research was also to be communicated by way of a cover letter. To enhance the privacy of respondents, ICPAK may be requested to insert the questionnaire in their quarterly magazine that is sent to all members. Strathmore IERB clearance and NACOSTI license was obtained. That way, the details of the respondents will not be shared. Information collected was kept confidential.



CHAPTER FOUR: DATA ANALYSIS RESULTS AND DISCUSSIONS

4.1. Introduction

This chapter explores details on research results and analysis on the factors influencing ethical compliance in the accounting profession in Kenya. Descriptive and inferential statistics have been used to discuss the findings of the study.

4.2 Response Rate

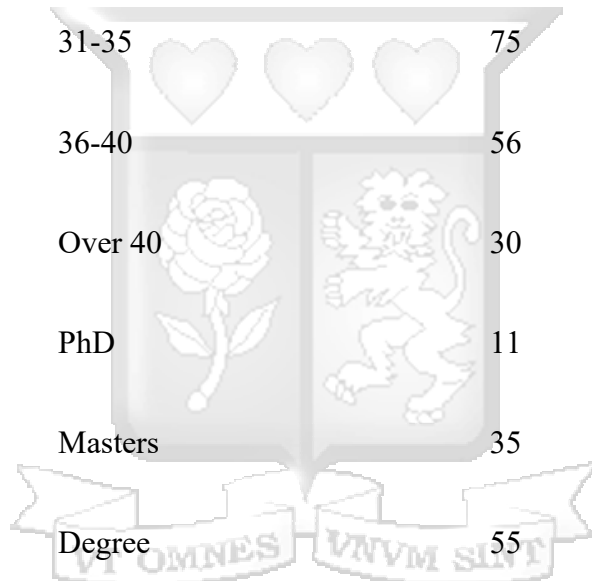
The respondents in the study were the 250 ICPAK members. The study created a questionnaire for data collection. Once filled, the questionnaire was sent to the researcher. The study targeted 250 ICPAK members. A total of 220 out of the 250 questionnaires sent out came, for a rate of 88%. To draw any results from this investigation, this response rate was enough. According to Weisberg, Krosnick, and Bowen (2006), 70% is the optimal level of responsiveness. As per Mugenda & Mugenda (2008), for evaluation as well as transmission, a 50% response rate is sufficient, a 60% rate is good, while a 70% rate and greater, outstanding. It was concluded that the reply's rating was exceptional because the assertion was backed by it.

4.3 Demographic Information Analysis

The study wanted to discover the factors influencing ethical compliance in the accounting profession in Kenya. The demographic information of the respondents included gender, age in years, highest level of education, and work experience. The inclusion of the demographic information of the respondents would add flavor to the study as the results would elaborate the perception of different demographic groups. The findings from the analysis are illustrated in the following table 4.6 below.

Table 46: Demographic Findings

Total n = 55		n	%
Gender	Male	101	46
	Female	119	54
Age	18-25	20	9
	26-30	39	18
	31-35	75	34
	36-40	56	25
	Over 40	30	14
Educational level	PhD	11	5
	Masters	35	16
	Degree	55	25
	Diploma	70	32
	Certificate	44	20
Work experience	Below 5	28	13
	5-9	66	30
	10-14	40	18



	15-19	<u>36</u>	<u>16</u>
Own practices	Yes	<u>132</u>	<u>60</u>
	No	<u>88</u>	<u>40</u>
Sanctioned for wrong doing	Yes	<u>11</u>	<u>5</u>
	No	<u>209</u>	<u>95</u>
Serving on boards	Yes	<u>57.2</u>	<u>26</u>
	No	<u>162.8</u>	<u>74</u>

The goal of the survey was to analyze the gender of the respondents. From the questionnaires, 101 resulting to 46% were male while 119 resulting to 54% were female. The study thus inferred that majority of the respondents possessed enough experience to provide information on the factors influencing ethical compliance in the accounting profession in Kenya.

On the issue of age in years. 75 interviewees, representing 34% of those who participated in the survey said they were between the ages of 31 and 35, according to the results. Those who were aged between 36-40 years were (56, 25%). Additionally, those of between 26-30 years were (39, 18%) while those aged over 40 years were (30, 14%). The least were the employees aged 18 to 25 years representing (20, 9%). The study thus inferred that majority of the respondents possessed enough experience to provide information on the factors influencing ethical compliance in the accounting profession in Kenya.

The researchers wanted to know how far along the educational ladder the participants were. The outcomes are shown in the figure below.

The data showed that 25% reported having a bachelor's degree or higher. Those who had a diploma were the highest at 32% of interviewees. Additionally, the study found that 20% of the participants held a certificate. Moreover, 16% of the total respondents conceded to having a master's degree level of education as their highest while 5% had PhD level of education. Accordingly, most participants were learned to comment on the factors influencing ethical compliance in the accounting profession in Kenya.

The study sought to find out the work experience of the interviewees. As per the research, majority (66, 30%) of the respondents indicated they had been working for 5-9 years. Those who indicated they had been working for 20 years and above were (50, 23%). Additionally, those who indicated they had been working between 10-14 years were (40, 18%) while those who indicated having worked between 15 to 19 years were (36, 16%). The least of the respondents (28, 13%) had worked for less than 5 years. The study thus inferred that majority of the respondents had worked long enough to furnish data on factors influencing ethical compliance in the accounting profession in Kenya.

