

Exploring Ethical Dilemmas Faced by Accountants and Business Managers in Nigeria

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Abstract

This study explores the ethical dilemmas faced by accountants and business managers in Nigeria, with a focus on financial reporting manipulation, corruption and bribery, and asset misappropriation. Ethical conduct is crucial in maintaining trust, transparency, and integrity within financial and business management sectors. However, persistent challenges in Nigeria affect professionals' ethical perceptions and behaviours. Using a survey-based methodology, data were collected from a sample of 144 Nigerian accountants and business managers to examine the relationships between these unethical practices and perceptions of ethical conduct. The results indicate significant negative relationships between financial reporting manipulation, corruption and bribery, asset misappropriation, and ethical perceptions. Specifically, financial reporting manipulation is associated with eroded trust and diminished perceptions of ethical standards, as it misleads stakeholders and compromises professional integrity. Similarly, corruption and bribery were found to normalize unethical practices within the business culture, blurring moral boundaries and reducing ethical standards. Asset misappropriation also showed a negative impact on ethical perceptions, as misuse of resources fosters a culture of distrust and deteriorates the accounting profession's ethical standards. The study recommends strengthening regulatory oversight by bodies such as the Financial Reporting Council of Nigeria (FRCN) and the Institute of Chartered Accountants of Nigeria (ICAN) to discourage financial reporting manipulation. It also advocates for organizational policies promoting zero tolerance for corruption and bribery, along with robust internal controls to prevent asset misappropriation.

Keywords: Ethical Dilemmas, Financial Reporting Manipulation, Corruption, Bribery, Asset Misappropriation, Ethical Conduct, Nigeria.

Introduction

The perception of ethical conduct among accountants and business managers is vital to maintaining trust, transparency, and accountability in financial and business management sectors. In Nigeria, where ethical challenges are persistent, the behavior of professionals in accounting and business management is often scrutinized due to factors such as financial reporting manipulation, corruption, bribery, and asset misappropriation (Saidu, 2019; Adedeji, Soyinka, & Sunday, 2018). Financial reporting manipulation remains a key ethical dilemma, where professionals may alter financial statements to achieve specific targets or present a more favorable organizational image. This form of manipulation misleads

stakeholders and undermines trust, as professionals may justify these actions to align with organizational goals (Saidu, 2019; Gajere, Jugu, & Kutus, 2018).

Corruption and bribery further complicate ethical conduct in Nigeria's business environment. Research shows that corruption is pervasive, often pressuring professionals to compromise ethical standards for personal or organizational gain (Moses, 2019; Adedeji et al., 2018). Accountants and managers participating in or tolerating such practices may view ethical boundaries as flexible, further muddying the line between ethical and unethical behavior. Additionally, asset misappropriation, particularly the unauthorized use or theft of company assets, is a significant issue affecting the financial integrity of Nigerian organizations. This ethical lapse not only harms organizational profitability but also tarnishes the reputation of financial professionals (Abgonma, Promise, & Anietie, 2024). Despite the introduction of various regulatory frameworks and codes of ethics, these dilemmas persist, affecting public perception and trust in the profession (Obboh et al., 2020).

Problem Statement

The ethical conduct of accountants and business managers is crucial for ensuring transparency, accountability, and public trust in financial and business practices. However, in Nigeria, several ethical challenges persist, including financial reporting manipulation, corruption, bribery, and asset misappropriation, which continue to undermine the integrity of the accounting and management professions. Despite efforts to regulate and enforce ethical practices, these issues remain pervasive and have significant implications for the sustainability of Nigerian businesses and the broader economy (Saidu, 2019; Adedeji et al., 2018).

The prevalence of financial reporting manipulation, where accountants and managers may alter financial records to achieve specific organizational or personal objectives, remains a pressing issue. Even with the introduction of ethical frameworks and regulatory measures, such manipulation persists due to pressure to meet financial targets (Saidu, 2019; Obboh et al., 2020). Corruption and bribery, which are entrenched in Nigerian business practices, further complicate the situation, leading professionals to sometimes justify unethical decisions for personal or organizational gains (Moses, 2019; Adedeji et al., 2018).

While previous studies have focused on ethical challenges in Nigerian accounting (Obboh et al., 2020; Gajere et al., 2018), they often fail to address the direct relationship between specific ethical dilemmas such as financial reporting manipulation, corruption, and asset misappropriation and the perception of ethical conduct among Nigerian accountants and business managers. This study aims to fill this gap by examining the distinct impacts of these ethical dilemmas on the ethical perception of professionals in Nigeria. In the light of this, the following research questions will be answered;

1. How does financial reporting manipulation influence the perception of ethical conduct among Nigerian accountants and business managers?
2. What impact do corruption and bribery have on ethical standards within Nigeria's accounting and business management sectors?

3. What is the relationship between asset misappropriation and the ethical perceptions of Nigerian accountants and business managers?

Research Objectives

The broad objective of this study is to explore ethical dilemmas faced by accountants and business managers in Nigeria, specifically the study aim to;

1. examine the influence of financial reporting manipulation on the perception of ethical conduct among accountants and business managers in Nigeria.
2. assess the impact of corruption and bribery on ethical standards within the accounting and business management sectors in Nigeria.
3. investigate the relationship between asset misappropriation and ethical conduct among Nigerian accountants and business managers.

