

PSYCHOLOGICAL PROFILE OF PROFESSIONAL ACCOUNTANT IN ETHICAL CONTEXT

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Abstract: *The purpose of this paper is to present the psychological profile of the professional accountant in an ethical context through the speciality literature. The starting point of this paper was Carl Gustav Jung's book, *Psychological Types*. In the book, Jung presented the idea of personality type. As methodology, relevant articles of speciality literature from international databases have been used. According to literature, the most used methods for realizing a psychological profile are the Myers-Briggs Type Indicator test (MBTI test) and the Keirsey Temperament Sorter II (KTS test). The MBTI test focuses on way of thinking and perception while focuses on behaviour. Through this article we propose the improvement of the speciality literature regarding the multidisciplinary aspect or research in Accounting-Psychology. We also highlight the need to improve ethical behaviour in the Accounting profession. Currently the general public perceives a lack of transparency regarding the professional accountants' activity worldwide.*

Keywords: accounting ethics, accounting education, personality test, accounting psychology test

JEL classification: M41

1. Introduction

In any profession performance is an objective for the practitioner, a necessity for employment and a demand from the general public. In order to achieve performance in the accounting profession education and professional training leading to the formation of skills are required. Also the existence and compliance with a Code of Ethics are required. The existence of a Code of Ethics does not mean all professional accountants will comply with it hence the necessity for having professional accountants with an ethical character. The health of an economy depend essentially on the quality of the human factor. Avoiding problems related to culture, ethics and professionalism, morality and good conduct turns the business world into a 'jungle' of the economically strong. Governments around the world responded to the crisis of confidence caused by financial scandals by regulating the accounting profession. The accounting profession is considered to be one of the most regulated professions in the world. Some authors (Horomnea et al, 2012) consider the profession to be over-regulated. Excessive regulation does not automatically prevent unethical behaviour but it certainly restricts achieving a true and fair view, the target of the accounting profession.

2. Reviewing the literature regarding psychological profiles and professional accountants

Carl Gustav Jung (1921) presented the idea of personality type in his book, *Psychological Types*. He noticed differences in human psychology and called the types of personality

introverted and extroverted. Introverted people prefer the inner world of ideas and concepts. Extroverted individuals prefer the outside world, full of objects and other individuals. Carl Jung connected personality type with basic psychological functions: thinking, feeling, sensing and intuition. He describes the extreme limit of each personality type. A real life person may tend to one of the extremes but will have characteristics from both psychological types. Humans possess all of the following psychological attributes: thinking, feeling, sensing and intuition but have the predisposition to rely only on some them. This predisposition determines psychological type.

According to Storr (1983), establishing personality types does not help only to understand differences between humans. It can also help researchers to create a methodology for empirical research regarding personality type, useful in Accounting research. Sensing, abbreviated S in the speciality literature means establishing the existence of objects and phenomena. Thinking, abbreviated T means determining the sense, logic and purpose for things and phenomena in the surrounding world. Feeling, or F means attaching value to elements in the surrounding world.

Schloemer, P.G. and Schloemer, M. S. (1997) state that humans perceive the surrounding world by sensing (S) or intuition (N). People with S personality type process received information sequentially. People with I personality type start from abstract concepts and create a general framework for perceiving the world. Intuitive people(I personality type) no not like detail oriented work. People take decisions either by thinking (T personality types) or based on feeling (F personality types). T type humans have a logical decisional process, based on objectives while F type humans have a subjective decisional process, based on personal values. According to Schloemer, P.G. and Schloemer, M. S, 61% of auditing firms' partners have I type personalities while only 20% of auditing firms' employees have I type personality. This is explained by the necessity of the auditing firms' partners to have a broad vision and an abstract thinking, the need to have skills to solve unstructured problems. Employees do not have such needs.

Research in learning types lead to the creation of numerous models regarding ways of learning. A model used frequently is Kolb's model or Experience Learning Model. Loo (2002) mentions that T type personality people use abstract conceptualization and F types use concrete experience.