On whether the ICPAK member interviewees run their own practices, 60% agreed to owning their own practice while 40% were employed by the government and private enterprises. All interviewees agreed to being members of ICPAK. The study also found out that only 5% of the had been previously sanctioned for wrong doing while the rest at 95% were found to be in good books of doing the right things. Additionally, 26% of the were currently serving on boards while 74% were not. The study also discovered that all the interviewees had done ethical training that involve compliance within the accounting profession.

4.4 Descriptive Analysis

The purpose of the research was to ascertain the factors that influence ethical compliance. The factors that influence ethical compliance among accounting professionals were the subject of a five-point Likert scale survey, with participants asked to rank various factors according to their sentiment. From "strongly agree" (5) to "strongly disagree" (1), the spectrum was covered. With a score of 1, "strongly disagree," 2 "disagree," 3 "neutral," 4 "agree," along with 5 "strongly agree" were expressed.

4.4.1: Gender

The study aimed to find out whether gender influence ethical compliance among accounting professionals. Table 4.7 here under displays the results obtained from the participants.

Table 4.7: Gender

Gender	N	Mean	Std. Deviation
A few rules and regulations put into place by the company may have a distinct effect on men but also women in terms of their dedication to the company.	220	4.901	.465
Another stereotype is that women are more careful with their details than males.	220	4.802	.541
There is a more noticeable gender gap when it comes to ethical behavior.	220	4.320	.543
The county has long-term form of budgetary control is used in place	220	4.114	.531
Generally, men approach moral dilemmas through the lens of detached, objective, as well as impersonal moral codes.	220	4.235	.484
Maintaining these connections, not harming other people in these interactions, as well as taking care of the welfare of others are the main concerns of women whenever they face moral dilemmas.	220	4.423	.577
Valid N (listwise)	220		

Participants' comments made it extremely evident that gender had a major impact on ethical compliance among accounting professionals. The study revealed that (M=4.901, S. D= 0.465) that some workplace policies as well as procedures may have a distinct effect on men but also women in terms of their dedication to the company. The study also revealed that most participants concurred (M=4.802, S.D= 0.541) that another stereotype is that women are more careful with their details than males. From the examination most participants concurred (M=4.320, S. D=0.543) that there is a more noticeable gender gap when it comes to ethical behavior. Most participants concurred (M=4.114, S. D=0.531) that the county has long-term form of budgetary control. In

addition, respondents concurred (M=4.235, S.D=0.484) that generally, men approach moral dilemmas through the lens of detached, objective, as well as impersonal moral codes. Finally, most participants concurred (M=4.423, S.D=0.577) that keeping these links, not harming other people in these interactions, as well as taking care of the welfare of others are the main concerns of women whenever they face moral dilemmas. From these findings, it was clear that gender had a significant influence on ethical compliance among accounting professionals.

4.4.2: Firm Size

The purpose of this research was to ascertain whether firm size influences ethical compliance among accounting professionals. The results from the survey are displayed in table 4.8 below.

Table 4.8: Firm Size

Firm Size	N	Mean	Std. Deviation
Moral capacity for reasoning rises in proportion to the degree to which employees of small firms encounter ethical challenges. This, in turn, causes people to make moral decisions	220	4.543	.445
Big businesses are governed by administrative rules as well as oversight, accountants working for such companies are more inclined to act morally than their smaller counterparts	220	4.471	.489
Minute firms tend to work with other small businesses that aren't particularly concerned with making ethical decisions.	220	4.489	.491
To achieve a greater level of excellence in auditing, larger organizations are better equipped plus more dedicated.	220	4.211	.476
Large companies strive to keep their staff's expert knowledge and managerial skills high, while they also invest in their workers' academic development so that the business can keep its image intact.	220	3.926	.572
Many believe that this sector influences people's moral choices.	220	4.821	.409

When it comes to supporting the ethical judgments folks undertake at work, larger firms are more likely to gain from the introduction of supportive measures than smaller ones.	220	4.764	.501
Because of the higher degree of specialization of large audit firms' employees, the technological audits of audit group in large firms would be higher than that of small firms	220	4.222	.542
Major auditing firms have more technologically savvy auditing groups than smaller firms due to a greater level of expertise among major auditing company workers.	220	4.911	.506
Valid N (listwise)	220		

