

**ETHICAL SENSITIVITY OF EXPERIENCED AND NOVICE TAX PRACTITIONERS: FROM THE
FIELD TO THE CLASSROOM THROUGH PROBLEM-BASED LEARNING**

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By

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ABSTRACT

Higher education offers a gateway to students' professional and personal development. As a teacher-practitioner, I must ensure that graduating students are adequately prepared to face unexpected challenges of today's complex environment. It is my duty to meet the needs of these young professionals by developing a curriculum that is relevant to practitioners. To accomplish this task, the study is divided into two stages. In the first stage, an assessment of the differences in ethical sensitivity between experienced and inexperienced tax compliance practitioners was performed. Results of the blended approach provided a focus for students' technical and soft skills areas of improvement. These are as follows, students:

1. Lack an overall understanding of the importance of the accounting profession.
2. Rely heavily on superiors for technical and social guidance.
3. Lack initiative and leadership.
4. Lack knowledge of professional standards for tax practice, their relevance and applicability in the field.
5. Tend to shift professional responsibilities and accountability to superiors. They depend on others to recognize unethical situations and do not attempt to make that determination.
6. Are susceptible to social influence pressure in their eagerness to bond with peers and coworkers.

In the second stage, these findings were used to design a problem-based learning (PBL) activity for tax ethics focused on developing students' awareness of tax professional standards

(AICPA SSTS and IRS Circular 230) emphasizing critical reflection to assess vulnerabilities. The activity was implemented in two action research cycles (in spring and fall 2019 semesters) at a small U.S. university. The tax ethics PBL classroom activity helped instilled students' critical reflection augmenting their understanding of professional risks and responsibilities in a tax compliance context.

Keywords: ethical sensitivity, organization and professional commitment, accountability, ethical ideologies (idealism and relativism), and problem-based learning.

TABLE OF CONTENTS

Contents

ABSTRACT	2
TABLE OF CONTENTS.....	4
TABLE OF FIGURES	10
TABLE OF TABLES	11
1 CHAPTER 1: INTRODUCTION AND BACKGROUND	12
1.1 Introduction	12
1.2 Background	13
1.3 Purpose and Rationale	14
1.4 The Management Problem	15
1.4.1 Problem Defined.....	15
1.4.2 Aim and Objectives.....	15
1.4.3 Research Questions	16
1.4.4 Why does it need to be investigated?.....	17
1.4.5 Why is it of interest to me?	18
1.5 Research methodology to be used.....	18
1.5.1 Action Research.....	18
1.5.2 Support for a mixed methods approach.....	20

1.6	Thesis structure	20
1.7	Chapter Summary	20
2	CHAPTER 2: LITERATURE REVIEW.....	22
2.1	Introduction	22
2.2	Ethical Sensitivity.....	23
2.2.1	Definition.....	23
2.2.2	The Hunt and Vitell’s General Theory of Ethics Model.....	23
2.2.3	Ethical Awareness of Tax Practitioners.....	26
2.2.4	Exogenous Variables.....	28
2.2.5	Endogenous Variables	37
2.3	Ethical Sensitivity Theoretical framework	41
2.4	PBL in Accounting Education	43
2.5	PBL Framework.....	46
2.6	Summary	48
3	CHAPTER 3: METHODOLOGY.....	49
3.1	Introduction	49
3.2	Selecting A Paradigm – Rationale and Justification.....	49
3.3	Action Research Methodology.....	50
3.4	Action Research Framework.....	52

3.5	The Role of the Teacher-Researcher in Action Research	53
3.6	Justification for choosing mixed methods	54
3.7	Research Design: Questions and Methods.....	55
3.8	FIRST STAGE.....	57
3.8.1	Design and Implementation of the Quantitative Strand	57
3.8.2	Design and Implementation of the Qualitative Strand.....	62
3.9	SECOND STAGE	67
3.9.1	Participants and Sampling	67
3.9.2	Design and Implementation of the Quantitative Strand	67
3.9.3	Design and Implementation of the Qualitative Strand.....	71
3.10	Summary of Blended Approach for First and Second Stages	72
3.11	Validity and Trustworthiness.....	72
3.11.1	Quantitative Methods	72
3.11.2	Qualitative Analysis	76
3.11.3	Mixed Methods Analysis	76
3.12	Ethical considerations	78
3.12.1	First Stage	78
3.12.2	Second Stage	79
3.13	Chapter Conclusion	80

4	CHAPTER 4: FIRST STAGE	81
4.1	Introduction	81
4.2	Quantitative Strand	81
4.2.1	Demographics.....	81
4.2.2	Descriptive Statistics.....	84
4.2.3	Association between Dependent and Independent Variables	88
4.2.4	Summary of Findings and Conclusion.....	92
4.3	Qualitative Strand.....	94
4.3.1	Discussion of Results	94
4.3.2	Bracketing.....	109
4.4	Summary of Findings – Integrating Quantitative with Qualitative Results	111
5	CHAPTER 5: SECOND STAGE- ACTION RESEARCH CYCLE ONE	115
5.1	Introduction	115
5.2	Background and Setting	115
5.3	The Tax PBL Activity	117
5.4	Implementing Pedagogical Changes.....	119
5.5	Taking Action.....	121
5.6	Monitoring and Evaluating Action	122
5.6.1	Theme: Emotions.....	124

5.6.2	Theme: Self-Learning	126
5.6.3	Theme: Avoidance	128
5.7	Review and Reflect	128
6	<i>CHAPTER 6: SECOND STAGE-ACTION RESEARCH CYCLE TWO</i>	<i>131</i>
6.1	Introduction	131
6.2	Implementing the Pedagogical Changes.....	131
6.3	Taking Action.....	134
6.4	Monitoring and Evaluating Action	136
6.4.1	Theme: Self-learning.....	138
6.4.2	Theme: Realization	139
6.4.3	Theme: Avoidance	140
6.5	Review and Reflect	141
6.6	Conclusion	145
7	<i>CHAPTER 7: REFLECTIONS FROM MY JOURNEY</i>	<i>147</i>
7.1	Introduction	147
7.2	Action Research – Reflections.....	147
7.3	The Value of Collaboration	148
7.4	Potential Significance of the Research	150
7.5	Implications of the Research	152

7.6	Limitations and Opportunities for Future Research	154
7.6.1	Research Limitations	154
7.6.2	Opportunities for Future Research.....	155
7.7	Conclusion	157
REFERENCES		158
APPENDIX A		174
APPENDIX B		179
APPENDIX C.....		181
APPENDIX D		184
APPENDIX E.....		185

TABLE OF FIGURES

FIGURE 1: HUNT AND VITELL THEORY OF ETHICS MODEL (1986, 1993)	26
FIGURE 2: THEORETICAL MODEL OF TAX PRACTITIONERS' ETHICAL SENSITIVITY	43
FIGURE 3: PROBLEM-BASED LEARNING CYCLE	47
FIGURE 4: ACTION RESEARCH FRAMEWORK	53
FIGURE 5: RESEARCH DESIGN	56
FIGURE 6: THE EVOLUTION OF ETHICAL IDEOLOGIES.....	113

TABLE OF TABLES

TABLE 1: ACTION RESEARCH TIMETABLE	57
TABLE 2: QUANTITATIVE SURVEY QUESTIONNAIRE SCALES	60
TABLE 3: ETHICAL SENSITIVITY FOR TAX TESTING INSTRUMENT	60
TABLE 4: RUBRICS LEARNING LEVELS AND GRADING (REPORTS & ESSAYS AND REFLECTIVE JOURNAL)	70
TABLE 5: FORUM DISCUSSION LEARNING LEVELS AND GRADING	71
TABLE 6: MEASUREMENT SCALES AND CRONBACH'S ALPHA COEFFICIENT	73
TABLE 7: CRONBACH'S ALPHA VALUES	74
TABLE 8: DEMOGRAPHIC PROFILE OF SURVEY PARTICIPANTS	83
TABLE 9: DESCRIPTIVE STATISTICS	85
TABLE 10: TAX SCENARIOS - PERCENT OF SURVEY RESPONDENTS	86
TABLE 11: SPEARMAN CORRELATIONS - ALL	89
TABLE 12: SPEARMAN CORRELATIONS - INEXPERIENCED	89
TABLE 13: SPEARMAN CORRELATIONS - EXPERIENCED	90
TABLE 14: COURSE, PROGRAM, AND INSTITUTIONAL LEARNING OUTCOME	116
TABLE 15: LINKING STAGE 1 RESEARCH FINDINGS TO PBL ACTIVITY	118
TABLE 16: LEARNING OUTCOMES- FIRST CYCLE	120
TABLE 17: TAX ETHICS PBL ACTIVITY LEARNING STEPS- FIRST CYCLE	121
TABLE 18: PRE AND POST-TEST RESULTS – FIRST CYCLE	122
TABLE 19: ASSESSMENT RESULTS – FIRST CYCLE	123
TABLE 20: LEARNING OUTCOMES - SECOND CYCLE	133
TABLE 21: TAX ETHICS PBL ACTIVITY LEARNING STEPS- SECOND CYCLE	135
TABLE 22: PRE AND POST TEST RESULTS – SECOND CYCLE	136
TABLE 23: ASSESSMENT RESULTS – SECOND CYCLE	137

1 CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction

Accounting professionals in all functions (tax, audit, advisory, etc.) are bound by their responsibility to clients, regulatory agencies, government, and the public in general. According to Flanagan and Clarke (2007), most accountants fail to recognize the ethical component of their practice because they are ill-prepared to deal with these issues effectively. As a result, over the years there has been an increase in regulatory control over these many functions (the Sarbanes-Oxley act for auditors and the Internal Revenue Service Circular 230 for tax preparers). Increased regulation contradicts the principle of professionalism. However, tax practitioners operate in a turbulent environment faced with pressures from clients to reduce their tax liability while respecting tax laws that are frequently changing. And although some tax laws are precise, others are more ambiguous providing tax professionals with more flexibility of their interpretation. Thus, practitioners have to be skillful and knowledgeable about not only tax laws, but professional standards and regulations in order to make appropriate judgments and decisions when dealing with these ethical dilemmas. Freidson (2013) recognizes that professionals possess both skill and knowledge, and that skill is merely a tool for the application of knowledge. This knowledge can be verbalized or non-verbalized, meaning that the practitioner possesses a certain knowledge that he or she is unaware and unable to describe.

For Freidson, the practitioner has “practical knowledge” acquired exclusively through experience and necessary to perform his duties. In a hierarchical organization typical of most public accounting organizations, novices learn from more experienced practitioners (Dirsmith

and Covalleski, 1985). Therefore, inexperienced practitioners are more vulnerable to environmental pressures and lack the “practical knowledge” and skill to identify and deal with these ethical issues. This study aims to understand the difference between experienced and inexperienced professionals in identifying ethical issues in a tax compliance context. This understanding will be used to make changes to my pedagogy in my role as teacher-researcher to improve students’ skills in recognizing ethical content through reflection. This change is implemented at a small-scale. Students are introduced to tax ethical dilemmas and standards of practice in the income taxation class at the University of Guam. A problem-based learning strategy is used to raise awareness about social influence pressures and other threats that may impact behavior. This study attempts to fulfill this role. In this chapter, I provide a background for this topic and describe the purpose and rationale for this study.

1.2 Background

I am an accounting instructor at a public land-grant university located in the Pacific island of Guam (U.S. Territory). Guam has a population of approximately 166,000 (World Bank, 2019). The university is the only institution of higher learning offering bachelor’s and master’s degree programs in business, public administration, nursing, education, and liberal arts and science. The university is U.S. regionally accredited by the Western Association of Schools and Colleges (WASC). All degree programs under the school of business and public administration (SBPA) are also accredited by the International Accreditation Council for Business Education (IACBE). One of the programs offered by the SBPA is the Bachelor of Business Administration in Accounting (BBAA). This is a 4-year degree program requiring a total of 124 credit hours for completion (47 credit hours of general education, 47 credit hours of BBAA foundations, and 30

credit hours of BBAA major requirements). The university had approximately 3,744 students for the school year (August 2018 – May 2019), and 3,563 for fall semester (August 2019 – December 2019). First-time freshmen enrollment for the BBAA program was 18 for spring 2019, this was a slight increase from the prior school year of 16 freshmen. The number of graduates for school year 2018-2019 for the BBAA program was 34, an increase from the prior school year of 31 (2018-2019 Factbook, 2019).