Literature Review

This section reviewed the related literature of the study, it starts by reviewing conceptually the dependent and independent variable, it further reviewed relevant theory of the study and finally reviewed related empirical studies.

Conceptual Review

Perception of Ethical Conduct

The perception of ethical conduct in organizations is a crucial factor that shapes behaviors and influences the overall culture within a workplace. In the context of Nigeria, ethical behavior is often seen through the lens of organizational justice, leadership actions, and employee relations. When leaders act ethically, it fosters an environment that encourages employees to act similarly (Abgonma, Promise, & Anietie, 2024). Moreover, when organizations have clear, transparent policies and enforce appropriate consequences for misconduct, employees are more likely to perceive the organization as ethical (Gajere, Jugu, & Kutus, 2018).

Research indicates that perceptions of ethical conduct are directly linked to trust, employee satisfaction, and organizational performance. When employees observe unethical behavior, their trust in the organization diminishes, often leading to disengagement and even higher turnover rates (Ojeka et al., 2019). Consequently, for organizations to maintain a positive reputation and ensure employee loyalty, they must foster a strong perception of ethical behavior through consistent ethical practices.

Ethical Dilemmas

Ethical dilemmas arise when individuals must make choices between competing moral principles, each of which can lead to different consequences. In many organizations, especially in Nigerian businesses, these dilemmas occur when personal values conflict with organizational goals, or when there are conflicting interests among stakeholders (Ifejika,

2018). These dilemmas often cause moral tension for employees, who may feel compelled to act unethically to meet business objectives or secure personal benefits (Ibrahim, 2019). For instance, ethical conflicts are common when employees must choose between maximizing profits and adhering to ethical standards. In highly competitive environments, such dilemmas can create significant internal conflict, especially when employees are pressured to prioritize organizational goals over ethical values (Saidu, 2019). Resolving these dilemmas effectively requires strong ethical leadership, clear organizational guidelines, and a commitment to maintaining an ethical workplace culture (Gajere et al., 2018).

Financial Reporting Manipulation

Financial reporting manipulation refers to the intentional alteration of financial data to misrepresent the financial condition of an organization. Common methods include overstating revenues, underreporting liabilities, or inflating profits to meet specific performance targets (Saidu, 2019). These manipulations are often motivated by pressures to meet market expectations, secure financing, or achieve bonuses tied to financial performance (Rashid et al., 2018).

The consequences of financial reporting manipulation are profound, leading to a loss of trust from stakeholders, potential legal consequences, and long-term damage to the organization's reputation. High-profile scandals like Enron and WorldCom underscore the dangers of such practices and highlight the need for stronger ethical oversight (Moses, 2019). To mitigate these risks, organizations must emphasize ethical decision-making, implement robust internal controls, and ensure transparency in all financial reporting practices (Rashid et al., 2018).

Corruption and Bribery

Corruption and bribery are widespread issues in Nigerian organizations, undermining fairness and transparency in both public and private sectors (Ibrahim, 2019). Bribery and corruption involve unethical practices where individuals or organizations offer or accept financial incentives to influence decisions, often in violation of legal or ethical standards (Namadi, 2020). These practices distort competitive environments and harm public trust, creating a culture where unethical behavior is normalized.

Corruption not only violates ethical principles but also destabilizes economic systems. For instance, bribery in procurement processes can lead to subpar goods or services, impacting long-term organizational sustainability (Okon & Ekpe, 2018). To combat these issues, organizations must create anti-corruption policies, foster a culture of transparency, and implement measures to ensure ethical compliance at all levels. Legal frameworks such as the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act also play a critical role in curbing international corruption (Ojeka et al., 2019).

Asset Misappropriation

Asset misappropriation is one of the most common forms of occupational fraud in which employees unlawfully use or steal company assets for personal gain (Dzarsa, 2024). This form of unethical behavior includes activities such as embezzling funds, stealing inventory, or misusing company property. Asset misappropriation can be particularly damaging, resulting in financial losses for organizations and undermining trust within the workplace (Gajere et al., 2018).

The risk of asset misappropriation increases when internal controls are weak, providing opportunities for employees to exploit organizational resources without detection. Studies show that smaller organizations, which may lack comprehensive oversight, are especially vulnerable to this type of fraud (Namadi, 2020). To reduce these risks, it is essential for organizations to establish strong internal control systems, conduct regular audits, and foster an organizational culture that encourages ethical behavior and accountability (Abgonma et al., 2024).

Theoretical Framework

One theory that aligns well with this study on ethical dilemmas in accounting and business management in Nigeria is the Theory of Planned Behaviour (TPB). This theory was developed by Icek Ajzen in 1985 as an extension of the Theory of Reasoned Action (TRA). The TPB offers a framework for understanding how human action is guided by intention, which is influenced by attitudes toward the behaviour, subjective norms, and perceived behavioural control (Ajzen, 1991). In essence, TPB suggests that an individual's intention to engage in a behaviour is the primary predictor of whether they will actually perform that behaviour.

According to the Theory of Planned Behaviour, three core components drive behaviour:

Attitudes toward the behaviour – This refers to an individual's positive or negative evaluations of performing the behaviour. If accountants and managers view ethical conduct favorably, they are more likely to engage in ethical practices.