As per the outcome, most of the participants concurred (M=4.543, S.D = 0.445) that moral capacity for reasoning rises in proportion to the degree to which employees of small firms encounter ethical challenges. This, in turn, causes people to make moral decisions. Additionally, most interviewees concurred (M=4.471, S.D = 0.489) that big businesses are governed by administrative rules as well as oversight, accountants working for such companies are more inclined to act morally than their smaller counterparts. Also noted from the results is that they concurred (M= 4.489, S. D = 0.491) that minute firms tend to work with other small businesses that aren't particularly concerned with making ethical decisions. Moreover, to achieve a greater level of excellence in auditing, larger organizations are better equipped plus more dedicated which resulted in 4.211 mean and standard deviation of 0.476 signaling similarity of the investigation. In addition, majority concurred (M= 3.926, S. D = 0.572) that large companies strive to keep their staff's expert knowledge and managerial skills high, while they also invest in their workers' academic development so that the business can keep its image intact. A momentous number of interviewees concurred (M=4.821, S.D = 0.409) that Many believe that this sector influences people's moral choices. The investigation showed (M= 4.764, S.D = 0.501) that When it comes to supporting the ethical judgments folks undertake at work, larger firms are more likely to gain from the introduction of supportive measures than smaller ones. Additionally, because of the higher degree of specialization of large audit firm's employees, the technological knowledge of audit groups in large firms would be higher than in small auditors by a mean of 4.222 as well as a SD of 0.542 of outcomes. The

respondents also concurred (M= 4.911, S.D = 0.506) that Major auditing firms have more technologically savvy auditing groups than smaller firms due to a greater level of expertise among major auditing company workers. As per the results, firm size has a significant effect on ethical decision making among accounting professionals.

4.4.3: Employee Authority Level

The purpose of this research was to ascertain whether employee authority level influences ethical compliance among accounting professionals. The results from the survey are displayed in table 4.9 below.

Table 4.9: Position Level

Employee Authority Level	N	Mean	Std. Deviation
Work that allows for some degree of inventiveness as well as independence fosters a sense of fulfilment that promotes moral and adult growth.	220	4.121	.434
Higher-ranking employees in auditing companies are subject to greater risk than lower-ranking employees.	220	4.578	.519
Certified public accountants' perspectives on ethical dilemmas are most strongly influenced by the behavior of their business colleagues.	220	4.390	.566
From the position of staff auditor to that of supervisor, an auditor's ethical judgment grows stronger; yet, from management to collaborator, it declines.	220	4.333	.580
As one's responsibilities grow, so does their awareness of rules.	220	4.521	.494
Valid N (listwise)	220		

As per the outcome, most of the participants concurred (M=4.121, S.D = 0.434) that, work that allows for some degree of inventiveness as well as independence fosters a sense of fulfilment that promotes moral and adult growth. Additionally, most interviewees concurred (M=4.578, S.D =

0.519) that officers in these companies are subject to major risk than lower-ranking employees. Also noted from the results is that they concurred ($M= 4.390$, $S. D = 0.566$) that certified public accountants' perspectives on ethical dilemmas are most strongly influenced by the behavior of their business colleagues. Moreover, the county, finds that from the position of staff auditor to that of supervisor, an auditor's moral sentiment grows stronger; yet, from management to collaborator, it declines which resulted in 4.333 mean and standard deviation of 0.580 signaling similarity of the investigation. In addition, majority concurred ($M= 4.521$, $S. D = 0.494$) that as one's responsibilities grow, so does their awareness of rules. As per the results, position levels have a significant effect on ethical compliance among accounting professionals.

4.4.4: Ethical Compliance

The research was to verify or refute the following claims about ethical compliance among accounting professionals. Table 4.10 below displays the results obtained from the participants.

Table 4.10: Ethical Compliance

Ethical Compliance	N	Mean	Std. Deviation
There is fairness in the way services are provided over the five years.	220	4.721	.567
Honesty has been enhanced during the past five years.	220	4.789	.444
A rise in earnings has occurred owing to integrity.	220	4.721	.509
There have been fewer instances of corruption at the organization.	220	4.564	.490
There has been integrity in the departments	220	4.822	.589
Confidentiality has enhanced service delivery	220	4.390	.533
Valid N (listwise)	220		

As per the result outcomes ($M=4.721$, $S.D = 0.567$) concur that there is fairness in the way services are provided over the five years. Most interviewees concurred ($M=4.789$, $S.D = 0.444$) that honesty has been enhanced during the past five years. Also noted ($M= 4.721$, $S.D = 0.511$) that a rise in earnings has occurred owing to integrity. Also noted is that there have been fewer instances of corruption at the organization. with a mean of 4.564, as well as standard deviation of 0.490

showing similarity of data results. As per the result outcomes (M=4.822, S.D = 0.589) concur that there has been integrity in the departments. They also concur (M=4.390, S.D = 0.533) that confidentiality has enhanced service delivery. The results showed that ethical compliance is very important.

4.5 Bivariate Linear Correlation Analysis

Linear correlation analysis confirmed the hypothesis of a relationship between the variables.

Table 4.11 displays the outcomes.

Table 4.11: Bivariate Correlation

	Y=Ethical compliance	X1=Gender	X2=Firm Size	X3=Employee Authority Level
Y=Ethical compliance	1			
X1=Gender	-0.37865	1		
X2=Firm Size	-0.29744	-0.24531	1	
X3=Employee Authority Level	-0.25476	-0.19653	-0.34724	1

Correlation between Ethical Compliance (Y) and other variables: Ethical compliance & Gender had a correlation of -0.37865 which was moderate negative correlation. As gender shifts, ethical compliance tends to decrease. This suggests that one gender group is less likely to comply ethically. Ethical compliance and Firm Size had a correlation of -0.29744, showing a moderate negative correlation. Hence larger firms may be related with displace ethical conformity. Additionally, ethical compliance and Employee Authority Level had a correlation of -0.25476 displaying a debilitated to intermediate negative correlation. Hence, higher authority levels may correlate with lower ethical compliance.