1.3 Purpose and Rationale

As a member of the accounting faculty (there are currently two members including myself), I certainly want our students to be academically comparable with other students nationwide. I also aspire for our students to be able to function in a professional environment and conduct themselves as such by possessing the skill set necessary to understand practitioners' duties and inherit risks. Even though on Guam, native inhabitants (Chamorros) encompass more than half of the population (46 percent of students are Pacific Islanders, 46 percent are Asian, and the remaining are from other ethnicities such as White, Black, Hispanic, etc.) (World Bank, 2019), they are still considered minorities when compared to the entire United States. Students from these small islands deserve the same opportunities as their counterparts in the mainland. My duty as a teacher is to adequately prepare these students for professional life. As a teacher-researcher, I intent to change my pedagogy to better prepare future graduates for social and organizational pressures that they may face as professionals.

1.4 The Management Problem

1.4.1 Problem Defined

There are two underlying issues that this study attempts to address:

- a) *Instructional development*: instructional development is a facet of curriculum management that is necessary in education at any level for effective teaching and learning (Stansbury and Huenecke, 1973). Therefore, the problem associated with instructional development is based on the identification and evaluation of any existing deficiencies in instructional needs related to tax compliance that pertain to our unique geographic location that may or may not be the same as those in the mainland. In the process of designing relevant content, I also focus on adopting more effective teaching methods and improving my overall practice as an educator.
- b) *Ethical Awareness*: from my experience as a tax practitioner, accounting firms emphasize mitigating risk to clients, their reputation, and their professionals. Managing this risk is a priority that is relied upon at every level of the organization. Consequently, the second problem addressed in this study is to prepare accounting graduates to contribute to the task of minimizing professional risk in their organizations by becoming more sensitive to ethical issues.

1.4.2 Aim and Objectives

This study aims at understanding the difference between experienced and inexperienced professionals in identifying ethical issues in a tax compliance context with the underlying objective of solving the problems outlined above. This understanding is crucial in guiding

changes to my teaching methodology in adapting and becoming relevant to future graduates' working environment by preparing them to face ethical challenges while observing professional standards of conduct. I expect that these findings would realign my assumptions about these dynamics (the skills that I believe graduate students possess versus students and employers' perceptions). In this respect, the action focuses on my practice and my contribution to learning and the profession. The change begins in the income taxation class instilling in students the importance of ethical awareness in the accounting profession while observing a reflective practice (Schön, 1991). Ultimately, these changes would expand to the undergraduate accounting program indirectly benefiting professional organizations and firms in the island of Guam by having capable new entrants to the profession. This supports the mission and vision of the University of Guam as the only regional institution of higher learning.

Hence this study has two main objectives: a) to assess novices/graduates technical and soft skills deficiencies compared to experienced professionals in the field; and, b) to use these results for the development and improvement of my pedagogy through problem-based learning. The intent is for students to learn not only how to apply tax professional standards, but most importantly, how to critically reflect on their practice and the ethicality of their work environment.

1.4.3 Research Questions

Based on the management problems previously identified, this research aims to address the following questions:

- 1) How do experienced practitioners' perceptions of the ethical problem as outlined in Hunt and Vitell's (1986) theory of ethics framework compare/differ from novice/entry level professionals?
- 2) How effective is novices' working environment in fomenting learning and knowledge in identifying ethical issues based on professional standards?
- 3) How can I modify my pedagogy to enhance learning and critical reflection in the income taxation course?

1.4.4 Why does it need to be investigated?

Flanagan and Clarke (2007) argue that accounting professionals lack critical thinking and analytical skills needed to identify ethical dilemmas because most rely on a check-list approach rather than inquiry for assessment. The ambivalence of current standards of practice between a duty to clients and government may tempt many practitioners to engage in tax aggressive behavior for economic reasons or personal preference. Having a strong understanding of one's core beliefs and values could mitigate these tendencies especially among novice practitioners who may be susceptible to pressures from their environment. For inexperienced professionals, reliance on experienced individuals may or may not provide the desired outcome. Experienced professionals may have acquired a certain way of dealing with tax situations that require them to tap into prescribed standards of conduct, but these models may not be ideal from an ethics standpoint or maybe skewed by perceptions. Furthermore, the knowledge that is transmitted to young professionals may carry on bad habits or distorted perceptions. These become new models of practice that young professionals would adopt exposing them to risk of

noncompliance. Hence, it is important to understand the cognitive processing and development of experienced and novice professionals to improve their ethical decision-making process.

1.4.5 Why is it of interest to me?

The study is relevant to me as an instructor of higher education. Accounting students will have to face many ethical dilemmas once they enter the workforce. My desire is to adequately prepare them or at least provide them with the tools to assess ethical situations, recognize environmental pressures, and act accordingly by becoming conscious about these factors that may have detrimental consequences if ignored. Learning to think critically and to question normative practices is what these students would need to apply in order to navigate their complex professional environment (AICPA, 2018). Additionally, I want to explore effective pedagogies to improve my practice as a teacher and to stay abreast of technological advancements (artificial intelligence, data analytics, etc.) (AICPA, 2019) while making accounting topics appealing and relevant to new generation of students.

1.5 Research methodology to be used

1.5.1 Action Research

Action research is a scientific approach to solving organizational issues. In education, McNiff and Whitehead (2005) identified two main purposes of action research: to improve teaching practices and generate new knowledge. Although the study focuses on making relevant changes to the current pedagogical approach of the income taxation class, my intent is to also improve my practice as an educator through research. The cyclical nature of action

research of planning, acting, and evaluating leading to more planning, acting, and further evaluating is congruent with the management of course curriculum, assurance of learning, and practice improvement.

In this study, the action research emphasizes first-person and second-person research. First-person research involves self-inquiry and awareness in doing (Coghlan and Brannick, 2014). First-person research is carried out in my role as teacher-researcher with the objective of improving my practice by evaluating my current pedagogical approach and making any necessary changes to instructional delivery and strategies. Second-person research highlights the interrelationship between researcher and stakeholders in the inquiry and learning process. The principal stakeholders are the students. My practice is directly affected by students' feedback, and meeting learning outcomes. Therefore, my pedagogy is linked to evidence of learning derived from students' assessments or students' faculty evaluations. Unbeknown to students, they have the power to shape their own teaching and learning in an ever-ending cycle that reflects my adaptation to students' learning demands.

Additionally, although this study is not directly associated with third-person research, the fruit of this research is expected to resonate with a larger community of educators, tax professionals, and institutions of higher learning. As a result, the actionable knowledge generated has third-person implications. In this way, theory and practice rely on each other to produce actionable knowledge. The research would not be complete without theory nor practice. Both components are equally important to achieve the study's goals.

1.5.2 Support for a mixed methods approach

Action research is the methodology relied upon to conduct the research outlined in this study. In line with this methodology, mixed methods are used in the first and second parts to answer the research questions. In the first part, a mixed method sequential is used in the form of a quantitative survey followed by qualitative interviews. In the second part, quantitative and qualitative methods are used simultaneously.

1.6 Thesis structure

The structure of this thesis is as follows. Chapter 1 introduces the workplace issue, provides a background, and outlines the research questions. In Chapter 2, literature relevant to the management problem and research questions is reviewed. A theoretical framework is also presented in this chapter. Chapter 3 details the research methodology and methods. In chapter 4, findings from the quantitative and qualitative research are described and analyzed, and linkages are made between the two methods. In chapters 5 and 6, I detailed the tax ethics classroom activity and analyzed results from the first and second action research cycles including the pre and post-tests and students' feedback. A conclusion and reflection of the action research reflective cycles, and my learning are provided in Chapter 7. I also discussed future research opportunities and limitations of this study in this chapter.

1.7 Chapter Summary

This chapter introduced the topic of study, its purpose, background, and motivation. This chapter also introduced the action research methodology in accordance with the social constructivist philosophy. Likewise, the mixed method approach of analysis further supports

the multiple perspective lenses and sense making paradigm relied upon in this research study.

This will be further discussed in more detail in Chapter 3.

2 CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

In this chapter, I discuss the literature on ethical awareness and problem-based learning. The focus of the literature review is on ethics sensitivity in accounting (including auditing and taxation). The review is also directed by the study's aim mentioned in chapter 1 and the ontological and epistemological philosophies guiding this thesis. The purpose of this review is to justify and inform the research questions outlined in the previous chapter.

While the subject of this study is tax practice, the literature on ethical sensitivity in this field is scarce compared with other fields such as auditing and financial accounting. However, similar relationships and theories can be applied to taxation as researchers have done with other disciplines including other facets of the accounting domain. The literature review is organized as follows. First, definitions are provided for context and understanding of concepts. Second, Hunt and Vitell's (1986, 2006) theory of ethics model is explained and discussed. Third, positive and/or negative associations of exogenous and endogenous independent variables of this model are considered. Fourth, problem-based learning is investigated as a viable classroom pedagogy in contrast with more traditional teaching approaches. At the end of this chapter, I present a theoretical framework summarizing and synthesizing the concepts discussed in the literature. The framework will offer a blueprint for the understanding of notions and theories and development of new knowledge.

The following studies cited in the literature review were found using search terms such as "ethical sensitivity" or "ethical or moral awareness" sometimes with a subcategory in

“accounting”, “taxation”, to narrow down results. Other key terms used in the search were “learning”, “teaching”, “education”, “experienced-based learning” with a subcategory in accounting; and ethical decision-making (EDM), and “codes of conduct” and “professional standards” with a subcategory in accounting, auditing, and taxation. The search was limited to English speaking countries that have similar tax structures as the United States (e.g. UK, Ireland, Australia, etc.).

2.2 Ethical Sensitivity

2.2.1 Definition

According to Rest (1986), the ethical awareness phase is where the decision-maker identifies a moral component on a given situation or dilemma. It could be said that the awareness stage is the most important phase of the EDM process in accordance with various ethical frameworks (Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Trevino, 1986; Dubinsky and Loken, 1989) where most considered acknowledgement of an ethical component as a triggering event. Correspondingly, ethical sensitivity is defined as “the ability to recognize the ethical nature of a situation in a professional context” (Shaub, Finn and Munter, 1993, p. 146), and therefore, it is usually identified with awareness (O’Fallon and Butterfield, 2005; Craft, 2013). Following Trevino's (1986) example, the terms ethics and moral are used interchangeably.

2.2.2 The Hunt and Vitell’s General Theory of Ethics Model

Hunt and Vitell’s (1986, 2006) theory of ethics model (H-V model) was relied upon to guide the first phase of this study. The model is descriptive, and it is based on two moral

philosophical approaches: teleology and deontology. Similar models are also based on these two moral philosophies such as Ferrell and Gresham's (1985) framework. However, the H-V model is the only one that explicitly conceptualized these moral philosophies as an integral part of the ethical decision-making process. This characteristic is deemed pertinent in tax practice as it is guided by laws and regulations, at times requiring individual interpretation tipping the balance between teleological and deontological perspectives. This is based on Hunt and Vitell's assumption that individuals rely on both approaches when making ethical decisions.

The authors' definition of deontological and teleological theories is like Ferrell and Gresham's definitions. For Hunt and Vitell, deontological theories focus on individual's action or behavior, and teleological theories emphasize the consequences of actions. Like other ethical researchers (Ferrell and Gresham, 1985; Rest, 1986; Trevino, 1986; Dubinsky and Loken, 1989), Hunt and Vitell's model begins with the individual's perception of an ethical problem. This implies that if the problem is not perceived as ethical, any other normative tools must be relied upon for decision-making (economic theories, etc.). However, as Torres (1998) points out, most managers operating in complex business environments are faced with ethical issues or dilemmas daily, meaning all decisions have a moral component. Once the individual acknowledges the ethical component of the issue, he or she will develop alternatives to resolve it. The individual will assess each alternative based on predetermined deontological and teleological philosophies to arrive at a set of preferred options. It is not to be assumed that these two philosophies weight equally, instead, the deontological and teleological evaluation may vary depending on individual's values and beliefs, and perception of consequences (an integrative variable of their model). Once ethical judgement is formulated, the next step is

intentions followed by behavior. A feedback loop is also present in Hunt and Vitell's model coinciding with Ferrell and Gresham's model. The feedback loop extends from behavior to personal experiences (one of the constructs that affects the perception of ethical dilemmas), alternatives, and consequences.

The H-V model is shown in Figure 1. The model was first published in 1986 and was later revised in 1993. The descriptive framework has remained fairly intact throughout the years, has been empirically tested, and continues to be widely used in business ethics research (Craft, 2013; Lehnert, Park and Singh, 2015). It has contributed to our understanding of the ethical judgement and decision-making process in a business environment. Reliance on models outside of the field of accounting is inevitable due to the lack of accounting guiding frameworks incorporating normative moral philosophies.