Subjective norms – These are the perceived social pressures to perform or not perform a behaviour. For instance, if the professional environment in Nigeria normalizes unethical practices like bribery or manipulation, individuals may feel pressured to comply despite personal misgivings.

Perceived behavioural control – This is the perceived ease or difficulty of performing the behaviour, influenced by past experiences and anticipated obstacles. When accountants and managers believe they have control over ethical decisions, they are more likely to act ethically, whereas perceived lack of control may lead them to compromise on ethics.

The TPB proposes that these three factors collectively shape an individual's behavioural intentions, which in turn lead to actual behaviours. The Theory of Planned Behaviour is particularly relevant to this study because it provides a structured approach to understanding the motivations and pressures behind ethical and unethical actions among professionals. In the context of Nigerian accountants and business managers, TPB helps

explore how attitudes toward ethical conduct, perceived social norms, and perceived control over their actions influence decisions regarding financial reporting manipulation, corruption, bribery, and asset misappropriation.

The theory's focus on attitudes aligns with this study's objective to assess how ethical dilemmas impact perceptions of ethical conduct. For example, if professionals have a positive attitude toward transparency and honesty, they may resist pressures to engage in manipulative reporting or asset misappropriation.

The subjective norms component of TPB is highly relevant in understanding the influence of Nigeria's socio-economic and business culture on accountants and managers. The pervasiveness of corruption and bribery in Nigerian business practices may lead professionals to perceive unethical behaviours as normalized or even expected, thereby impacting their willingness to engage in such behaviours.

TPB's focus on perceived control aligns with this study's interest in identifying barriers to ethical conduct. For example, Nigerian professionals may perceive limited control over resisting unethical practices due to systemic issues, such as inadequate regulatory oversight or fear of reprisal from superiors or clients.

The Theory of Planned Behaviour is well-suited for this study because it emphasizes the influence of internal (attitudes) and external (norms and control) factors on decision-making processes, which are central to the ethical dilemmas faced by accountants and business managers. This theory allows researchers to delve into how professionals rationalize their actions when confronted with ethical challenges, and it helps in analyzing the complex interplay of personal beliefs and societal pressures in shaping ethical conduct.

Empirical Review

Ejike (2018) conducted a study titled "Corruption in Nigerian Business Practices," aiming to examine the prevalence of corruption within Nigerian business environments and its effects on ethical conduct among professionals. The study utilized a survey-based methodology to gather data, with a sample size of 200 respondents, all located within Nigeria. Findings from this study revealed that corruption is pervasive in Nigerian business practices, often pressuring professionals to compromise their ethical standards. The study highlighted how corruption can create environments where unethical behaviours are tolerated or even expected, further complicating the professional standards upheld by those in accounting and business management. However, a notable gap in Ejike's study was the lack of exploration into how these corrupt practices specifically impact the ethical perceptions and decision-making of managers, an area that could provide further insight into how leadership roles interact with ethical dilemmas in such settings.

Adeyemi and Uadiale (2011) conducted a study titled "*Financial Reporting Manipulation and Trust in Nigeria*" with the objective of examining the effect of financial reporting manipulation on stakeholder trust within Nigerian organizations. Employing a quantitative analysis approach, they gathered data from a sample of 150 respondents across Nigeria. The study's findings revealed that financial reporting manipulation has a significant

negative impact on stakeholder trust, eroding confidence in the integrity of financial information. A key limitation of this study was its limited focus on how such manipulation specifically affects various organizational facets beyond stakeholder trust, leaving a gap in understanding broader organizational consequences.

Ijeoma and Nwifo (2015) explored *"Ethical Challenges in Nigerian Accounting"* to identify the obstacles to ethical practices within the Nigerian accounting profession. Utilizing a mixed-method approach with both surveys and interviews, they collected data from 180 respondents across Nigeria. The study identified weak regulatory oversight as a major contributor to the ethical challenges facing accountants, with insufficient enforcement of ethical standards allowing misconduct to persist. However, the study did not address the specific issue of financial reporting manipulation in detail, presenting a gap in comprehensively understanding how this particular ethical challenge impacts the accounting sector.

Omoye and Eriki (2014), in their study titled *"Impacts of Financial Manipulation in Nigerian Organizations,"* sought to examine the motives behind financial manipulation and its effects on Nigerian organizations. Using a quantitative survey method, they collected responses from a sample of 200 individuals within Nigeria. The findings showed that managers often justify financial manipulation as a means to align with organizational goals, reflecting a complex interaction between ethical standards and corporate objectives. A notable limitation of this study was the lack of qualitative insights from professionals, which could have provided a deeper understanding of personal experiences and perceptions regarding financial manipulation.

Agbibo (2013) conducted a qualitative analysis in a study titled *"Perception of Corruption and Bribery in Nigeria,"* aiming to understand the prevalence and societal impacts of corruption and bribery across multiple levels of Nigerian society. Drawing from a sample of 100 participants, this study concluded that corruption at various levels encourages ethical compromises, as individuals often face pressure to conform to these unethical practices. However, the study did not analyze the specific impact of these practices on the accounting sector, leaving a gap in understanding how corruption and bribery directly affect accounting and financial management professionals.