Correlation among Independent Variables: The correlation between gender and firm size was -0.24531 exhibiting moderate negative correlation between Gender and Firm Size. The correlation between gender and authority level was -0.19653 showing a weak negative correlation between

Gender and Authority Level. The correlation between firm size and authority level was -0.34724 showing a moderate negative correlation between Firm Size and Employee Authority Level.

All correlations are negative, suggesting that as each independent variable increases, ethical compliance decreases. There are no high correlations (above 0.8 or below -0.8) between the independent variables, which suggests no multicollinearity issue if you plan on running a regression analysis. Hence, Ethical compliance is negatively correlated with all three independent variables. The strongest negative correlation is between Gender and Ethical compliance, suggesting gender might be a significant factor in ethical behavior depending on how gender is coded. Firm size and employee authority also show negative relationships with ethics, but to a lesser extent. There's some multicollinearity (inter-correlation) among the independent variables, but none of the correlations are so high (i.e., > 0.8 or < -0.8) that it would raise serious red flags for standard regression analysis.

4.6 Regression Analysis

Ethical compliance in the accounting profession in Kenya was the intended focus of the research, that purpose to ascertain the actors affecting it. Gender, firm size, and employee authority were the elements that were examined. So, here was the regression model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where.

α = Constant

Y as Ethical compliance

X₁ as Gender,

X₂ as Firm Size

X₃ as Employee Authority

ε = Stochastic disturbance error term

4.6.1 Multiple Regression Model Validity

The study sought to determine the ANOVA used to present regression model significance. The findings are presented in Table 4.12.

Table 4.12: Model Validity

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.391	20	1.431	57.741	.000 ^b
	Residual	3.371	200	.048		
	Total	10.762	220			

a. Dependent Variable: Ethical Compliance

b. Predictors: (Constant), Gender, Firm Size, and Employee Authority.

The purpose of the research was to examine the multiple regression model for its validity. To ensure model validity, the F statistics were employed. Based on the results, the model was determined to be valid ($F(20, 200) = 57.741, P < 0.001$). Consequently, it follows that the three predictor factors adequately account for the observed variance in ethical compliance.

4.6.2 Multiple Regression Model Summary

The statistical findings of the model's goodness of fit were the main topic of the inquiry. In Table 4.13, you can see the results.

Table 4.13: Model's Goodness of Fit Statistics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744 ^a	.760	.634	.166

All told, the two forecaster variables account for 76.0% of the variance in ethical compliance in accounting profession, according to the R-squared (R^2) coefficient of determination (76.0%). That means that 24.0% is covered by the stochastic disturbance error term (ϵ).

4.6.3 Multiple Regression Variable Coefficients

Finding the coefficients of the various regression variables was the firsthand aim of the research. The results can be shown in Table 4.14.

Table 4.14: Multiple Regression Variable Coefficients

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	2.432	.634		5.213	.000
Gender (X ₁)	.788	.132	.181	2.401	.002
Firm Size (X ₂)	.845	.437	.189	9.501	.001
Employee Authority (X ₃)	.810	.389	.136	5.298	.001

a. Dependent Variable: Ethical compliance (Y)

In a statistical analysis,

X₁ was determined to have a significant and positive relationship with Y ($\beta_1 = 0.788$, $P < .002$).

X₂ had a positive correlation with Y and was determined to be statistically significant ($\beta_2 = 0.845$, $P < .001$). X₃ had a positive correlation with Y and was determined to be statistically significant ($\beta_2 = 0.810$, $P < .001$). With a t-value of 9.501, Firm Size has the largest statistical impact among all the relevant predictors.

4.7 Summary and Interpretation of Findings

The study targeted 250 ICPAK members. A total of 220 out of the 250 questionnaires sent out for a response rate of 88%. Gender, age in years, highest level of education, and work experience were the demographics. The study thus inferred that majority of the respondents possessed enough experience to provide information on the factors influencing ethical compliance in the accounting profession in Kenya. Moreover, the respondents had worked long to provide information on the factors influencing ethical compliance. Further, most participants had the necessary education to comment on the factors influencing ethical compliance in the accounting profession in Kenya. Finally, the study inferred that majority of the respondents had worked long enough to furnish data on factors influencing ethical compliance in the accounting profession in Kenya.

The first objective aimed to access gender influence on ethical compliance. Most interviewees concurred that some workplace policies as well as procedures may have a distinct effect on men but also women in terms of their dedication to the company. Additionally, the interviewees agreed that there is a more noticeable gender gap when it comes to ethical behavior. From the bivariate