Although the entire EDM process is presented in Figure 1, this study focuses solely on the 'perceived ethical problem' stage. This stage was considered by this author to be a crucial aspect of accounting students' educational foundation in ethics. Through informal observations (and later confirmed in the research findings reported in chapter 4), it was noted that students had a difficult time associating theory with practice. In other words, students maybe well-versed in standards of practice (memorization) but most find applying these concepts particularly challenging, even in a classroom setting. As Flanagan and Clarke (2007) note, accountants' ethics environment is full of complexities that cannot be resolved by a strict rule-based approach. Moreover, it would be impossible for codes of conduct or standards of tax practice to cover all possible ethical situations or ambiguities. Consequently, identifying ethical

content is an important and difficult step, possibly compounded by social influence pressure, for novice practitioners to navigate.

Figure 1: Hunt and Vitell Theory of Ethics Model (1986, 1993)

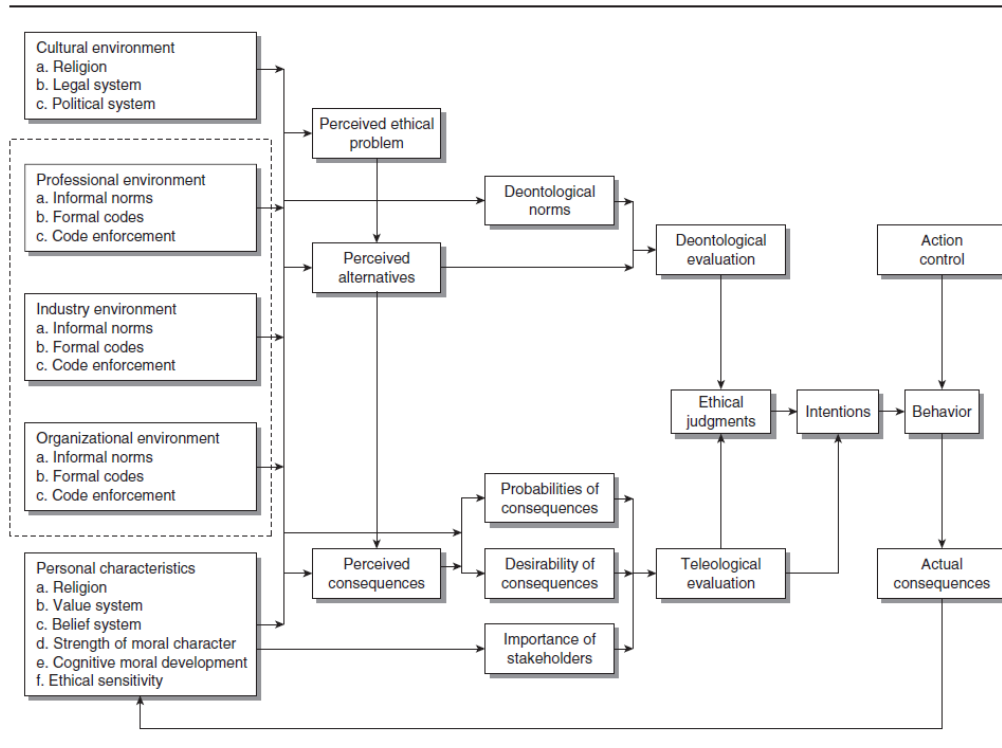


FIGURE 1 HUNT-VITELL THEORY OF ETHICS
 SOURCE: Hunt and Vitell (1986, 1993). Copyright © 1991 by Shelby D. Hunt and Scott J. Vitell.
 NOTE: The portion of the model outside the dashed lines constitutes the general theory. The portion inside the dashed lines individuates the general model for professional and managerial contexts.

Source: (Hunt and Vitell, 2006, p. 144)

2.2.3 Ethical Awareness of Tax Practitioners

This section offers an overview of ethical awareness research in tax practice and accounting in general. A few studies have investigated tax practitioners' ethical decision-making. Those that have explicitly analyzed ethical decision-making of tax professionals examined ethical orientations and philosophies (Burns and Kiecker, 1995; Cruz, Shafer and Strawser, 2000; Yetmar and Eastman, 2000; Frecknall-Hughes et al., 2017), moral development

(Doyle, Hughes and Summers, 2013; Doyle, Frecknall-Hughes and Summers, 2014), organizational culture and ethical climate (Bobek and Radtke, 2007; Bobek, Hageman and Radtke, 2010), education (Christensen and Woodland, 2018), role conflict, role ambiguity, job satisfaction, and professional commitment (Yetmar and Eastman, 2000), professional roles (audit or tax), context (audit or tax), and gender (Bobek, Hageman and Radtke, 2015) and moral intensity (Reckers and Samuelson, 2016). To the author's knowledge, only Yetmar and Eastman's (2000) research focused exclusively on the awareness stage of the EDM process, and only two studies relied on Hunt and Vitell's (1986) theory of ethics model (Burns and Kiecker, 1995; Yetmar and Eastman, 2000). Studies focusing on other stages of ethical decision-making in a tax context investigated: judgment (Cruz, Shafer and Strawser, 2000), intent (Cruz, Shafer and Strawser, 2000; Doyle, Hughes and Summers, 2013; Reckers and Samuelson, 2016) , and behavior (Reckers and Samuelson, 2016).

From a broader perspective, research on ethical sensitivity in the field of accounting (auditing, management accounting, and financial reporting) has examined ethical orientation and philosophies (Shaub, Finn and Munter, 1993; Chan and Leung, 2006; Manly, Leonard and Riemenschneider, 2015), code of ethics, and policies and procedures (Patterson, 2001; O'Leary and Stewart, 2007), moral intensity (Karcher, 1996; Cohen, Pant and Sharp, 2001; Leitsch, 2004), organizational and professional commitment (Shaub, Finn and Munter, 1993; Patterson, 2001), and individual characteristics (e.g. emotions, locus of control, Machiavellianism, moral development, personal experience, etc.) (Patterson, 2001; Chan and Leung, 2006; O'Leary and Stewart, 2007; Latan, Chiappetta Jabbour and Lopes de Sousa Jabbour, 2019). In addition, a few studies analyzed differences between accounting students and professionals in the context of

ethical awareness such as Cohen, Pant and Sharp (2001) who compared moral intensity of business students and accounting professionals in Canada using Jones' (1991) model of issue-contingent ethical reasoning, and Fiolleau and Kaplan (2017) who compared the relationship between ethical sensitivity and reward structure of accounting students and practicing accountants.

From this overview, it is evident that scholarly works on tax practitioners' ethical sensitivity are limited compared with research in other accounting fields. Hence, there is a need for further research in this area. Moreover, studies comparing ethical sensitivity of experts and novices in a tax compliance context are absent from the literature, and these are crucial in assessing graduating students' skills necessary to critically assess ethical situations in a complex environment. Therefore, this study aims to fill that void.

2.2.4 Exogenous Variables

As discussed in section 2.2.2, the Hunt and Vitell model was chosen because it incorporates deontology and teleology ethical philosophies. The constructs that are analyzed and empirically tested as part of this model are examined in the next sections. These are divided into exogenous and endogenous variables of consideration.

2.2.4.1 Industry Environment - Codes of Conduct and Professional Standards

In the United States, tax preparers are subject to codes of conduct, professional standards, rules, and statutes at the state and federal level that govern licensure and practice. As such, these frame the industry environment in accordance with the H-V model. For example, certified public accountants (CPAs) are bound by the American Institute of CPAs Statements on

Standards for Tax services (AICPA SSTS), and CPAs and non-CPAs (e.g. attorneys, enrolled agents) in tax practice are regulated by the Internal Revenue Service (IRS) Circular 230 and statutory tax law. Because ethical matters may have different considerations when evaluated in a professional versus a non-professional context, these guidelines are necessary to define acceptable actions and proper procedures by those that deeply understand them. Given that these professional regulations are an integral part of this industry, they play an important role in shaping the ethical judgment and decision-making of tax practitioners.

No studies were found that have explicitly examined the association between ethical sensitivity and codes of conduct and/or standards of practice for tax practitioners. However, in other accounting disciplines such as audit, Patterson (2001) investigated cause and effect between codes of conduct and ethical sensitivity of 136 auditors from Big 6 public accounting firms while O'Leary and Stewart (2007) examined the association between these two variables using a sample of 66 internal auditors. Both found no statistical support for the codes of conduct construct and ethical awareness in auditors.

Nevertheless, several studies have implicitly focused on the adoption and interpretation of tax standards. Early research in this area focused on the transition between SRTPs and the SSTS in tax practice. Hume, Larkins and Iyer (1999) compared differences between CPAs (n=179) and non-CPAs (n=90) regarding the adoption of SRTPs in their practice. Results showed that a statistically significant number of CPAs did not follow the SRTPs, and that CPAs do not follow the standards any more often than non-CPAs. Similar findings were reported by Monsour, Elias and Cruz (2006) who tested the implementation of SSTS guidelines on 224 tax

accounting students. Results showed that a significant percentage of accounting students were not likely to follow SSTS guidelines regardless of instruction.

Other scholars focused on the language of certain standards as unclear or vague, and their effect on judgment and decision-making of tax practitioners. Cuccia, Hackenbrack and Nelson (1995) investigated the difference of a verbal vague standard versus more stringent standards that were numerically precise in relation to the “realistic possibility” language, and the effect of these variations on tax practitioners’ aggressive behavior. For this purpose, two experiments were conducted with a pool of 138 tax managers from Big 6 public accounting firms. Findings showed that changing the wording of the standard did not modify practitioners’ behavior. Kelliher, Bandy and Judd (2015) extended these findings and examined tax practitioners’ familiarity with the standard and its effect on tax advice. A survey instrument containing two vignettes and a Likert-type questionnaire indicating participants’ familiarity with the standards was mailed to members of the AICPA Tax Division. The response rate was 24% or 238 participants. The researchers found that familiarization helped curb aggressive behavior when providing tax advisory services. These results suggest that those that are more familiar with this standard can more easily discern when a position is aggressive or permissible. More recently, Clifford et al. (2019) analyzed factors that influence CPAs’ willingness to sign a tax return reporting an ambiguous position. 199 CPAs from 33 states across the U.S. completed a web-based survey. Results showed that aggressive CPAs are more susceptible to sign the tax return than unaggressive ones. Moreover, the CPA’s knowledge of the IRS position on the subject influence behavior as well as client aggressiveness. These studies demonstrate that other factors may influence tax practitioners’ adherence to rule-based principles, and that

standards of practice may not be as effective in curtailing unethical behavior. These findings also have implications in accounting education implying that instruction on codes of ethics and standards of practice alone may not be as effective. However, studies that have statistically tested the association between ethical sensitivity and tax professional standards are lacking and further investigation is needed to draw meaningful conclusions.

2.2.4.2 Professional Environment – Professional Commitment

Larson (1977) posits that the process of socialization begins in professional schools and universities where the hierarchical relationship between teacher/expert and student/novice is established. The student/novice accepts the teachers' expertise in the field of study and acceptance of subordination to those with expertise becomes normative. This hierarchical relationship would later transfer to the workplace where the socialization process continues to be reinforced within the organization (this is discussed in the next section). Thus, professional commitment is a process of socialization where professional values override personal values. Aranya, Pollock and Amernic (1981) referred to this socialization process as complete acceptance, adoption, and advocacy of professional values. As such, it is expected that high levels of professional commitment would have a positive effect in identifying ethical content.

Research analyzing the association between professional commitment and ethical sensitivity in taxation is limited to Yetmar and Eastman's study (2000). The instrument used in this study was a survey questionnaire. Usable responses totaled 236, participants were all members of the AICPA Tax Division. Yetmar and Eastman examined several influencing factors associated with ethical sensitivity including professional commitment concluding that it was

positively associated with the level of ethical sensitivity. However, in auditing, Shaub, Finn and Munter (1993) did not find professional commitment to be an influencing factor of ethical sensitivity (n=207 auditors). Nevertheless, Elias (2006) investigated professional commitment and anticipatory socialization as determinants of ethical perceptions in 128 undergraduate students enrolled in an auditing course at two medium-size universities. Findings showed that students with high levels of professional commitment and perceived importance of financial reporting were more likely to identify unethical behavior than those with lower levels.