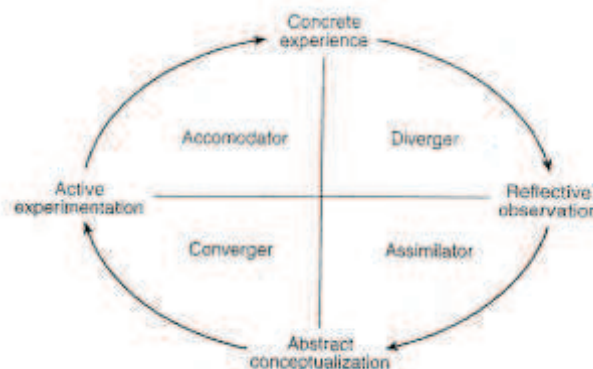


Figure 1: Kolb's model for learning types

Source: Bealing, W. E. Jr., Baker, R. L. & Russo, C. R. (2006). Personality: What It Takes To Be An Accountant, *The Accounting Educator's Journal*, pp.119-128

Baker et al. (1986) discovered that most Accounting students are Converger type learners (or C type learners). According to Kolb's learning model, C type learners use abstract conceptualization of knowledge and active experimentation of what they learn. On the

other hand, Holley and Jenkins (1993) discovered that most students in Accounting are Assimilator type learners (or A type learners). According to Kolb, most A type learners reflect on what they observe then conceptualize knowledge without practical experimentation. Loo (2002) examined a sample of 109 students in Accounting and confirmed the existence of a high number of A type learners.

A lot of research in Accounting regarding personality type is based on using the Myers-Briggs Type Indicator (or MBTI). It is a research tool which uses sampling. It is a questionnaire of 120 questions related to preferences. The questions are from four areas: introverted/extroverted, sensing/intuition, thinking/feeling and perception/judgement. In theory, all humans to ever live could be grouped in 16 personality types.

Nourayi and Cherry (1993) discovered that S type personality students obtain greater school performance than I personality types.). Landry et al. (1996) focused on researching the link between MBTI types and computer skills. They discovered that most Sensing-Thinking-Judgement (STJ) students have high computer skills. The accounting profession must keep up with technology especially in computers in order to achieve performance. Competent professional accountants also have high computers skills. Wheeler (2001) discovered that students with Thinking (T) type personality and Sensing (S) type personality students learn easier the courses taught by Accounting professors.

Keirsey and Bates (1978) created a tool similar to MBTI and called it Keirsey Temperament Sorter (KTS). This tool became widely known and used at large scale in Psychology. Starting with 2003, KTS was improved and it is currently called KTS II and it is still the most used tool in Psychology. Bealing et al. (2006) used the KTS questionnaire on a sample of 127 Accounting students. They discovered that the dominant personality type for future accountants is ESTJ, with a percentage of 26,23% of total students. According to Bealing et al., the jobs suitable for ESTJs are: auditor, credit analyst and budget analyst. They also researched the 'darwinian survival characteristic' (students assimilate Accounting knowledge to 'survive' school) and the student auto-selection characteristic (students choose the Accounting field before prior to choosing faculty studies. They found that students' auto-selection characteristic is the one prevailing in the Accounting field. These results match with results from Brightman's (2002) research. According to Brightman, over 65% of economic students are extroverted, over 65% have S type personality, over 70% use Thinking (T type) and over 70% use Judgement (J type). Kreiser et al. (1980), Schackleton (1980) and Jacoby (1981) used the KTS tool to research personality types for Accounting practitioners. They found out that most Accounting practitioners are ISTJ type. A fact worth mentioning is that prior research used samples of USA certified public accountants and not worldwide sample of professional accountants. Also worth mentioning is that most research was conducted in time periods before financial scandals erupt and thus, the need for research in this field has risen again.

Wolk and Nikolai (1997) compared personality types for graduates and undergraduates and faculty Accounting professors. They found that undergraduates are mostly ESTJs while most graduates and Accounting professors are STJs but not dominant ESTJ.