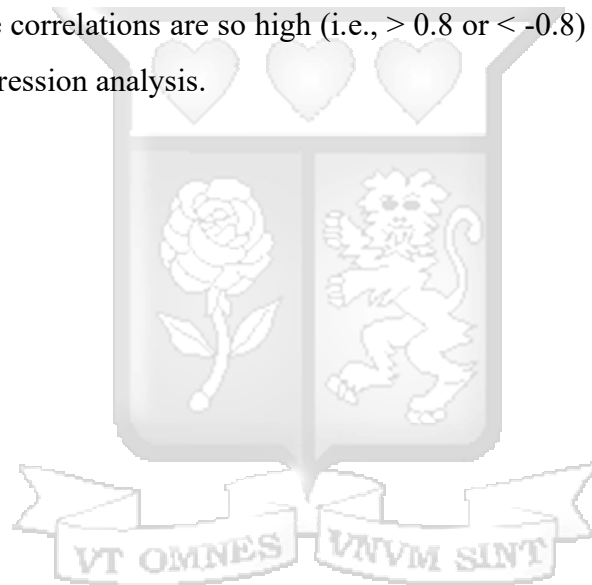
correlation analysis, there is a strong positive as well as momentous connection between gender and ethical compliance among accounting professionals. The findings are in line with Helmy (2018) who asserts that Conventional wisdom holds that an individual's gender is an indication of their "side bets" or a subjective trait that influences their level of emotional investment and their ability to maintain that investment over time. According to Ogunbamila and Udegbe (2014), female employees reported an improved standard of life at work compared to men in the workforce.

The study sought to ascertain whether firm size influences ethical compliance among accounting professionals. According to the results, most people think that moral capacity for reasoning rises in proportion to the degree to which employees of small firms encounter ethical challenges. This, in turn, causes people to make moral decisions. In addition, big businesses are governed by administrative rules. Accountants are more inclined to act morally than their smaller counterparts. Moreover, minute firms tend to work with other small businesses that aren't particularly concerned with making ethical decisions. Thus, a highly positive and statistically significant association between firm size and ethical compliance among accounting professionals was also discovered in the bivariate correlation study. This concurs with Ringle et al. (2022) who verified that larger audit firms have a favorable relationship with quality of auditing. However, according to other enquiries, both large as well as small audit companies may achieve a satisfactory standard of auditing excellence, therefore there's nothing distinct between the two in this regard (Delgado et al, 2022).

The study also sought to ascertain whether employee authority level influences ethical compliance among accounting professionals. According to the results, work that allows for some degree of inventiveness as well as independence fosters a sense of fulfilment that promotes moral and adult growth. Higher-ranking employees in auditing companies are subject to greater risk than lower-ranking employees. Moreover, certified public accountants' perspectives on ethical dilemmas are most strongly influenced by the behavior of co-workers. Moreover, from staff auditor's level to that of supervisor, an auditor's ethical judgment grows stronger; yet, from management to collaborator, it declines. Thus, a highly positive and statistically significant association between employee authority level and ethical decision making among accounting professionals was also discovered in the bivariate correlation study. This is in line with Lehnert, Park, and Singh (2015), who state that people in higher positions in audit firms are at more risk than people in lower

positions. Prior studies have demonstrated a strong correlation among a public accounting professional's rank as well as their growth in ethics. Compared to accountants in positions of lesser responsibility, those in upper management as well as partnership roles typically have less developed ethical standards.

In the spearman's regression model ethical compliance is negatively correlated with all three independent variables. The strongest negative correlation is between Gender and Ethical compliance, suggesting gender might be a significant factor in ethical behavior depending on how gender is coded. Firm size and employee authority also show negative relationships with ethics, but to a lesser extent. There's some multicollinearity (inter-correlation) among the independent variables, but none of the correlations are so high (i.e., > 0.8 or < -0.8) that it would raise serious red flags for standard regression analysis.



CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Study

The general objective of the study is to analyze the factors influencing ethical compliance in the accounting profession in Kenya. The specific objectives were to: determine the extent to which gender influences ethical compliance in the accounting profession in Kenya; determine whether firm size influences ethical compliance; and evaluate whether employee authority level influences ethical compliance in the accounting profession in Kenya. Hence, gender, firm size, and employee authority level were the independent variables which impact ethical compliance in the accounting profession in Kenya, the dependent variable, pursuant to the model.

This study adopted a positivistic research philosophy because it was based on quantitative data and was quantitatively test the validity of results and research hypotheses to generalize the study results to the population. A descriptive survey method was utilized in this investigation since the factors in question were not affected by any outside influences, and as a result, the findings of the investigation were to understand. Using a non-probabilistic method, researchers employed the deliberate random sampling technique to pick samples according to their understanding as well as acquaintance with the topic of investigation. This ensured that the research population was representative of the respondents who are being studied. 250 ICPAK members were chosen using this procedure from 2500 ICPAK members in Nairobi County. While a total of 250 questionnaires were distributed, the feedback came from the 220.

After finishing the field survey, the investigator made sure all the information collected was accurate, consistent, but also homogeneous. Reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency with types of firm size the at ($\alpha=0.835$), employee authority ($\alpha=0.810$), and gender ($\alpha=0.788$).

The study targeted 250 ICPAK members. A total of 220 out of the 250 questionnaires sent out for a response rate of 88%. Gender, age in years, highest level of education, and work experience were the demographics. The study thus inferred that majority of the respondents possessed enough experience to provide information on the factors influencing ethical compliance in the accounting profession in Kenya. Moreover, majority of the respondents possessed massive experience for relevance data on the factors influencing ethical compliance. Further, most participants felt they

had the necessary education to comment on the factors influencing ethical compliance in the accounting profession in Kenya. Finally, the study inferred that majority of the respondents had worked long enough to furnish data on factors influencing ethical compliance in the accounting profession in Kenya.