When considering other stages of the ethical decision-making process (judgement, intent, and behavior), studies in a tax context include Christensen and Woodland (2018) who examined the association between students participation in the Volunteer Income Tax Assistance (VITA) program and EDM. Business students enrolled in upper-level accounting courses were selected to complete a pre (236 responses) and post-test (188 responses). Researchers considered the association between professional commitment and EDM and found that this variable was partially significantly associated with ethical judgment but was not significantly associated with decision-making. In other accounting fields, Lord and DeZoort (2001) reported that professional commitment related to auditors' willingness to sign-off on materially misstated account balances was negatively affected by social influence pressure. The authors conducted an experiment with 171 auditors from an international public accounting firm. Results showed that participants with high levels of professional commitment without social influence pressure acted more ethically than those that were under social influence pressure. Taylor and Curtis (2010) found that professional commitment influenced the likelihood that an auditor would report unethical behavior (intent) but did not contribute to

perseverance (behavior). They surveyed 120 auditors from a Big 4 public accounting firm.

Herda and Martin (2016) investigated the practice of underreporting time among auditors. 110 auditors from two large national public accounting firms participated in the study. Results showed that professional commitment was associated with underreporting, but only for inexperienced auditors.

These studies have shown that other mediating factors influence professional commitment. Some researchers have attribute these discrepancies to practitioners' need to protect the profession by refraining from publicizing unethical acts (Taylor and Curtis, 2010). Others have recommended that the socialization process should begin at the college level (Herda and Martin, 2016). Consequently, it is necessary to continue to investigate the relationship between professional commitment and ethical sensitivity especially in the context of tax where only a few studies have examined these variables. These findings also accentuate the importance of inculcating a professional identity in students early on.

2.2.4.3 Organizational Environment

2.2.4.3.1 Organizational Commitment

Another endogenous variable that is associated with ethical sensitivity, as part of the organizational environment, is organizational commitment. Meyer, Allen and Smith (1993), who examined professional and organization commitment in nursing, define commitment to the organization as a "psychological state" focusing on the employee-organization relationship and its effect on the individual's continuing membership in the organization. The authors identified three components of commitment described as an affective attachment to the organization

(affective), commitment associated with invested costs (continuance), and commitment as obligation to remain with the organization (normative). The general assumption is that organizational commitment would positively or negatively influence ethical awareness depending on the individual's degree of loyalty and attachment to the organization.

No studies were found that examined ethical sensitivity and organizational commitment in a tax context. Scholarly works on ethical sensitivity in an audit context reported no significant associations (Shaub, Finn and Munter, 1993) (n=207) or causation (Patterson, 2001) (n=137) with organizational commitment. Studies not limited to ethical awareness have investigated the interplay between social influence pressure and organizational commitment. In this regard, Lord and DeZoort (2001) found that social influence pressure reduced the positive effects of organizational commitment in a sample of 171 auditors, while Clayton and Staden's (2015) research showed that organizational commitment was a mitigating factor of social influence pressure in 919 accountants from diverse industries in Australia. Taylor and Curtis (2010) investigated the relationship between organizational commitment and the likelihood that an auditor would report an unethical act (n=120 senior auditors). They reported differing results for organizational and professional commitment in that the latter influences intent to report, but the former affects ethical behavior.

The lack of research on ethical sensitivity in taxation that has explicitly examined organizational commitment as an influencing factor warrants further investigation considering diverse results in auditing and accounting. Moreover, some researchers have analyzed organizational commitment in conjunction with professional commitment. Findings show that the relationship between these two variables may differ sometimes yielding similar (e.g. Lord

and DeZoort, 2001), or differing (e.g. Clayton and Staden, 2015) results. Aranya, Pollock and Amernic, (1981) attributed these differences to the professional-organizational conflict. They stated that normally these two variables are positively correlated, but a deviation by the organization from professional norms would create a conflict that may negatively affect this relationship. Thus, it is expected that new entrants to the accounting profession would have a higher professional commitment than organizational commitment given that they have been exposed to the values of the profession in college compare with the short time spent in the organization. Conversely, it is assumed that practitioners who have invested more time in the profession and the organization would have higher levels of both.

2.2.4.3.2 Accountability

From a social psychology perspective, Tetlock (1983, p. 74) defined accountability as “the need to justify one’s views to others”. He concluded that people tend to support the dominant view of those they are accountable to, but they are more likely to engage in more complex information processing when ideological views were unknown. In business ethics, Beu and Buckley (2001) concluded that when the views of the other person(s) are known to the actor, he or she will more likely to conform to the person’s views. When the views are unknown, the actor engages in self-criticism and attempts to figure out possible objections and justifications to those objections. However, when the actor has already acted on a decision, he or she will focus on justification to defend their course of action. In accounting, Gibbins and Newton (1994) determined that public accountants are accountable to many stakeholders such as superiors, peers, clients, professional organizations, regulatory agencies, etc. The authors focused on the perspective of the accountable professional and found that most participants

acknowledged a strong accountability pressure when making decisions. Cohen et al., (2001) pointed out the need for researchers to investigate the effect of professional accountability on ethical decision-making of current and prospective practitioners. Thus, it is assumed that accountability would be positively associated with ethical sensitivity because practitioners would be held accountable for their decisions and actions. Furthermore, accountability could be useful in controlling the conduct of employees in organizations (Beu and Buckley, 2001).

In ethical decision-making (not just awareness) in tax practice, Marshall (2018) examined 75 tax professionals' confirmation bias (advocacy bias) and found that they were influenced by seniors' perceived preferences more so than partners' preferences. In other words, those at lower job positions felt more accountable to immediate supervisors such as seniors than partners in a firm influencing their evidence evaluation and judgment. However, reviewers did not demonstrate the same level of accountability (as preparers did to supervisors) to partners. In a similar vein, but focusing on the association between accountability and ethical sensitivity of auditors in relation to tone at the top, Pickerd, Summers and Wood (2015) found that junior auditors were affected more by the tone set by seniors than they did by the tone set by audit partners. Participants in this study included 101 graduate accounting students. Similar findings were reported by Cohen and Trompeter (1998). A total of 74 usable responses from audit managers at two Big 6 public accounting firms were analyzed in respect to the level aggressiveness of practice development. The level was found to be dependent upon the partner that audit managers were reporting to. Likewise, Hoos, Puijssers and Lander (2019) reported that auditors' judgement outcomes vary depending on the audience (internal review

regime, joint audit, or no review regime). Hoos et. al employed a 1 x 3 between-subject experiment with 47 participants from one Big 4 auditing firm.

The literature on accountability demonstrates that new entrants to the professional are especially vulnerable to superior's ethical perceptions and tendencies. This is an aspect of ethical sensitivity that must be carefully evaluated against the background of more experienced professionals. The investigation of differences between experienced and inexperienced practitioners on accountability and ethics would provide valuable information on the current state in a different setting such as Guam, and it would enhance our understanding of influencing factors that can be addressed in the classroom.

2.2.5 Endogenous Variables

The previous section detailed environmental-level (exogenous) variables that may affect the professional's perception of an ethical component of an issue. The individual-level (endogenous) variables examined in this study are ethical orientation and work experience (knowledge and learning).

2.2.5.1 Ethical Orientation

Congruent with Hunt and Vitell's (1986) theory of ethics model, personal experience is considered to influence ethical decision-making. Ethical ideology is based on the premise that individuals' attitudes, values, and beliefs constitute a person's moral philosophy (Forsyth, 1992), and therefore, it warrants consideration when analyzing ethical sensitivity since individuals may rely on different philosophies depending on their level of experience or industry (Loe et al., 2013). In some respects, idealism is compared with deontology, and relativism and

utilitarianism with teleology (Jha and Pandey, 2015). Since a person high on idealism/deontology would be expected to follow rules and regulations of practice, it is expected that there would be a positive association with ethical decision making, but a negative association for relativism and teleology (O'Fallon and Butterfield, 2005) because the latter emphasizes consequences and specific ethical situations rather than standards.

In a tax context, Burns and Kiecker (1995) and Frecknall-Hughes et al. (2017) investigated tax accountants' deontological and teleological perspectives when making ethical judgments. The former included a sample of 418 CPAs in public accounting in the U.S. The latter's sample was composed of 101 tax practitioners and 100 non-specialists from Ireland. Findings show that tax practitioners may rely on both ethical perspectives (Burns and Kiecker, 1995) in situations where the law is ambiguous. Moreover, when presented with tax scenarios versus social scenarios, tax and non-tax participants have shown deontological tendencies more so than teleological (Frecknall-Hughes et al., 2017). Others found no evidence of relativism and/or utilitarianism as an influencing factor in relation to ethical sensitivity (Yetmar and Eastman, 2000) or behavior (Cruz, Shafer and Strawser, 2000).

In other accounting fields, Shaub et al. (1993) found a negative relationship between relativism and identification of ethical issues (n=207). However, idealism was found to be associated with high levels of professional commitment, but low levels of ethical sensitivity. Similarly to Shaub et al.'s findings on relativism, Greenfield, Strand Norman and Wier's (2008) study showed that individuals high on relativism were more likely to engage in earnings management. Contrary to Shaub et al., they found that those with idealistic tendencies were less likely to act unethically. Greenfield et al.'s sample included 376 senior-level students.

Nevertheless, some researchers found no association between ethical ideology and decision-making (Chan and Leung, 2006; Ballantine and Mccourt, 2011). Chan and Leung's sample consisted of 156 undergraduate students at a U.S. university while Ballantine and Mccourt's surveyed 104 senior-level undergraduate students enrolled in an auditing course at a UK university.

For the most part, results of these studies concur that tax accountants are influenced by deontological more than teleological perspectives given the legal aspect of their practice. This could be explained by the socialization process and the degree the individual relies on standards and rules of practice in their ethical decision making. This may also depend on the situation in tax especially when laws are unclear about certain treatments leaving the practitioner to assess a proper action, in which case, a combination of deontology and teleology/utilitarian approaches may be relied upon (Frecknall-Hughes et al., 2017). This is critical for educators in finding a balance between fomenting professional socialization without reducing ethical decision making to a check list, and teaching students to critically assess situations.

2.2.5.2 Work Experience

Respective to education and work experience, Trevino (1986) believes that work experience helps further develop moral reasoning in adults, and for the most part, research has shown a positive relationship between education and work experience on ethical decision-making (O'Fallon and Butterfield, 2005; Craft, 2013). Gibbins' (1984) researched public accountants and auditors' professional judgment. He posited that experience helps create 'templates' that are stored in long-term memory and that are used in making judgments. While

some judgments are automatic meaning that the individual does not consciously make a judgment, others require conscious thinking and processing. However, some researchers suggest that we do not know enough about the effect that education and work experience have on ethical decision-making, and this warrants further examination (Loe, Ferrell and Mansfield, 2013).

Several studies have compared experienced professionals' EDM with less experienced including students. Bobek, Hageman and Radtke (2010) analyzed 144 tax practitioners' perceptions on ethical environment comparing tax partners and non-partners and found that the former considered their ethical environment to be stronger compared to the latter. Additionally, tax partners acknowledged having experienced common ethical scenarios more so than non-partners. Bobek, Hageman and Radtke (2015) found that work experience in a sample of 134 public accounting professionals to be a mitigating factor in both contexts (audit and tax) regarding conceding to clients when there is a disagreement. Likewise, some auditing and accounting researchers concur that those with more experience would be more likely to identify ethical situations in relation with moral intensity (Cohen, Pant and Sharp, 2001), firm's ethical environment and codes of conduct (Martinov-Bennie and Pflugrath, 2009), and auditors underreporting time (Herda and Martin, 2016).

Hence, work experience seems to have a positive effect on ethical awareness and decision making given that more seasoned practitioners can recognize unethical situations more often than less experienced. This difference may be attributed to the time a practitioner has spent applying various codes, rules, and regulations with this knowledge becoming embedded as a 'template' as explained by Gibbins (1984), thus increasing his/her ability to recognize a

dilemma (Martinov-Bennie and Pflugrath, 2009; Kim and Loewenstein, 2020). Therefore, stands to reason that the longer students are exposed to the application of these standards, the gap between experienced and less experienced would be less pronounced, and students would be adequately prepared to face these situations.

2.3 Ethical Sensitivity Theoretical framework

The theoretical framework presented in this section was developed from the preceding literature review. Its purpose is to highlight main concepts and present a scaffolding for the first stage of this study discussed in detail in the next chapter. The framework is based on the H-V model shown in Fig. 1 suggesting that the perception of an issue containing a moral content is influenced by exogenous and endogenous variables. The focus of this study is on Hunt and Vitell's awareness stage ("Perceived Ethical Problem") of the EDM model. Acknowledging that a tax issue contains a moral component is equally important for professionals in this field given their exposure to sanctions, reputational and practice risks, and other qualitative factors.