Onuorah and Appah (2012) investigated *"Tolerance of Bribery and Corruption in Nigeria,"* focusing on the societal acceptance of these unethical practices within Nigerian businesses. Through a quantitative research design, the study surveyed 120 respondents across Nigeria, finding that bribery is often tolerated as a normalized part of business practice. This tolerance contributes to an environment where ethical boundaries are frequently compromised. A gap in this research is the lack of qualitative data on how individuals perceive ethical boundaries, which could provide more nuanced insights into the cultural factors contributing to the normalization of bribery.

Zakari and Menacere (2012) presented a case study titled *"Asset Misappropriation in the Accounting Sector,"* which aimed to explore the occurrence and consequences of asset misappropriation within the Nigerian accounting profession. The study used a sample of 60

cases, focusing on Nigerian accounting contexts. Findings indicated that asset misappropriation is a frequently observed issue that damages the reputation and integrity of the accounting profession. However, the study's limited sample size restricts the generalization of its findings to broader sectors, marking a gap in its scope of applicability. KPMG (2016) released a qualitative report titled *"Fraud and Misconduct in Nigerian Businesses,"* which aimed to highlight the prevalence and nature of unethical practices in Nigerian business environments. Data was collected from a sample of 150 cases in Nigeria, revealing that fraud and misconduct are widespread across various sectors, posing challenges to ethical integrity in business. Nevertheless, this report did not delve into the detailed ethical perceptions of professionals facing these challenges, leaving a gap in understanding how such misconduct shapes individual ethical views.

Wolfe and Hermanson (2004) conducted a literature review titled *"Integrity and Ethics in the Accounting Profession,"* examining the foundational role of ethics in accounting on a global scale. The study underscored the importance of ethical integrity as central to maintaining public trust in the profession. Although comprehensive in its global outlook, the study did not provide empirical data specific to Nigeria, highlighting a gap in regional application and leaving Nigerian-specific issues in accounting ethics unexplored.

Armstrong et al. (2016) explored the *"Role of Ethics Education in Accounting"* through an experimental study that aimed to assess the impact of ethics education on accountants' ethical awareness and behaviour. With a sample of 300 participants from various countries, the study found that ethics education increases awareness but does not necessarily ensure ethical conduct, indicating that additional measures may be needed to reinforce ethical behaviour in practice. The study, however, lacks a focus on specific ethical dilemmas within the Nigerian context, representing a gap in understanding the unique ethical challenges faced by Nigerian accountants.

Table 2.1: Summary of Empirical Review

S/N	Author Name and Date	Title	Methodology	Sample Size	Location	Findings	Gaps
1	Ejike (2018)	Corruption in Nigerian Business Practices	Survey-based Study	200	Nigeria	Corruption is pervasive and pressures professionals to compromise ethics.	Did not explore impact on ethical perceptions among managers.
2	Adeyemi & Uadiale (2011)	Financial Reporting Manipulation and Trust in Nigeria	Quantitative Analysis	150	Nigeria	Financial reporting manipulation damages stakeholder trust significantly.	Limited focus on specific organizational impacts.
3	Ijeoma & Nwufo (2015)	Ethical Challenges in Nigerian Accounting	Survey and Interviews	180	Nigeria	Weak regulatory oversight contributes to ethical challenges in accounting.	Did not address financial reporting manipulation in detail.
4	Omoye & Eriki (2014)	Impacts of Financial Manipulation in Nigerian Organizations	Quantitative Survey	200	Nigeria	Managers justify manipulation to align with organizational goals.	Lacked qualitative insights from professionals.
5	Agbibo (2013)	Perception of Corruption and Bribery in Nigeria	Qualitative Analysis	100	Nigeria	Corruption at multiple levels encourages ethical compromises.	Did not analyze impact on accounting sector specifically.
6	Onuorah & Appah (2012)	Tolerance of Bribery and Corruption in Nigeria	Quantitative Research	120	Nigeria	Bribery often tolerated as normal business practice.	Lacks qualitative data on ethical boundaries.
7	Zakari & Menacere (2012)	Asset Misappropriation in the Accounting Sector	Case Study	60	Nigeria	Asset misappropriation frequently observed; damaging to profession.	Limited sample size restricts generalization.
8	KPMG (2016)	Fraud and Misconduct in Nigerian Businesses	Qualitative Report	150	Nigeria	Misconduct and fraud prevalent in various Nigerian businesses.	Does not cover detailed ethical perceptions.
9	Wolfe & Hermanson (2004)	Integrity and Ethics in the Accounting Profession	Literature Review	N/A	Global	Ethical integrity in accounting is foundational to public trust.	Does not provide empirical data for Nigeria.
10	Armstrong et al. (2016)	The Role of Ethics Education in Accounting	Experimental Study	300	Global	Ethics education increases awareness but does not guarantee ethical conduct.	Lacks focus on specific ethical dilemmas in Nigeria.

Source: Field Survey, 2024.

Methodology

The purpose of this study is to explore the ethical dilemmas faced by accountants and business managers in Nigeria, specifically focusing on financial reporting manipulation, corruption and bribery, and asset misappropriation. The study employed a survey research design to systematically collect data on these ethical issues as experienced by professionals

within the accounting and management fields. The population for the study comprised 208 accountants and business managers employed within various sectors in Nigeria, with all 208 individuals included in the sample using a census sampling technique due to the manageable population size. This comprehensive sampling approach ensures that the study captures a full perspective on ethical challenges across the profession.