3. Psychological profile of the professional accountant in the vision of the employer

According to employers, the psychological profile of the ideal candidate for a job in accounting is as follows:

- able to make changes, both mental and professional changes;
- able to carry out tasks ;
- able to develop and consolidate collaboration with internal and external company clients;
- compatible with the company's organizational culture;
- focused on results;

- having organizational, negotiation and communication skills;
- having persuasion skills.

Sources used were job advertisements for accountants published by the employers on the Internet. It should be noted that employers in job advertisements do not focus on the desirable character of an accountant but on the strictly necessary skills for the job advertised.

Many authors in the literature mention that focus should be placed on ethical character. According to Horomnea (2013) 'the relationship between ethics, morality and accounting is not a theoretical speculation. Is essential to the health of the economic environment, such relationship leads to a true and fair view and most importantly, it generates business partners' credibility in each other.

4. The gap between public perception and the profession

The American Association of Certified Accountants realized in September 2012 a study titled "Closing the Value Gap". The study used a sample of 250 accountants, 1500 consumers and opinion leaders worldwide in order to better understand the value offered by the accounting profession and the value the public believes it offers.

There is a gap between the way in which the profession sees itself and the way in which the public sees the profession. Most professional accountants believe that the public sees them as trustworthy while only half of the public sees professional accountants as trustworthy. Almost half of respondents stated that professional accountants act in the interest of employer companies or in self-interest rather than public interest.

This gap is partially caused by the lack of understanding of the role of professional accountants in business success. Richard Sexton, executive committee member of PricewaterhouseCoopers for policies and reputation insisted that 'As accountants, it is important to get out of this obscurity. Although some conversations will be challenging, it is important to become better at explaining what we do, how we do and how we generate value'.

The public still regards professional accountants as overall trustworthy, like doctors, nurses, architects and engineers and more trustworthy than bankers, politicians, journalists and lawyers.

According to the study made by ACCA in 2012, the steps to follow in restoring credibility in the accounting profession are, in random order:

- engaging in discussions with stakeholders and the public about what it means to be an accountant;
- conversation about audit, about what audit is and what it is not because recently audit is the target of several critics;
- taking initiative and explain how professional accountants add value;
- addressing real issues about ethical problems and conflict of interests;
- developing social and communicating skills, useful in increasing public trust in the profession.

According to the study, 70% of professional accountants believe that the profession itself is partially responsible for the financial crisis after 2008. Also 13% of study respondents stated that their trust in professional accountants decreased in the last five years. Currently, the profession continues to lose credibility and if it does not succeed to educate the public and various interest groups of it's value, it's credibility will decrease more.

5. In conclusion

Employers do not focus on the desirable character of a possible professional accountant employee but instead focus on skills strictly required to fulfil service obligations. Many authors in the literature mention that focus should be placed on ethical character.

There is a gap between the way in which the accounting profession sees itself and the way in which the public sees the accounting profession. This gap is partially due to the lack of understanding from the public of the role of the professional accountants in a business' success. The profession will continue to lose its credibility if it does not succeed to educate the public and stakeholders about its value. The perceptions about professional accountants have evolved, at least partially, from media representations, tensions among professional accountants, tensions between the members of the accounting profession and members of other professions and from ignorance. The stereotypes are influenced by cognitive, affective, social and emotional mechanisms. Stereotypes about professional accountants are so robust that many significant changes in the profession such as the changing of gender proportion of all professionals has little impact on the public's perception about the profession.

Research in the field of Accounting and Psychology has led to the use of two tests to find a professional accountant's personality: Myers-Briggs Type Indicator and Keirsey Temperament Sorter. We can distinguish 16 types of human behaviour. The profession has specific templates recommended for its members. Most professionals and professors in the field of Accounting are STJs. Those who become top managers are not of STJ type but NT type, with ENTJ type as chief accountants and INTJ type as audit partners.

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