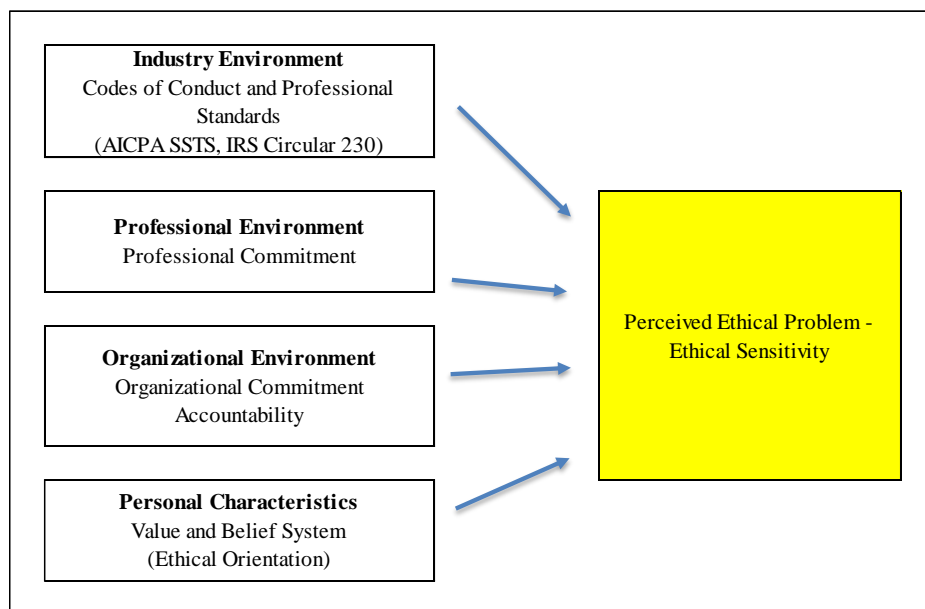
The ethical sensitivity of tax practitioners' theoretical model developed for this study is shown in Figure 2. The exogenous factors included in the framework represent professionals' environment and are boxed together by a dotted line in Fig. 1. These are industry, professional, and organizational environments. As shown in the literature review, researchers have identified codes of conduct and professional standards as an integral representation of tax practitioners' industry. In this regard, it is assumed that the higher the level of practitioner's familiarity with these standards, the more likely the individual would be able to recognize an ethical issue. Professional environment is represented by the professional commitment variable. A positive

association between professional commitment and ethical sensitivity is expected. The third factor representing the business environment is organizational, and it is depicted in the model by two variables: organizational commitment and accountability. It is assumed that when the organizational values are aligned with professional ones, that there would be a positive association between organizational commitment and ethical sensitivity. Likewise, high levels of accountability would correspond with increase recognition of ethical issues. Finally, only one endogenous variable, ethical orientation, was incorporated in the model in Fig. 2 to account for tax practitioners' values and belief system in terms of two moral philosophies discussed: teleology (relativism) and deontology (idealism). Since tax practice is heavily regulated, it is expected that deontology would be considered of importance when identifying ethical content, more so than teleology.

Although the theoretical model of tax practitioners' ethical sensitivity presented here is based on the H-V model, it is not all inclusive. The cultural environment was excluded from the model. It encompasses religion, legal, and political systems. The main reason for not adding it to the framework was because the first stage of this study focuses on identifying differences in ethical sensitivity between experienced and inexperienced tax practitioners, and using this information in the second stage to make changes to my teaching strategy in an effort to adequately prepare graduate students for the workplace. Therefore, the business environment as a conduit for socialization is the focal point of this research. Likewise, under personal characteristics, an individual's values and belief system is assumed to be affected by socialization through work experiences more so than other factors mentioned in the H-V model such as religion, and others. Cognitive moral development is also affected by socialization but

was not directly included in the model shown in Fig. 2. However, it is discussed in chapter 4 to make sense of research findings. This factor has been previously researched in the context of tax and accounting showing that moral development decreases as the individual's career progresses demonstrating the long lasting effects of socialization (Ponemon, 1992; Doyle, Hughes and Summers, 2013).

Figure 2: Theoretical Model of Tax Practitioners' Ethical Sensitivity



Source: Developed for this study

2.4 PBL in Accounting Education

For many years, some scholars have taken a critical look at accounting education and have advocated for teaching methodologies that encourage creativity, independence, steering away from excessively relying on textbooks and lectures that are part of traditional educational deliveries. For example, Albrecht and Sack (2000) investigated the status of accounting education and their findings highlighted the lack of experience-based learning and the need to

hone students' skills in place of content-driven pedagogies. Instead, educators should focus on developing professional skills in students and future professionals such as intellectual, problem-solving and critical thinking, technical, communication, interpersonal, etc. (Stanley and Marsden, 2012). This highlights the importance of professional capability which is different from just being competent at a job (Lizzio and Wilson, 2004). Being professionally capable means engaging in double loop learning (Argyris, 1977), questioning assumptions that affect professionals' practice and design new ways to respond to situations. PBL not only fulfills the need for skills in newcomers such as cognitive and problem-solving skills, interpersonal skills, and communication skills, but also foments evaluation of self-learning and the acquisition of new skills as the profession demands. Students need to acknowledge deficiencies and find ways to meet these knowledge gaps. Thus, the PBL method has two broad education objectives: students' knowledge enhancement via meta-cognition and development of problem solving skills (Barrows and Tamblyn, 1980). Because of PBL's educational objectives, it is deemed appropriate for accounting education.

Some accounting educators rely on active learning strategies to teach ethical awareness in various formats, such as service learning in taxation (Christensen and Woodland, 2018); game-based learning in accounting (Adams, 2010); and mock classroom in auditing (Deno and Flynn, 2018). Active learning strategies used for ethical decision-making (awareness, judgment, intent, and behavior) include PBL (Gerstein, Winter and Hertz, 2016), reflection (Mintz, 2006), and Giving Voice to Values (GVV) (Miller, Shawver and Mintz, 2020). Outside accounting ethics education, PBL has been used to teach technical and problem solving skills in financial accounting, forensic accounting, and auditing (e.g. Durtschi, 2003; Cottell Jr., 2010; Stanley and

Marsden, 2012). However, no published works have been found documenting the use of PBL in a U.S. taxation course, even less in U.S. tax ethics education.

There could be several reasons for the lack of PBL in accounting education stemming from certain advantages and disadvantages of its implementation. Advantages of PBL for students and instructors are: the use of research to gain the knowledge in order to solve these problems, the use of reasoning skills to assess how this knowledge will be used involving critical thinking, and reflecting, gaining metacognitive skills and engaging in deep learning in the process (Hung, 2006). Advantages perceived by students are enhanced retention of material learned and increased motivation compared to traditional lectures (Milne and Mcconnell, 2001). Some disadvantages are attributed to the fact that PBL does not increase students' chances of passing board examinations (Barrows and Tamblyn, 1980). This could be explained by the format that most exams adopt especially the CPA examination that relies on multiple-choice questions to test content knowledge, although in recent years, the use of application through task-based simulations has progressively increased (AICPA, 2019). Some disadvantages identified by students are concerns over dearth of content, time consuming, and demanding activities (Milne and Mcconnell, 2001). Nevertheless, as a teacher, I perceive PBL's objectives and advantages to be valuable for our students providing for the skills they need to succeed in their careers. Even though I am fully aware of the disadvantages outlined by other researchers, these have also made recommendations about effectively implementing this approach in the classroom and/or as part of the overall program curriculum.

2.5 PBL Framework

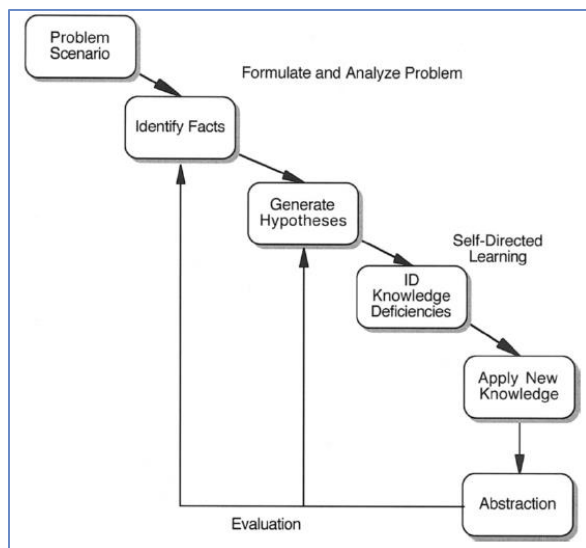
As stated, PBL is an effective educational tool aimed at developing students' capabilities through reflection-on-action while at the same time contributing to anticipatory socialization by exposing students' to expected professional scenarios (Lizzio and Wilson, 2004). Anticipatory socialization is described as a process in which non-group members adopt the same attitudes and beliefs as the group due to a desire to become a member (Merton and Rossi, 1968 cited in Elias, 2006). This is important because students must become accustomed to behaving professionally and begin to embrace normative practices in a work environment to facilitate their transition. Since PBL has similar characteristics and objectives as action learning and given its effectiveness in accounting ethics education (Gerstein, Winter and Hertz, 2016), it provides an opportunity for students to enhance their learning experience through application in solving complex problems. I anticipate that its implementation would be very challenging because most students at this level (second semester in the accounting program) have limited exposure to active learning and are accustomed to traditional forms of instruction (teacher-centered as opposed to student-centered).

Hmelo-Silver (2004) provided a framework for PBL shown in Figure 3 below. Barrows and Tamblyn (1980) ascertained that a main characteristic of PBL is that the problem precedes knowledge. Milne and Mcconnell (2001) also highlighted this difference when comparing PBL to case studies. A case study approach takes place after students have been introduced to the content as a form of learning application. In PBL, students have none or limited prior knowledge of the concepts to be applied, and they are tasked with developing it themselves. However, Johnstone and Biggs (1998) recommended that in accounting education students

should have been introduced to the content prior to PBL implementation, and that instructors acting as facilitators should possess the expertise necessary to adequately guide students' learning. These recommendations were taken into consideration when evaluating different PBL frameworks. Without losing essential aspects of this learning approach, I have adopted Stanley and Marsden's (2012) guide because it is simple and it would be easier for students that have never been exposed to this type of learning to understand and apply. Their guide is composed of five steps that include:

1. FACTS = Define the problem through inquiry
2. IDEAS = Analyze options
3. RESEARCH = Problem-solving
4. DECIDE = Decision-making supported by collaboration
5. EXECUTE = Communicate decisions and act

Figure 3: The Problem-Based Learning Cycle



Source: (Hmelo-Silver, 2004, p. 237)

I have modified this format slightly by adding a sixth step to incorporate critical reflection (Mintz, 2006; Miller, Shawver and Mintz, 2020) to foment double loop learning (Argyris, 1977), and embrace the meta-cognitive aspect of this approach.

2.6 Summary

In this chapter, I provided an overview of the literature that supports and further explains the research questions of this study. The literature demonstrates that a lot of questions remain in understanding the ethical judgment and decision-making of tax practitioners in relation to identification of an ethical component of an issue. The literature also highlights important findings regarding factors that influence perceptions and their effect on this process. As a result, we can assume that there will be variations in individual perception. This study focuses on variations between experienced and inexperienced practitioners with the objective of improving the latter's ethical awareness in judgment and decision-making by adopting critical thinking and problem solving skills rather than relying on simplified methods such as the check-list approach mentioned by Flanagan and Clarke (2007). The result of this literature analysis is the ethical theoretical framework offered in this chapter. This framework ties together concepts and theories to provide a scaffolding for the research's design, methods, and analysis of findings. Additionally, the literature focused on the teaching and learning approach used in the income taxation class in order to foment students' critical thinking and problem-solving skills as a form of anticipatory socialization and adequate preparation to face complex issues as accounting professionals. A framework for problem-based learning was adopted from the literature and a justification for its use was discussed in this chapter.

3 CHAPTER 3: METHODOLOGY

3.1 Introduction

The literature review in the previous chapter provided a foundation and relevance for ethics research of tax practitioners and the need for non-traditional teaching approaches to bridge the theory learned in the classroom with application in practice. The main purpose of this study is to implement effective teaching methods that would adequately prepare accounting students to face ethical dilemmas in their professional career. This chapter describes the study's research methodology, procedures, and design.