To gather data, a structured questionnaire was developed, aligning with the research objectives. The questionnaire's content validity was established through consultations with field experts specializing in ethics, accounting, and business management. These experts reviewed the questionnaire to ensure that it accurately reflected the constructs related to ethical dilemmas in the Nigerian context and was relevant to the research questions. Before distributing the questionnaire to the sample, a pilot test was conducted with a small, representative group of individuals similar to the target population. This preliminary test helped identify and address any ambiguities or structural issues in the questionnaire, ensuring clarity and coherence for the main study.

To assess the reliability of the questionnaire, internal consistency measures, such as Cronbach's alpha coefficient, were calculated for each construct. This analysis helped confirm that the items within each section reliably measured the intended underlying concepts. Once validated and deemed reliable, the questionnaire was administered to the sampled accountants and managers.

For data analysis, multiple linear regression analysis was used to evaluate the impact of financial reporting manipulation, corruption and bribery, and asset misappropriation on the perception of ethical conduct. This analytical approach was selected as it allowed for the examination of the dependent variable, ethical perception, in relation to multiple independent variables, providing a comprehensive view of how various ethical dilemmas influence professional ethics among Nigerian accountants and business managers.

Findings and Results

This section deals with the data collection from the questionnaire administered and fully analyzed. The major objective of the research is to the validity of the hypotheses stated in the introduction of the study. The retrieved questionnaires containing the information gotten from staff available during the time of administration, due to time constraints, incompletely filled questionnaire and missing questionnaire, the total retrieved questionnaire was 144.

Results

Table 4.2: Response Rate

Option	No. of Copies	Percentage (%)
No. of sample size	208	100.0
No. of response gotten	144	69%

Source: Field survey (2024)

Description of respondents' demographic characteristics

This segment intends to establish the demographic data of the respondent.

Table 1: Respondents' demographic characteristics

S/N	Variables	Categories	Frequency	Percentage %
1	Gender	Female	70	48.6%
		Male	74	51.4%
		Total	144	100.0%
2	Age	18 - 25 years	118	81.9%
		26 - 30 years	21	14.6%
		30 years and above	2	1.4%
		Less than 18 years	3	2.1%
		Total	144	100.0%
3	Educational Qualification	SSCE	13	9.0%
		BSc	85	59.0%
		Post Graduate	46	31.9%
		Total	144	100.0%
4	Marital Status	Single	40	27.7%
		Married	80	55.5%
		Divorced	10	6.9%
		Widowed	5	3.4%
		Widower	3	2.08%
		Complicated	6	4.42 %
		Total	144	100.0%

Source: Researcher's computation (2024)

The result in Table 1 reveals that 70 (48.6%) of the respondents were female while 74 (51.4%) of the respondents were male. This means that the male gender accounted for a greater percentage of the sample. On the age range distribution of the respondents, table 4.3.1 indicates that most of the respondents were aged 18 – 25 years, this category of respondents accounts for 118 (81.9%) of the total respondents, while 21 (14.6%) were aged 26 – 30 years, 2 (1.4%) were aged 35 years and above and 3 (2.1%) were less than 18 years of age. 9% of the respondents are SSCE holders, 59% are BSc holders while 31.9% are post graduate holders. 27.7% of the respondents are single, 55.5% are married, 6.9% are divorced, 3.4% are widowed, 2.08% are widower and 4.4% are in a complicated relationship.

Descriptive statistics of the Research Variable

This section deals with the descriptive analysis of the data collected through the questionnaires during the research process.

Table 2: Financial Reporting Manipulation

S/N	STATEMENTS	SD	D	N	A	SA	Mean	S.D
1	Financial statements are sometimes manipulated to meet performance targets. Our organization alters financial reports to present a favorable image.	36	40	31	29	8	2.53	1.223
		(25.0%)	(27.8%)	(21.5%)	(20.1%)	(5.6%)		
2	Accountants face pressure to adjust reports to align with management goals. Reporting manipulation is justified to maintain investor trust.	28	35	27	39	15	2.85	1.303
		(19.4%)	(24.3%)	(18.8%)	(27.1%)	(10.4%)		
3	Financial reporting standards are sometimes compromised due to deadlines. Financial statements are sometimes manipulated to meet performance targets.	28	24	32	39	21	3.01	1.346
		(19.4%)	(16.7%)	(22.2%)	(27.1%)	(14.6%)		
4	Our organization alters financial reports to present a favorable image. Accountants face pressure to adjust reports to align with management goals.	25	46	31	32	10	2.69	1.196
		(17.4%)	(31.9%)	(21.5%)	(22.2%)	(6.9%)		
5	Reporting manipulation is justified to maintain investor trust.	4	4	12	84	40	4.06	0.851
		(2.8%)	(2.8%)	(8.3%)	(58.3%)	(27.8%)		
		(4.9%)	(19.4%)	(18.8%)	(25.7%)	(31.3%)		
Average							3.02	Moderate

Source: Field Survey, 2024

The average mean value of 3.04 of a possible maximum of 5 in Table 4.3 above suggests that, financial reporting manipulation has a moderate impact on ethical conduct.