The first objective aimed to discover interviewees perception on whether gender influences ethical compliance among accounting professionals. Most interviewees agreed that as a general rule, men approach moral dilemmas through the lens of detached, objective, as well as impersonal moral codes. Moreover, men approach moral dilemmas through the lens of detached, objective, as well as impersonal moral codes. Hence, having these connections, not harming other people in these interactions, as well as taking care of the welfare of others are the main concerns of women whenever they face moral dilemmas. From the bivariate correlation analysis, there is a strong positive as well as momentous connection between gender and ethical compliance among accounting professionals.

The study sought to determine whether firm size had a significant influence on ethical compliance among accounting professionals. According to the results, big businesses are governed by administrative rules as well as oversight, accountants working for such companies are more inclined to act morally than their smaller counterparts. Additionally, big businesses are governed by administrative rules as well as oversight, accountants working for such companies are more inclined to act morally than their smaller counterparts. Thus, to achieve a greater level of excellence in auditing, larger organizations are better equipped plus more dedicated. Consequently, a large companies strive to keep their staff's expert knowledge and managerial skills high, while they also invest in their workers' academic development so that the business can keep its image intact. A highly positive and statistically significant association between firm size and ethical compliance among accounting professionals was also discovered in the bivariate correlation study.

The study sought to determine whether employee authority level had a significant influence on ethical compliance among accounting professionals. According to the results, work that allows for some degree of inventiveness as well as independence fosters a sense of fulfilment that promotes moral and adult growth. Additionally, higher-ranking employees in auditing companies are subject to greater risk than lower-ranking employees. Thus, Certified Public Accountants' perspectives on

ethical dilemmas are most strongly influenced by the behavior of their business colleagues. A highly positive and statistically significant association between employee authority level and ethical compliance among accounting professionals was also discovered in the bivariate correlation study.

In the spearman's regression model, ethical compliance is negatively correlated with all three independent variables. The strongest negative correlation is between Gender and Ethical compliance, suggesting gender might be a significant factor in ethical behavior depending on how gender is coded. Firm size and employee authority also show negative relationships with ethics, but to a lesser extent. There's some multicollinearity (inter-correlation) among the independent variables, but none of the correlations are so high (i.e., > 0.8 or < -0.8) that it would raise serious red flags for standard regression analysis.

5.2 Conclusion

ICPAK members in Kenya have a responsibility of complying with the laid down ethical rules and regulations. All CPAs in Kenya are required to adhere to the rules set down by the Institute of Certified Public Accountants of Kenya (ICPAK). ICPAK has several directives including policies in place to ensure compliance. Unethical behavior hurts people and businesses alike. Thus, businesses have developed codes of ethics as well as implemented ethical initiatives to curb these immoral activities. The study found that improving ethical compliance was affected by gender, firm size and employee authority level.

To support key programs and public services, optimizing revenue through effective budgeting is essential. The Nairobi County government increases revenue collection and enforces strict budget rules, with penalties for those who do not comply. Improving service delivery in Nairobi County involves using structured revenue strategies and maintaining budget discipline.

The provision of a forecast detailing both earnings and expenses is the fundamental idea behind budgetary control. Creating an illustration of how a corporation may operate effectively if tactics, circumstances, as well as plans are followed out is how this objective might be accomplished. For this reason, the county's leadership makes utilization of budgetary oversight as the primary method of corporate internal monitoring. This method offers a managerial infrastructure that is comprehensive and enables the distribution of funding in a professional as well as effective

manner. The conduct of the highest executives and the existence of positive interactions between the various levels of a company's structure are factors that determine whether managerial power is realized. Therefore, it is imperative that every single person in the county is fully engaged in the accomplishment of the business objectives via the smart utilization of funds.

5.3 Contribution to Theory and Knowledge

The theory of planned behavior serves as the primary theoretical foundation for this inquiry. The others included such as Kant's theory of morality but also the cognitive approach of ethical decision making.

This study aggregation highlights that gender, firm size and employee authority level influence ethical compliance in the accounting profession. These findings have an implication on the theory of planned behavior which the study was grounded. To better comprehend as well as impact accountants' ethical conduct, the Theory of Planned Behavior provides a robust paradigm. Accountants' trust including backing networks, as well as mindsets, can be greatly improved by efforts made by accounting associations along with enterprises to enhance ethical compliance. According to Mitonga and Cilliers (2015), the degree to which personnel are invested in the company as well as their propensity to report wrong doing are correlated with their views on the scheme's objectives as well as adherence.

The cognitive theory of ethical decision-making places an emphasis on thinking, being self-aware, and making decisions, all of that are critical for accountants to uphold the confidence of others in their profession. The findings support the theory in ethical decision making as it helps in understanding how serious accountants take ethical dilemmas as well how much they think about the consequences thus impacting on their professional ethical compliance. According to Sulaiman et al., (2022), in hypothetical situations, desire for society and deceitful behavior could have a larger role than in situations where people confront actual incentives to behave unethically. Reacting in a customary as opposed to spontaneous manner might contribute to ethical behavior, suggesting that the meaning of social fitness in EDM is multifaceted.