3.2 Selecting A Paradigm – Rationale and Justification

Social constructivist and pragmatic paradigms would be most adequate for this study for two main reasons. The first reason is to assess experts and novices' perceptions of ethical sensitivity. This approach would be most appropriate allowing to capture experiences from different perspectives and constructions. The second is to facilitate the implementation of new teaching strategies in the classroom. These changes must be monitored and assessed in compliance with the learning outcomes outlined. Collaboration between students and teacher is essential because their feedback is valuable for reassessment and realignment of the chosen pedagogy.

Furthermore, social constructivism emphasizes the social aspect of learning focusing on collaborative experiences and discussions of new knowledge that it is mesh with the learning community's knowledge. In other words, learning is the product of the group's interactions rather than the individual's internal processing. It is a socially active process (McMahon, 1997).

Therefore, an interpretative philosophy is congruent with the objectives of this study, complementary, and appropriate in understanding processes, more so than solely relying on any other alternative paradigm (i.e., positivism or post positivism).

As mentioned, a pragmatic approach would also guide the research because the focus is on extending the notion of constructivism to encompass live experiences (Easterby-Smith, Thorpe and Jackson, 2012) that are practical and useful in solving problems (Morgan, 2014). The rationale for considering this paradigm stems from my experience as a former tax practitioner and my current role as educator. As such, I prefer a philosophical approach that is directed at producing practical knowledge that adds value to education in ways that empowers students to function in complex environments once they join the workforce. This ontology and epistemology concur with my personal values and beliefs guiding the way I perceive the world, my experiences, and my own reality.

3.3 Action Research Methodology

An action research methodology is congruent with the interpretative and pragmatic philosophical underpinnings discussed, and supports the analytical lenses used in conducting this research. Action research has been widely used in education for practice change and development (e.g. Elliott, 1991; McNiff and Whitehead, 2005; Baumfield *et al.*, 2008; Norton, 2019), for curriculum development (e.g. Goldstein *et al.*, 2016; Oksiutycz and Azionya, 2017), and student engagement such as reflection and active participation (Gibbs *et al.*, 2017) among other applications. As a teacher, I am expected to constantly evaluate students' performance, but this is only one part of the learning dynamic that takes place in the classroom. As

ascertained in the literature in chapter 2, the process of socialization is founded in the relationship between teacher and students (Larson, 1977). The values of the profession are communicated early in the accounting program, not just as explicit standards of practice for students to memorize, but in the instructor's behavior and teaching strategies. It is expected that prospective newcomers to the accounting profession would have the skill sets needed to become capable practitioners (Lizzio and Wilson, 2004). This includes becoming aware of unethical practices and forming opinions against these practices that may contradict peers, supervisors, etc. Transitioning between memorizing and deep learning as advocated by experienced-based learning strategies is at the core of this study, and this is only attainable with an action research methodology that allows for differing methods (quantitative and qualitative) to achieve practical solutions.

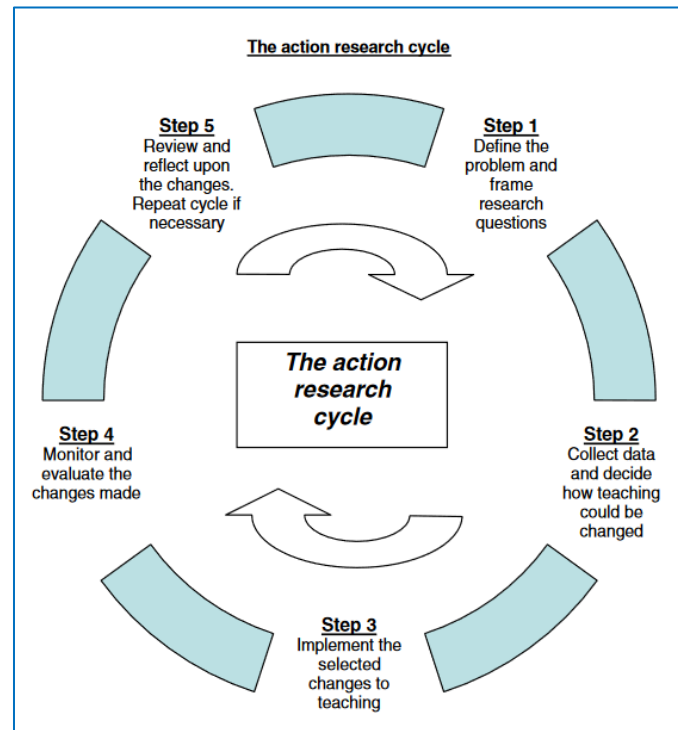
In addition to finding practical solutions, another core function of action research is to generate actionable knowledge that is useful to practitioners while contributing to the body of knowledge (Coghlan and Brannick, 2014). According to Tenkasi and Hay (2004, p. 178), "actionable scientific knowledge refers to the knowledge-creation processes that meets the criteria of the scientific community and the business needs of the organization." In this sense, action research is a convergence of practice and theory. However, action research is not without its limitations. Some of these are being compared to advisory services, impartiality and bias, lack of rigor and validity of data, and producing results that are not generalizable to a larger population (McKay and Marshall, 2001). To overcome these limitations, the two action research cycles must be carefully designed, documented, and linked to the body of knowledge for improved credibility and validity of results, and to produce meaningful outcomes that will

improve the teaching and learning for accounting students having a positive effect in tax accountants' ethical environment.

3.4 Action Research Framework

Action research relies on a cyclical process that includes planning, action, evaluation, and more planning restarting the entire cycle again (Coghlan and Brannick, 2014). The action research cycle begins with a definition of the problem and the articulation of research questions guiding this process. In the second step, the teacher-researcher will collect data using a mixed method approach (QUANT => qual) to assess the status of novices' readiness and skill set to recognize ethics issues in a tax context. This is the first stage outlined in the research design. I will then use this assessment to modify my pedagogy accordingly. The third step is the implementation phase represented in Fig. 4. This takes place in two cycles (2019 spring and fall semesters). The changes are monitored and evaluated in the fourth step. The final step involves reflecting on results and recalibrating the strategy repeating the cycle once again. Results are carefully evaluated even if they are unexpected or contrary to the initial objective. If the outcome is not what was initially expected or the problem is still unresolved to the teacher-researcher's satisfaction, the process is reinitiated beginning the iterative process (Coghlan and Brannick, 2014). The illustration below shows the five step action research framework relied upon for this thesis that was adopted from Bassey (1998) and Hand (2001) (cited in Paisey and Paisey, 2005).

Figure 4: Action Research Framework



Source: (Paisey and Paisey, 2005, p. 2)

3.5 The Role of the Teacher-Researcher in Action Research

Action research aims at making meaningful and sustainable changes (Greenwood and Levin, 2007). This change takes place not only at the organizational or institutional level, but also at the personal level. Essentially, action researchers also benefit from the learning experience enhancing their own knowledge and practice. Likewise, action research is equally important in the professional development and improvement of educators' practice emphasizing critical reflection (Elliott, 1991; McNiff and Whitehead, 2005; Baumfield *et al.*, 2008; Oksiutycz and Azionya, 2017). This first-person research approach focuses on the ability of the researcher to critique his/her own practice, to become aware of changes that need to be

made for self-growth (Coghlan and Brannick, 2014). However, as a teacher-researcher I do not operate in a vacuum, my actions have great effect on my students and their learning. We engage in constant dialogue and critical inquiry that is equally beneficial to both the student and the teacher engaging in second-person research (Greenwood and Levin, 2007). Although I have not formally become an action researcher, I have always embraced an action learning approach to my teaching. I constantly evaluate my practice based on students' capacity of meeting or not meeting the stated learning outcomes. It is a continuous cycle of change, application, monitoring, evaluation that leads to change, application, etc. Therefore, in this study, the focus is on the students' learning, in adopting teaching methodologies that help bridge education and practice, theory and praxis for the students and myself as a teacher-researcher. As such, my roles are: 1) an action researcher analyzing and evaluating the state of ethical awareness between experienced and inexperienced tax compliance professionals, and implementing a PBL activity in the income taxation class with the objective of closing any gaps found in these groups; 2) a teacher/facilitator in the classroom guiding students through this new teaching methodology, probing and encouraging criticality without taking over their learning; and 3) a reflective practitioner (Schön, 1991) critiquing my own practice in relationship with others, and making adjustments accordingly.

3.6 Justification for choosing mixed methods

Johnson and Onwuegbuzie (2004) define mixed methods research (MMR) "as the class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study" (2004, p. 17). The purpose of MMR is to increase the chances of obtaining answers to the proposed research

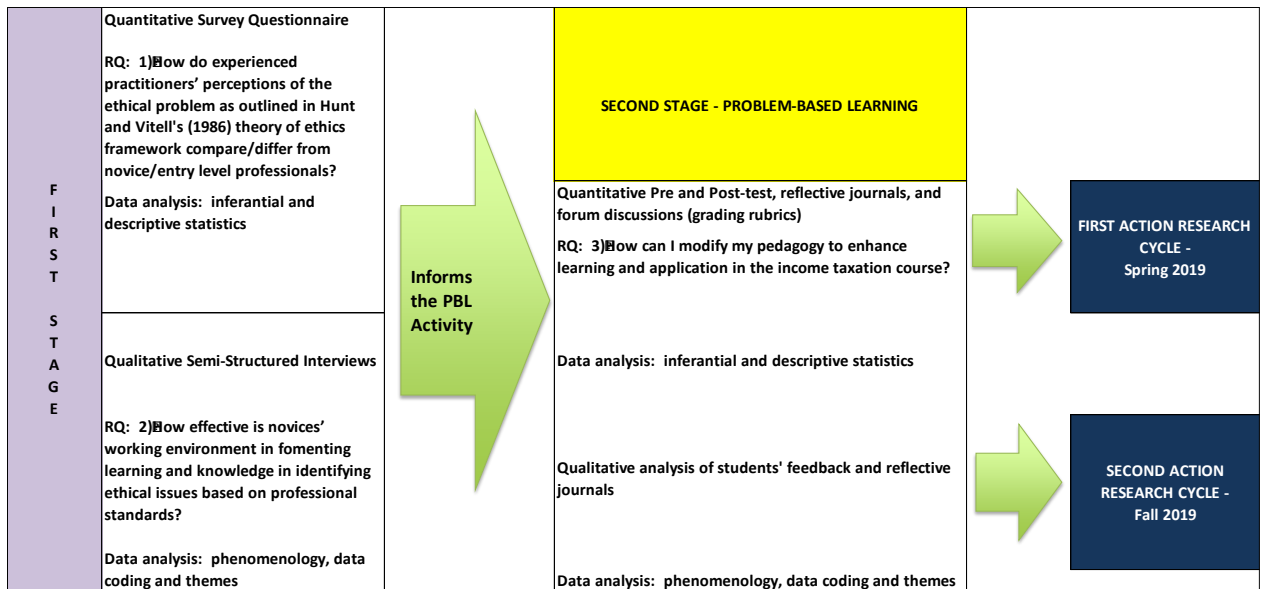
questions and objectives while overcoming the perceived limitations of relying only on one method being quantitative or qualitative. Venkatesh, et.al (2013) suggests that the selection of mixed methods research depends on the research question, purpose, and context. They define MMR as a research design that uses different epistemologies and methods, and distinguish it from multimethod research, which refers to different methods, but a single epistemological approach. By using different epistemologies and methods, researchers can make *meta-inferences* about the topic researched because it is more likely that the combination of the two approaches will help overcome any weaknesses that each of these methods (qualitative and quantitative) may have inherited. MMR offers challenging positions for researchers because the various methods may result in complementary or contradictory results. This adds an additional layer of complexity and forces the researcher to uncover and interpret different meanings or reexamine findings. Their application is detailed in the next section.

3.7 Research Design: Questions and Methods

The study relies on an action research methodology as a framework guiding the different stages of this thesis. The first stage is meant to provide an overview of the status of ethical awareness of tax practitioners in Guam at two distinct levels: newcomers versus seasoned professionals in answering the first two research questions listed above. In this first stage, a mixed methods explanatory sequential format (Creswell and Plano Clark, 2017) is used for this purpose. Once I gain an understanding of the skills that accounting graduates from the University of Guam are lacking, I will use this information for the design and implementation of a problem-based learning strategy in the income taxation course. The first stage provides focus to the PBL activity and pedagogy to increase learning effectiveness before moving on to the

second stage. The latter addresses the third research question. A simultaneous mixed method approach is also used to gather and analyze data from two semesters (spring and fall 2019) comprising of two action research cycles. A quantitative survey based on the critical reflection scale developed by Kember *et al.*, (2000) is used as a pre and post-test to assess students' adoption of criticality before and after the PBL activity. Additionally, to gather students' perceptions of the learning activity, an open-ended questionnaire was also included concurrently with the post-test. This feedback was used to make pedagogical and delivery changes to enhance the learning experience in the second cycle. Organization and details of these methods are provided in the next sections. Figure 5 below shows a diagram summarizing the research design, the research questions, and corresponding methods.