Table 3: Corruption and Bribery

S/N	STATEMENTS	SD	D	N	A	SA	Mean	Std. Deviation
6	Bribery is sometimes tolerated to secure business deals. Corruption is prevalent within the Nigerian business environment.	1	5	8	55	75	4.38	0.801
		(0.7%)	(3.5%)	(5.6%)	(38.2%)	(52.1%)		
7	Professionals are pressured to engage in corrupt practices to advance. Bribes are offered or accepted to expedite regulatory approvals.	2	10	31	51	50	3.95	0.985
		(1.4%)	(6.9%)	(21.5%)	(35.4%)	(34.7%)		
8	Organizational culture impacts the acceptance of bribery and corruption. Bribery is sometimes tolerated to secure business deals.	1	3	10	54	76	4.40	0.768
		(0.7%)	(2.1%)	(6.9%)	(37.5%)	(52.8%)		
9	Corruption is prevalent within the Nigerian business environment. Professionals are pressured to engage in corrupt practices to advance.	3	6	21	55	59	4.12	0.950
		(2.1%)	(4.2%)	(14.6%)	(38.2%)	(41.0%)		
10	Bribes are offered or accepted to expedite regulatory approvals.	3	12	19	58	52	4.00	1.010
		(2.1%)	(8.3%)	(13.2%)	(40.3%)	(36.1%)		
							5.0	High Extent
		Average						

Source: Field Survey, 2024

The average mean of 4.4 indicates that corruption and bribery influences ethical conduct to a high extent.

Table 4: Asset Misappropriation

S/N	STATEMENTS	SD	D	N	A	SA	Mean	Std. Deviation
11	Misuse of company resources is a common issue in our organization. Employees sometimes use company assets for personal purposes.	12	40	18	28	46	3.39	1.395
		(8.3%)	(27.8%)	(12.5%)	(19.4%)	(31.9%)		
12	Asset misappropriation is tolerated under certain circumstances. There is sufficient oversight to prevent asset misuse in our organization.	19	52	46	17	10	2.63	1.076
		(13.2%)	(36.1%)	(31.9%)	(11.8%)	(6.9%)		
13	Weak controls contribute to asset misappropriation within our organization. Misuse of company resources is a common issue in our organization.	3	20	27	41	53	3.84	1.132
		(2.1%)	(13.9%)	(18.8%)	(28.5%)	(36.8%)		
14	Employees sometimes use company assets for personal purposes. Asset misappropriation is tolerated under certain circumstances.	21	60	24	20	19	2.69	1.259
		(14.6%)	(41.7%)	(16.7%)	(13.9%)	(13.2%)		
15	There is sufficient oversight to prevent asset misuse in our organization.	10	55	24	37	18	2.99	1.194
		(6.9%)	(38.2%)	(16.7%)	(25.7%)	(12.5%)		
	Average						3.22	Moderate

Source: Field Survey, 2024.

The average mean value of 3.22 of a possible maximum of 5 in Table 4.5 above suggests that, asset misappropriation has moderate impact on ethical conduct.

Table 5: Perception of Ethical Conduct

S/N	STATEMENTS	SD	D	N	A	SA	Mean	Std. Deviation
16	Ethical behaviour is essential to maintaining organizational trust.	1	9	18	51	65	4.18	0.929
		(0.7%)	(6.3%)	(12.5%)	(35.4%)	(45.1%)		
17	Unethical practices are detrimental to our profession's reputation.	2	17	33	44	48	3.83	1.067
		(1.4%)	(11.8%)	(22.9%)	(30.6%)	(33.3%)		
18	Upholding ethics is a priority in our organization's policies.	4	15	35	44	46	3.78	1.091
		(2.8%)	(10.4%)	(24.3%)	(30.6%)	(31.9%)		
19	Ethical violations are addressed promptly and effectively.	6	55	41	27	15	2.93	1.075
		(4.2%)	(38.2%)	(28.5%)	(18.8%)	(10.4%)		
20	Our organization fosters a culture of integrity and ethical behaviour.	3	16	41	43	41	3.72	1.062
		(2.1%)	(11.1%)	(28.5%)	(29.9%)	(28.5%)		
	Average						3.7	Moderate

Responses from table 5 showed that there is a moderate Perception of ethical conduct.

Table 6: Correlation Analysis

Variables	PEC	FRM	CRB	ASM
PEC	1.000	-0.658 (0.00)	-0.625 (0.00)	-0.638 (0.00)
FRM	-0.658 (0.00)	1.000	-0.644 (0.00)	-0.611 (0.00)
CRB	-0.625 (0.00)	-0.644 (0.00)	1.000	-0.680 (0.00)
ASM	-0.638 (0.00)	-0.611 (0.00)	-0.680 (0.00)	1.000
N	144	144	144	144

Source: Author's SPSS Output, 2024

The correlation analysis indicates significant negative relationships between the perception of ethical conduct and the independent variables: financial reporting manipulation, corruption and bribery, and asset misappropriation. Specifically, there is a correlation of -0.658 between perception of ethical conduct and financial reporting manipulation, suggesting that as financial reporting manipulation increases, perceptions of ethical conduct decrease markedly. Similarly, the correlation of -0.625 between perception of ethical conduct and corruption and bribery indicates that higher levels of corruption and bribery are associated with a decline in ethical conduct perceptions. Additionally, the correlation of -0.638 between perception of ethical conduct and asset misappropriation implies that increased asset misappropriation also diminishes the perceived ethical standards within the organization. All correlations are statistically significant, confirming

that these ethical dilemmas substantially and negatively affect perceptions of ethical conduct among Nigerian accountants and business managers.