The findings contribute to Kant's theory of morality by stressing the importance of honesty, objectivity, and responsibility which encourages accountants to follow ethical standards. It highlights how accountants' professionalism and faith all serve as sources of moral guidelines in

ethical compliance. According to research by Lehnert, Park, and Singh (2015), people in higher positions in audit firms are at more risk than people in lower positions. Hence, prior studies have demonstrated a strong correlation among a public accounting professional's rank as well as their growth in ethics.

5.4 Recommendations to Policy and Practice

Further specialized services for youthful and lesser-established companies could be considered by legislators who are keen to encourage ethical conduct. Little business executives have a lot on their plates; therefore, they will look for targeted support in creating an ethical environment. The process of imprint is a powerful factor in corporate advancement; attitudes and principles set up from the beginning in a company have the potential to be perpetuated as it ages and grows. Therefore, such companies should aim to create targeted initiatives that could provide moral education to SMEs straight away.

From the study, gender affect the ethical compliance in accounting profession. The role of ethical compliance is of fundamental importance to the accounting profession. According to Voss (2021), various factors, such as the degree of maturity in regulating as well as enforcing organizations' legal responsibilities, the requirements and responsibilities of key staff, as well as the national identity as well as customs, influence how ethics are applied. Hence, the ethical compliance in the accounting profession policy maker in accounting is guided by findings on gender, firm size and employee authority level, where the research has shown that it affects the ethical compliance of the accounting profession.

The study concludes that government stakeholders should maintain strong ethical compliance in the accounting profession, ensure there is gender balance, take care of the small as well as large firms, and guarantee employee level of authority are adhered to encourage ethical compliance in the accounting profession. Better financial disclosure, on-time budget execution, fewer scams, higher quality services, openness of processes, as well as official responsibility are all outcomes that will result from this.

5.5 Limitations of the Study

The investigator faced difficulties in connection with this study, most notably throughout the procedure of data gathering. Considering the limits of financial restraints, the researcher struggled

with investigation because there were inefficient assets. The study included certain individuals who gave data that was prejudiced owing to factors such as the possibility of being victimized if the conclusions derived from the study showed to be negative.

Unaware of the potential consequences, participants were understandably wary as well as uncomfortable whenever asked to participate in a study. Additionally, the researcher reassured the responders by outlining the study aims as well as the environment, assuring them that it was an intellectual endeavor as well as that all data shared was to be kept anonymous.

The requested material was deemed confidential by administration due to its importance; as a result, accessibility was occasionally restricted. Because of this, the research could not have been carried out or any information obtained could not have been trusted. A letter of recommendation from the devolved unit pledging secrecy, as well as assuring the leadership of the county that information would be utilized exclusively for educational uses helped the investigator to overcome this. There was also insufficient data regarding the respondents' work location.

5.6 Suggestions for Further Research

The purpose of the research was to investigate the elements affecting ethical compliance in the accounting profession, and it was successful in accomplishing all its goals. Additionally, it brought up concerns that would call for additional investigation. It is possible that future study participants will take into consideration the following possibilities. To begin, all the information that was utilized in this investigation was comprised of self-reported information by the respondents. The use of quantitative sources of data, particularly the number of branches as well as earnings over the course of the previous five years, could be taken into consideration as performance metrics in further study. Using questions as well as interviews for the purpose of data collection along with triangulating the results during analysis is yet another methodological factor that should be taken into serious account. Furthermore, it is quite probable that a longitudinal investigation would generate results that are complementary to those obtained from this study.

Further research might reckon the prospect of disaggregating the context. This study was done on ICPAK member in Nairobi County, leaving out others. Similar variables: gender, firm size, and employee authority level can be observed in the remaining 46 counties and compare the results. Additionally, ICPAK is just one profession. Further studies should be carried out in other

professions for a comprehensive findings and conclusions with respect to ethical compliance in the accounting profession.

Finally, this study conceptualized ethical compliance factors in the accounting profession. The data indicates that there is a considerable correlation between the gender, firm size, and employee authority level on ethical compliance. On the other hand, the conception did not adequately exhaust factors affecting ethical compliance in the accounting profession. Consequently, it is possible that other variables will be incorporated into the conceptualization by further research. Ethical compliance aim should be investigated and its effect on accountability in the accounting professions ascertained. The independent effect of ethical compliance on performance of accounting professions was not within the compass of the research which can be considered for emerging studies.



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APPENDICES

Appendix I: Letter of Introduction

Date:

Dear:

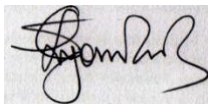
Please consider joining me in a research project on Ethics and Decision Making. The purpose of this research is to understand the factors that influence ethical decision making among accounting professionals. Your responses are important in enabling me obtain information that will shed more light on the topic. Your participation is, however, entirely voluntary.

The questionnaire will require not more than 20 minutes to complete should you decide to take part. Kindly use the supplied slots to answer the inquiries. We promise to keep all your information private. The details of your address have no significance whatsoever. However, for purposes of any follow up and clarification, you are kindly requested to include your telephone number only, if comfortable.