Figure 5: Research Design



Source: Developed by Author

The table below shows a timetable and implementation schedule of first and second stages.

Table 1: Action Research Timetable

Time	January – April 2019	April – July 2019	August – December 2019
Stage	First stage – preliminary examination of differences between experts and novices (QUAN => qual)	Second stage – AR cycle one.	Second stage – AR cycle two.
Action	Collecting, organizing, coding, analyzing data, drawing conclusions, and designing PBL activity	Data collection (QUAN + qual), implementation, monitoring and evaluation, review and reflection, and modification of PBL activity based on findings	Data collection (QUAN + qual), implementation, monitoring and evaluation, review and reflection, and making recommendations for future PBL implementation

3.8 FIRST STAGE

As explained in previous sections, the first stage of this thesis is the assessment of the experts and novices’ differences in a tax compliance context (Fig. 5). The purpose of this stage is to identify technical and soft skill deficiencies on ethical awareness that may have a negative impact on newly graduates’ future careers. This section provides an outline of the quantitative and qualitative methods used.

3.8.1 Design and Implementation of the Quantitative Strand

3.8.1.1 Participants and Sampling

A survey was distributed electronically via email (using Qualtrics) using cluster random sampling where the sample is divided into units or groups and then participants are selected randomly from each of these units or groups (Morse and Niehaus, 2009). In the case of this study, there were three clusters. The first cluster was made up of accountants who prepare income tax returns. The Guam Board of Accountancy was the organization representing this

cluster. It was assumed that sole practitioners are CPAs, or that at least one individual from accounting firms are a CPA. The second cluster was composed of government accountants that may also provide tax compliance services. The point of contact was the Guam Association of Government Accountants. Members of this association may or may not be CPAs. The third cluster was composed of undergraduate accounting students at senior level that had completed their internship in taxation. A possible fourth group was identified composed of enrolled agents. However, a preliminary Google search yielded only two results. It was believed that this small number would not have a significant impact on findings, so this group was disregarded. It is assumed that since the target population is income tax preparers that these have access to internet and therefore no one would be excluded on this ground.

The amount of variations within the population were expected to be minimal because its composition is very homogenous. The unit of analysis is defined as an individual who prepares income tax returns. I also relied on non-probability sampling techniques such as snowball sample. When snowball sampling is used, the researcher contacts a group of people who then attempt to contact others and so on (Bryman and Bell, 2011). The organizations mentioned were the gatekeepers of the survey and were responsible for sharing with those that met the specified criteria. Initially, it was expected that a total of 100 participants would be randomly selected from these clusters to complete the questionnaire with the aim of receiving at least 30% usable responses. This response rate is similar to other tax and accounting research mail and internet surveys (i.e. Cruz, Shafer and Strawser, 2000; Yetmar and Eastman, 2000; Patterson, 2001; Tsunogaya, Sugahara and Chand, 2017, etc.).

3.8.1.2 The Instrument

The quantitative survey questionnaire was developed to measure the following independent variables: professional commitment, organizational commitment, accountability, ethical orientation, and ethical sensitivity as a dependent variable (Chapter 2, Figure 2). The scales used to measure the independent variables mentioned are as follows. For each one of the scales, participants were asked to rate each item on a 7-point scale (1 = strongly disagree and 7 = strongly agree) unless otherwise indicated (the complete questionnaire is included in Appendix A).

For ethical sensitivity, Yetmar and Eastman (2000) designed an exploratory measure consisting of four hypothetical scenarios. Although the context of the ethical scenarios was the AICPA Statement on Responsibilities in Tax Practice (SRTP), which has since been replaced by the AICPA Statement on Standards for Tax Service (SSTS), the situations presented are still relevant today. Not only are these scenarios applicable under the AICPA SSTS, but also under the Internal Revenue Service (IRS) Circular 230. The association between the four scenarios and the issues addressed in both standards and regulations are shown in the table below. Yetmar and Eastman included eight professional ethical issues integrated in the four scenarios. However, for this instrument to be equally relevant under AICPA standards and IRS regulations, the topics were combined into one resulting in six issues instead of the original eight. As with the original instrument, participants are asked to state the nature of any issue identified and its significance on a 7-point Likert scale (1 = lowest level of significance, and 7 = highest level). The survey also includes demographic questions such as age, gender, education, professional

certifications, years of work experience in tax compliance, and level of acquaintance with IRS Circular 230 and/or AICPA SSTS.

Table 2: Quantitative Survey Questionnaire Scales

SCALE	MEASUREMENT	SOURCE
Professional and organizational commitment	36-item questionnaire Three dimensions of professional and organizational commitment: affective, continuance, and normative.	(Meyer, Allen and Smith, 1993)
Accountability	8-item questionnaire Felt accountability	(Hochwarter, Hall and Ferris, 2005)
Ethical orientation	20-item questionnaire Idealism and Relativism	(Forsyth, 1980)

The number of respondents was 66 with a total of 36 usable responses. The other 30 responses were not used because they were incomplete. It is believed that the number of responses was representative of the population considering that there are approximately fifty legitimate accounting and tax preparation/consulting practices on island per the 2019 Guam Phone Book. The two largest public accounting firms on Guam are EY and Deloitte employing around 30 professionals each practice. These estimates include audit, consulting, and financial accounting advisory services in addition to tax.

Table 3: Ethical Sensitivity for Tax Testing Instrument

Scenario	Issues
1	Unsubstantiated deduction
2	Error made by former tax practitioner
3	Exploiting the audit selection process Substantial authority - reasonable basis for a tax position
4	Failure to correct an error Client notification requirements

3.8.1.3 Statistical Analysis

The purpose of the statistical analysis is to compare the relationship between the independent variables and dependent variable for each group. Qualtrics was used for collection and transfer of data to SPSS software for organization and analysis. In order to make more accurate inferences about the difference in ethical sensitivity between the two groups (experienced and inexperienced tax practitioners), a t-test would be conducted to compare means (Easterby-Smith, Thorpe and Jackson, 2012). The general assumption from the literature is that there is a difference between the two groups, as it is expected that experienced practitioners' ethical awareness would be superior to that of novices.

In order to compare the relationship between the independent variables (IVs) and dependent variable (DV) for each group, two identical multiple regression models (ESEX – experienced, and ESINEX – inexperienced tax practitioners) will be used to predict ethical sensitivity based on the predictor variables identified (professional and organization commitment, accountability, ethical orientation, age, gender, education, professional certifications, knowledge of standards and regulations, , and type of organization). However, a principal component analysis (Easterby-Smith, Thorpe and Jackson, 2012) will be performed preceding the multiple regression analysis as a data reduction technique to minimize the number of variables to a smaller set. For the multiple regression analysis, the significance of the predictor variables will be compared and analyzed by evaluating results with previous findings and an attempt will be made to explain any deviations.

The analysis will also include univariate statistics, correlations of each variable with the dependent variable, and the multiple regression weights for the two groups. A Fisher's Z-test will be used to compare the 'fit' R-square values of the two models. Pearson correlations between variables will be relied upon to assess the association between variables. Furthermore, an examination of the standardized regression coefficients (β) of the two models will be performed to determine the hierarchical importance that the independent variables have in predicting ethical awareness for both groups.

In general, it is assumed that the data to be collected will meet the assumptions required by the statistical tests described in this research plan to yield reliable results (e.g. a sufficiently large sample, normal distribution, homoscedasticity, etc. (Laerd Statistics, 2015)). If these assumptions are not met satisfactorily, non-parametric procedures will be relied upon due to their increasing efficiency compared to parametric techniques under these circumstances (Hollander, Chicken and Wolfe, 2015).

3.8.2 Design and Implementation of the Qualitative Strand

The main purpose of the qualitative strand is to compliment and explain the quantitative results. In the process, the researcher aims to gain a better understanding of the impact of novices' lack of ethical knowledge and experience in the field through their personal accounts and compare these to experienced professionals. For this purpose, a phenomenological approach is an adequate method in capturing participants' experiences in recognizing ethical content in a tax compliance context. Understanding experiences from the participants' perspectives will help identify areas of improvement for my pedagogy. Phenomenology serves

this purpose through the analysis of 'meanings' (Creswell, 2013) and a clearer description of points of convergence and divergence between the two groups (experts vs. novices).

3.8.2.1 Participants and Sampling

Quantitative survey participants that chose to be interviewed face-to-face were asked to provide more details about their survey answers and ethical experiences. This is typical of a QUAN-qual (quantitative method followed by a qualitative method of data collection) (Morse and Niehaus, 2009). It all depends on whether the researcher has access to the quantitative participants for the qualitative part of the project because the researcher has the opportunity to know the participants after they have completed the quantitative survey, and can use that knowledge to select the sample for the qualitative phase (Morse and Niehaus, 2009). For this reason, the study relies on purposive sampling for selecting participants for qualitative interviews based on the amount of time spent preparing income tax returns. For example, tax professionals with three or more years of experience are considered experts while tax professional with least one tax season and no more than two (in the U.S. tax season is between February and April) are classified as novices.

As stated previously, one of the three clusters that were invited to participate in the quantitative survey questionnaire were senior accounting students who had completed the internship program in taxation. They were also invited to take part in the qualitative interviews. The goal was to have an equal amount of experienced and inexperienced tax preparers for comparative purposes. A total of six (three experienced and three inexperienced) practitioners and novices/students participated in this study. This is an acceptable number of participants

when conducting phenomenological analysis (Smith et al, 2009; Creswell, 2013). In phenomenology, the sample size may vary between 1 and 10 depending on the type of study (Creswell, 2013).

The composition of each group is as follows. The inexperienced group was composed of novices/students who had completed at least one tax season. All participating novices/students were female between the ages of twenty to twenty-five. None of them were my former students nor did I ever have any contact with these students inside or outside the classroom prior to this study. The experienced group was composed of tax practitioners who had between 3 to more than 30 years in tax practice. Two of the participants were working at a public accounting firm. The third participant had worked at a public accounting firm and was now working for a not-for-profit organization. Their job positions were in middle and upper management. Their age ranged from late twenties to sixty. One participant was female and the other two were males. All three from the experienced group were known to me. Two participants were former co-workers and the other was a former student.

3.8.2.2 The Interview Guide

Phenomenological studies depend mostly on interviews to gather information (Creswell, 2013). Therefore, for the first stage, interviews were conducted face-to-face. The use of a 'topic guide' (Easterby-Smith, Thorpe and Jackson, 2012) or interview schedule was used to help participants remain focus on the research questions. Regardless, interviewees were encouraged to speak freely (Smith, Flowers and Larkin, 2009). The interview guide was piloted with volunteer undergraduate students prior to its implementation. Interviews were recorded

with participants' permission to facilitate transcription of interviews later. All interviews were recorded with participants' knowledge using the same voice recording app available on iPhone. Interviews were conducted either at my office located at the University of Guam or a coffee shop of their choice. Only one participant was interviewed at their place of work. Interviews lasted between 40 minutes to 1 hour. Recordings were transcribed immediately after each interview. Transcripts from the six interviews included 42 pages and 18,870 words of text.

The interview guide and justification for each question is included in Appendix B. There are a number of independent variables that were not positively associated with ethical sensitivity as uncovered in the quantitative strand, and these results differed slightly from similar studies conducted, not in tax compliance, but in other accounting fields (e.g. auditing, financial reporting, etc.). The variables that differ from previous findings are ethical sensitivity, organizational and professional commitment, and accountability. The semi-structured interview questions were designed to understand the reason for these deviations and to explore the existence of additional unidentified variables that may be associated with ethical awareness (e.g. using professional codes of conduct and standards to guide ethics, and the profession-organization commitment conflict). To capture the phenomenon, some interview questions were directed at soliciting participants' accounts of their experiences in identifying ethical content. Through the analysis of these experiences, the discovery of common themes was emphasized (Moustakas, 1994; Creswell, 2013).