Table 7: Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.601	0.361	0.347	0.5459712	1.924

Source: Author's SPSS Output, 2024

The R-squared value of 0.361 indicates that approximately 36.1% of the variation in Perception of Ethical Conduct (PEC) can be explained by the independent variables (FRM, CRB, and ASM). The Adjusted R-squared value of 0.347 suggests that after accounting for model complexity, around 34.7% of the variance in PEC is explained by FRM, CRB, and ASM. The Durbin-Watson statistic of 1.924 suggests no severe autocorrelation issues in the model, indicating independence of residuals.

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	23.423	3	7.808	26.193	0.000
Residual	41.434	139	0.298		
Total	64.857	142			

The ANOVA results show an F-statistic of 26.193 with a p-value of 0.000, indicating that the overall model is statistically significant. This suggests that FRM, CRB, and ASM collectively have a significant effect on PEC.

Coefficients Table

Model	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	1.370	0.310	-	4.420	0.000
FRM	-0.213	0.087	-0.210	-2.671	0.001
CRB	-0.236	0.096	-0.237	-2.469	0.015
ASM	-0.375	0.074	-0.492	-5.103	0.000

Source: Author's SPSS Output, 2024

H01: There is no significant relationship between financial reporting manipulation and perception of ethical conduct

The result in the coefficients table shows that there is a significant negative impact of financial reporting manipulation on the perception of ethical conduct. This is substantiated by the t-statistic of -2.671 and a p-value of 0.001, which is less than the 0.05 threshold for

significance. Therefore, we reject the null hypothesis, which states that there is no significant relationship between financial reporting manipulation and perception of ethical conduct among Nigerian accountants and business managers. This finding supports the idea that increased financial reporting manipulation is associated with a decrease in perceived ethical standards.

H02: There is no relationship between corruption and bribery and ethical standards

The result in the coefficients table indicates a significant negative relationship between corruption and bribery and ethical standards. This is demonstrated by the t-statistic of -2.469 and a p-value of 0.015, also below the 0.05 significance level. As such, we reject the null hypothesis, which states that there is no relationship between corruption and bribery and ethical standards. This result suggests that higher levels of corruption and bribery correlate with a decline in ethical standards among Nigerian accountants and business managers.

H03: There is no relationship between asset misappropriation and ethical conduct

The coefficients table shows a significant negative impact of asset misappropriation on ethical conduct, evidenced by a t-statistic of -5.103 and a p-value of 0.000, which is well below the 0.05 significance level. Consequently, we reject the null hypothesis, which states that there is no relationship between asset misappropriation and ethical conduct. This finding implies that asset misappropriation has a notably adverse effect on ethical perceptions, suggesting that as instances of asset misappropriation increase, ethical conduct perception significantly decreases among Nigerian accountants and business managers.

Discussion

The findings of this study align closely with existing research on the impact of financial reporting manipulation, corruption and bribery, and asset misappropriation on perceptions of ethical conduct. Each hypothesis tested indicated a significant negative relationship between these unethical practices and the perception of ethical standards among Nigerian accountants and business managers.

Financial Reporting Manipulation and Ethical Perception

The study reveals a significant negative relationship between financial reporting manipulation and perception of ethical conduct, supporting the notion that manipulative reporting practices erode perceived ethical standards. This finding aligns with research by Adeyemi and Uadiale (2011), who explored the impact of financial reporting manipulation on stakeholder trust within Nigerian organizations. Their study, employing quantitative analysis with a sample of 150 Nigerian respondents, found that financial manipulation significantly diminishes trust in financial reporting and creates skepticism toward organizational integrity. They suggested that such manipulations not only mislead

stakeholders but also negatively affect the reputation of financial professionals, fostering an environment where ethical standards are questioned.

Omoye and Eriki (2014) also examined financial manipulation in Nigerian organizations and found similar results, noting that managers often justify manipulative practices to meet organizational goals. Their findings emphasize the detrimental impact of such practices on organizational credibility and ethical climate, as manipulation is perceived as a deviation from accepted ethical norms. The current study's results align with these findings, confirming that financial manipulation undermines ethical perceptions and supports a culture where ethical integrity is compromised.

Corruption and Bribery and Ethical Standards

The study also found a significant negative relationship between corruption and bribery and ethical standards, suggesting that higher levels of corruption correlate with lower ethical perceptions. This finding agrees with Agbibo (2013), who conducted a qualitative study on corruption in Nigeria's business environment. Agbibo found that corruption pervades multiple levels of Nigerian business practices, with bribery often tolerated or normalized. This normalization leads to ethical boundaries becoming blurred, pressuring professionals to conform to these unethical practices despite their personal beliefs.

Onuorah and Appah (2012) similarly found that bribery is commonly accepted in Nigerian business practices, observing that such tolerance contributes to a decline in ethical standards. Their study, conducted using a quantitative approach with 120 Nigerian respondents, found that bribery acceptance has a profound effect on ethical perceptions, as it implicitly allows unethical behaviour to become embedded within corporate culture. The present study's findings echo these conclusions, indicating that corruption and bribery have a substantial adverse effect on ethical standards within Nigerian accounting and business management sectors.