The data gathered would be used for my research project for my degree in Business studies at Strathmore University, School of Business Studies.

I hope you will find the questionnaire interesting to complete. Please return the completed questionnaire using the enclosed stamped and self-addressed envelope by April 30th, 2024.

Yours sincerely



Orlando Lyomu



Appendix II: Questionnaire

Hello, as part of partial requirements for the award of my masters, I must undertake research. on *the factors influencing ethical compliance in the accounting profession in Kenya*. Kindly answer to the following questions to the best of your ability.

Part A: Demographic Information

1. What is your gender?

Male

Female

2. Age in Years

18-25

26-30

31-35

36-40

Over 40 Years

3. Highest education qualification?

Certificate level

College diploma

University degree

Masters

PhD

4. Work experience?

Below 5

5-9

10-14

15-19

20 Years and Above

5. Are you involved in business or in practice

6. Do you work in a big 4 or big 8 or local audit firm



7. Do you run your own practice?
8. Are you members of the ICPAK?
9. Have you been sanctioned in the past for any wrong doing?
10. Do you serve in boards?
11. Have you done ethics trainings? How many and which ones?

.....

SECTION B: GENDER

Please rate how much you agree or disagree with each statement in the tables below using the scale provided below; **5= strongly agree** **4= Agree** **3= Somewhat Agree** **2= Disagree**
1= Strongly Disagree

	1	2	3	4	5
Some workplace policies as well as procedures may have a distinct effect on men but also women in terms of their dedication to the company.					
The typical gender gap in social orientation is wide.					
Another stereotype is that women are careful with their details than males.					
There is a more noticeable gender gap when it comes to ethical behavior.					
As a rule, men approach moral dilemmas through the lens of detached, objective, as well as impersonal moral codes.					
Maintaining these connections, not harming other people in these interactions, as well as taking care of the welfare of					

others are the main concerns of women whenever they face moral dilemmas.					
--------------------------------------------------------------------------	--	--	--	--	--

SECTION C: FIRM SIZE

5= strongly agree 4= Agree 3= Somewhat Agree 2= Disagree 1= Strongly Disagree	1	2	3	4	5
Moral capacity for reasoning rises in proportion to the degree to which employees of small firms encounter ethical challenges. This, in turn, causes people to make moral decisions					
Big businesses are governed by administrative rules as well as oversight, accountants working for such companies are more inclined to act morally than their smaller counterparts					
Minute firms tend to work with other small businesses that aren't particularly concerned with making ethical decisions.					
To achieve a greater level of excellence in auditing, larger organizations are better equipped plus more dedicated.					
Large companies strive to keep their staff's expert knowledge and managerial skills high, while they also invest in their workers' academic development so that the business can keep its image intact.					
Many believe that this sector influences people's moral choices.					

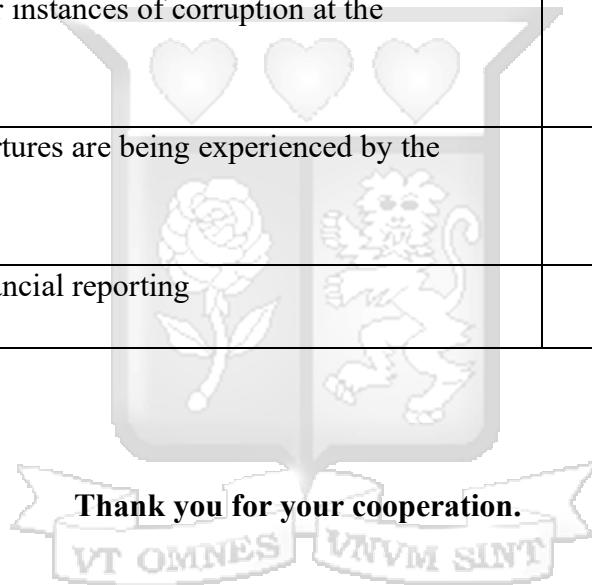
When it comes to supporting the ethical judgments folks undertake at work, larger firms are more likely to gain from the introduction of supportive measures than smaller ones.					
Major auditing firms have more technologically savvy auditing groups than smaller firms due to a greater level of expertise among major auditing company workers.					

SECTION D: POSITION LEVEL

	1	2	3	4	5
Work that allows for some degree of inventiveness as well as independence fosters a sense of fulfillment that promotes moral and adult growth.					
Higher-ranking employees in auditing companies are subject to greater risk than lower-ranking employees.					
Certified public accountants' perspectives on ethical dilemmas are most strongly influenced by the behavior of their business colleagues.					
From the position of staff auditor to that of supervisor, an auditor's ethical judgment grows stronger; yet, from management to collaborator, it declines.					
As one's responsibilities grow, so does their awareness of rules.					

SECTION E: ETHICAL COMPLIANCE

	1	2	3	4	5
The quality of services provided has improved within the past five years.					
The number of customers has increased during the past five years.					
A rise in earnings has occurred.					
There have been fewer instances of corruption at the organization.					
Low numbers of departures are being experienced by the organization.					
There is enhanced financial reporting					



THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing)
Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to.
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. Neither the license nor any rights thereunder are transferable.
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
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