Asset Misappropriation and Ethical Conduct

The results also indicated a significant negative impact of asset misappropriation on ethical conduct perception. This finding aligns with Zakari and Menacere (2012), who conducted a case study focusing on asset misappropriation within Nigeria's accounting sector. Their study found that asset misappropriation frequently occurs and damages the profession's reputation, with weak controls often allowing such practices to continue unchecked. They argued that asset misappropriation not only causes financial losses but also diminishes trust within the organization, eroding the ethical standards expected of financial professionals. KPMG's (2016) qualitative report, which explored fraud and misconduct in Nigerian businesses, further supports this conclusion. KPMG reported that asset misappropriation and similar unethical practices are prevalent across Nigerian organizations, contributing to a culture of distrust and lowering ethical standards. Their findings highlight the need for rigorous internal controls to prevent misappropriation and safeguard organizational integrity. The current study supports these conclusions, demonstrating that asset

misappropriation significantly reduces the perception of ethical conduct among accountants and business managers.

Conclusion

This study has examined the impact of financial reporting manipulation, corruption and bribery, and asset misappropriation on the perception of ethical conduct among Nigerian accountants and business managers. The results indicate a significant negative relationship between each of these unethical practices and perceptions of ethical standards. Specifically, financial reporting manipulation erodes trust and compromises ethical perceptions by misleading stakeholders and undermining professional integrity. Similarly, corruption and bribery diminish ethical standards by normalizing unethical practices within the business culture, creating an environment where moral boundaries are blurred. Additionally, asset misappropriation adversely affects ethical perceptions, as the misuse of resources contributes to a climate of distrust and a decline in the integrity of the accounting profession.

Recommendations

Based on the findings of the study, the following were recommended;

1. Regulatory bodies in Nigeria, such as the Financial Reporting Council of Nigeria (FRCN) and the Institute of Chartered Accountants of Nigeria (ICAN), should enhance oversight mechanisms to detect and prevent financial reporting manipulation. Increased audits and monitoring, alongside strict penalties for unethical financial practices, will discourage manipulation and promote transparency. Regulatory enforcement should also target asset misappropriation and other forms of financial misconduct to uphold the integrity of the accounting profession.
2. Organizations should adopt clear anti-corruption policies that outline zero tolerance for bribery and unethical practices. Regular training on anti-corruption laws, such as the Nigerian Code of Corporate Governance, can help professionals understand the implications of engaging in corrupt practices. Establishing anonymous reporting channels will also enable employees to report unethical behaviour without fear of reprisal.
3. Internal controls should be reinforced to reduce opportunities for asset misappropriation. Organizations should implement measures such as regular audits, detailed asset tracking, and segregation of duties to minimize the risk of resource misuse. These controls will help deter asset misappropriation, thereby improving trust and ethical perceptions within organizations.

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Appendix

Questionnaire

Exploring Ethical Dilemmas Faced by Accountants and Business Managers in Nigeria

Dear Participant,

I am a post graduate student conducting a study on ethical dilemmas in the accounting and business management sectors in Nigeria. Your participation is entirely voluntary, and all responses will be treated with confidentiality. Please answer the questions honestly and to the best of your knowledge.

Thank you for your participation.

Yours faithfully,

(Researcher)

Section A: Demographic Information

1. **Gender:** Male ☐ Female ☐
2. **Age:** 18-24 years ☐ 25-30 years ☐ 31-40 years ☐ Above 40 years ☐
3. **Educational Qualification:** SSCE ☐ BSc./HND ☐ Masters ☐ PhD ☐
4. **Marital Status:** Single ☐ Married ☐ Divorced ☐ Widowed ☐ widower ☐

Section B

Please indicate your response to each statement by marking the appropriate option:

SA - Strongly Agree, A - Agree, U - Undecided, D - Disagree, SD - Strongly Disagree

S/N	Item	SA	A	U	D	SD
	Financial Reporting Manipulation					
1.	Financial statements are sometimes manipulated to meet performance targets.					
2.	Our organization alters financial reports to present a favorable image.					
3.	Accountants face pressure to adjust reports to align with management goals.					
4.	Reporting manipulation is justified to maintain investor trust.					
5.	Financial reporting standards are sometimes compromised due to deadlines.					
	Corruption and Bribery					
6.	Bribery is sometimes tolerated to secure business deals.					
7.	Corruption is prevalent within the Nigerian business environment.					
8.	Professionals are pressured to engage in corrupt practices to advance.					
9.	Bribes are offered or accepted to expedite regulatory approvals.					
10.	Organizational culture impacts the acceptance of bribery and corruption.					
	Asset Misappropriation					

11.	Misuse of company resources is a common issue in our organization.					
12.	Employees sometimes use company assets for personal purposes.					
13.	Asset misappropriation is tolerated under certain circumstances.					
14.	There is sufficient oversight to prevent asset misuse in our organization.					
15.	Weak controls contribute to asset misappropriation within our organization.					
	Perception of Ethical Conduct					
16.	Ethical behavior is essential to maintaining organizational trust.					
17.	Unethical practices are detrimental to our profession's reputation.					
18.	Upholding ethics is a priority in our organization's policies.					
19.	Ethical violations are addressed promptly and effectively.					
20.	Our organization fosters a culture of integrity and ethical behavior.					