3.8.2.3 Coding and Thematic Analysis

After reviewing content analysis and thematic analysis for coding and analyzing data, I decided to adopt Braun and Clarke (2006) recommended steps for conducting thematic analysis. I also used Saldaña's (2009) in vivo coding. When using in vivo coding, a participant's phrase or word is extracted and treated as the actual code for that question/answer or segment (Corbin and Strauss, 2008). This method of coding is adequate for novice qualitative researchers and those that are attempting to capture participants' voices including phenomenology (Saldaña, 2009). The same techniques were used in first and second stages. The first step involves familiarizing with the data (Braun and Clarke, 2006). In this respect, all interviews were conducted, recorded, and transcribed verbatim by the teacher-researcher. The transcriptions were corroborated by a volunteer nonaccounting student who did not participate in the study. I did not use a software for coding mainly because I have not used it before, and I did not want to jeopardize the integrity of this process. Instead, I read each transcript twice focusing on the phenomenon under study, I highlighted words or phrases that stood out to me within the context under investigation making side margin notations for personal thoughts that were later added to bracketing (chapter 4). I re-read these highlighted passages and used these as initial codes (in vivo). I used an Excel workbook for this purpose. Then, I proceeded to collate them and group them into categories as suggested by Saldaña (2009). I visually inspected each category analyzing them as a whole searching for themes. I was thinking of themes in a broader sense and making mental connections with my knowledge of the topic to combine and reduce these (refer to Appendix C). For the last step, the researcher's interpretations were shared with most participants via email for changes and/or concurrence

(Colaizzi, 1978). Last, results were linked to findings from the quantitative strand and theoretical underpinnings found in the literature as presented in the analysis of findings in chapter 4. A university colleague reviewed the process for accuracy but did not participate nor contribute to this analysis.

3.9 SECOND STAGE

In the second stage, the pedagogical strategy for the implementation of the PBL tax activity was monitored and evaluated using quantitative and qualitative methods. Some aspects of these two methods have already been discussed in previous sections. Presented here are characteristics that are unique to this stage.

3.9.1 Participants and Sampling

The student sample was the same for the quantitative and qualitative phases for the two action research cycles. Students attending the income taxation class are in the second to fourth year (sophomores, junior, and seniors) of the undergraduate accounting program. A convenience sample (Bryman and Bell, 2011) was used for this purpose. A total of 14 students volunteered to participate for spring 2019 semester and 8 students for fall 2019. Each semester lasted 15 weeks. None of students enrolled in this class had yet taken the Ethics for Accountants course required in this program.

3.9.2 Design and Implementation of the Quantitative Strand

A pre and post-test was used to assess students' critical reflection. Student participants were asked to complete Kember *et al.* (2000) Reflection Questionnaire (Appendix D). Although similar reflection questionnaires were considered for this purpose (e.g. Sobral, 2000; Pee *et al.*,

2002), the Reflection Questionnaire (RQ) was selected because it considers four progressive stages of ways of thinking and sense making leading to critical reflection. The questionnaire is based on the work of Mezirow (1991 as cited in Kember *et al.*, 2000) who identified three types of non-reflection action: habitual, thoughtful, and introspective. He distinguished these from reflective action, a higher level of critical thinking. The four parts tested in the questionnaire are habitual action, understanding, reflection, and critical reflection. Habitual action refers to tacit knowledge that becomes automatic involving limited cognition. Understanding involves thinking and learning using pre-existing knowledge. This is still considered superficial because the student does not know how to apply this knowledge or comprehend its rationale. Unlike habitual action and understanding, reflection focuses on the self, learning to question this new knowledge and transform perspectives. Critical reflection involves recognizing our values and beliefs system becoming conscious about our way of thinking, questioning assumptions, acknowledging strengths and weaknesses, and instigating transformation of self to improve one's practice. Students were asked to rate each item in a 5-point Likert scale (1 = "definitely agree", 7 = "definitely disagree").

The pre-test was administered prior to students being introduced to the PBL classroom tax ethics activity. Upon completion, the same group of students was asked to complete a post-test. Results from both the pre and post-test were compared and analyzed. Although the pre and post-tests were voluntary, the PBL activity was graded under "project". This represents 15% of the overall grade for this course. There are other assessments such as midterms, participation, and final exam that together add up to 100%. The activity itself was graded in a scale from 0%-100%. In accordance with the university's grading system and as reported on the

course syllabus, 90.00% - 100.00% is an A; 80.00% - 89.99% is a B; 70.00% - 79.99% is a C; 60.00% - 69.99% is a D, and 0.00% - 59.99% is an F. Students need to achieve at least of grade of “C” to successfully pass the course. Anyone awarded a grade less than a C (e.g. D or F) will have to repeat the course. The pre and post-test format follows similar studies in higher education such as the one reported by Smith *et al.* (2013). The pre and post-test grades were not part of the students’ final grade for the course and students were made aware of this before they volunteered. However, students were offered 20 participation points for both tests (10 each). The 20 points offered are equivalent to one online quiz. Participation also includes online assignments via McGraw-Hill’s Connect, in-class participation, and online quizzes. Participation represents 10% of the total grade in this course.

Evaluation rubrics are used to quantitatively (also known as direct measures) assess students’ performance in compliance with U.S. accrediting bodies (e.g. IACBE). These rubrics also help establish clear expectations of students’ assignments in writing, presentations, or any other type of assessment used for the benefit of educators and students. A ‘reports and essays’ rubric was used in both cycles to grade students’ written answers to the PBL activity. The forum discussion and the reflective journal rubrics were added and used solely in the second cycle. The forum discussion rubric was used to assess students’ understanding of content and their ability to use this to ask meaningful questions to enhance knowledge through inquiry. The reflection journal was divided into two three parts (introspection, extrospection, and transformation) corresponding to the PBL’s mini activities (refer to Chapter 6). The three rubrics had rating scales based on the learning levels achieved in compliance with the stated criterion for each level. For example, level 1 is the lowest and it is labeled emerging, level 2 is

developing, level 3 is proficient, and level 4 is mastery or mature. The latter is the highest level a student can achieve. The forum discussion rubric was the only one that used three levels of assessment instead of four. The reason for this decision was to provide flexibility in assigning learning levels because students are not used to engaging in online discussions.

To translate these levels into grades, the following range was established. Once the learning outcomes for this activity were developed in chapters 5 and 6, a benchmark is set as recommended by U.S. standards for assurance of learning. The benchmark set was 70% meaning that at a minimum, students should achieve a developing level of learning. This percentage was also chosen because is the minimum requirement to pass the course. However, the goal is for students to ‘master’ the skills proposed in the learning outcomes.

Because the number of student participants is relatively low (8-14), nonparametric statistical procedures are considered to be more appropriate and effective than parametric techniques (Hollander, Chicken and Wolfe, 2015). Descriptive statistics of the means and Wilcoxon signed rank test with a significance level of $p < .05$ were performed to compare the pre and post tests for all groups of students. Inferences were made from this quantitative analysis about the effectiveness of the model in improving novices’ awareness of ethical issues.

Table 4: Rubrics Learning Levels and Grading (Reports & Essays and Reflective Journal)

Level No.	4	3	2	1
Learning Level	Mastery	Proficient	Developing	Emerging
Grading (0%-100%)	90% - 100%	80%-89%	70%-79%	Less than 70%
Letter Grade	A	B	C	D or Fs

Table 5: Forum Discussion Learning Levels and Grading

Level No.	3		2	1
Learning Level	Mastery/Proficient		Developing	Emerging
Grading (0%-100%)	85% - 100%		70%-84%	Less than 70%
Letter Grade	A (90% – 100%)	B (80%-89%)	C (70%-79%)	D or Fs Less than 70%

3.9.3 Design and Implementation of the Qualitative Strand

As previously noted, the sample for the qualitative method is the same as the quantitative strand, but different groups for each of the two action cycles. The blended approach was simultaneous QUAN + qual (Morse and Niehaus, 2009). To gather qualitative data, four open-ended questions were added to the post-test to give students a chance to voice their opinions about their learning and the new teaching methodology. These are:

- 1) What did you not like?
- 2) What did you like?
- 3) What would you change?
- 4) Complete the following phrase. The tax ethics activity helped me learn...

The qualitative method used to analyze students’ feedback was thematic analysis following Braun and Clarke (2006) steps described in section 3.8.2.3. The same method was used for the second stage because of the teacher-researcher’s familiarity after applying it in the first stage. Thematic analysis is appropriate data evaluation of students’ feedback and its widely used in higher education research (Norton, 2019). Students’ text responses for the above four questions were downloaded from Qualtrics as an Excel document. From here on, the process is like the one outlined in the first stage.

3.10 Summary of Blended Approach for First and Second Stages

Method	Description	Overview	Purpose
FIRST STAGE – RQ1 & RQ2			
Quantitative	Qualtrics survey	66 total responses, 36 usable responses. Tax professionals in Guam and senior undergraduate accounting students	To provide an overview of tax practitioners' ethical sensitivity and assess differences between experts and novices.
Qualitative	Face-to-face semi-structured interviews	Total of 6 participants (3 experienced and 3 inexperienced/students)	To explain and expand quantitative findings and learn more about novices' ways of learning and identify knowledge gaps. Phenomenology was used for this purpose (thematic analysis was used for data coding and analysis).
SECOND STAGE (Two Action Research Cycles) – RQ3			
Quantitative	Pre and post tests administered through Qualtrics	Number of student respondents in cycle one (spring 2019) and cycle two (fall 2019) were 14 and 8 respectively.	To assess the level of reflection and critical reflection achieved after implementing the PBL activity.
Quantitative	Grading rubrics	Number of participants was the same as indicated above	To examine the level of learning achieved by students (emerging, developing, proficient, or mastery).
Qualitative	Post-test open-ended questions (4)	Same as above	To obtain and analyze students' feedback. Thematic analysis was used for this purpose.

3.11 Validity and Trustworthiness

3.11.1 Quantitative Methods

3.11.1.1 *Construct Validity*

Table 6: Measurement Scales and Cronbach's Alpha Coefficient

Construct	Measure	Scale/Source	Cronbach's α (from source)
Professional commitment	The level of affective, continuance, and normative commitment to the tax profession.	18 items; (Meyer, Allen and Smith, 1993)	0.82 APC; 0.76 CPC 0.80 NPC
Organizational commitment	The level of affective, continuance, and normative commitment to the organization.	19 items; (Meyer, Allen and Smith, 1993)	0.82 AOC; 0.74 COC 0.83 NOC
Accountability	The level of felt accountability	8 items, (Hochwarter, et. al, 2005)	0.80
Ethical orientation	Ethical orientation based on two dimensions: idealism and relativism	20 items, (Forsyth, 1980)	0.73 Relativism; 0.80 Idealism

The instruments used to measure the various factors in this study were adapted from previous research that investigated the same variables, but in different contexts. Construct validity refers to the statistical test performed and whether these are valid measures of the intended concepts (Bryman and Bell, 2011). The measurements of reliability (internal consistency) of these scales for the first stage are reported using Cronbach's alpha index coefficients as shown in Table 6. For the ethical sensitivity (dependent variable) scale, the identification of ethical issues will be coded as 0 for failure to identify the issue or incorrect responses, and 1 for properly identifying the issue. A Cronbach's alpha coefficient has not been reported for this scale. However, similar to the work of Yetmar and Eastman (2000), a focus group made up of experienced tax practitioners was asked to evaluate and comment on the

four scenarios within the framework of current standards and regulations. Modifications were made to the instrument based on their feedback.

A previously used and tested scale was also used for the pre and post-test in the second stage. The Cronbach's alpha values reported for the pre and post-tests are as follows:

Table 7: Cronbach's Alpha Values

ITEM TESTED	PRETEST	POSTTEST	Kember <i>et al.</i> , 2000
Habitual Action	0.777	0.726	0.621
Understanding	0.6110	0.853	0.757
Reflection	0.794	0.767	0.631
Critical Reflection	0.684	0.872	0.675

3.11.1.2 Internal validity

Regarding internal validity (causation), the statistical tests conducted in the first stage focused on the significant ($p < .05$) relationship between the predictor variables and the dependent variable. A justification for this approach is that there are numerous independent variables that are associated with ethical awareness, establishing causal relationship will be very difficult given that only a handful of variables, those that are assumed to be relevant to experienced and inexperienced tax professionals, are included in this study. The same approach was applied to the second stage because of the small number of student participants limiting the meaningfulness of findings from a cause and effect stance.

3.11.1.3 *External Validity*

External validity of findings may be limited due to the sample's composition, which in the first stage was made up of tax practitioners from Guam and may not be representative of all U.S. tax practitioners. Although Guam is a U.S. territory, it has adopted a 'mirror' tax system of the Internal Revenue Code, and tax practitioners (CPAs and non-CPAs) are required to follow the same standards and regulations. However, the regional environment where they operate may differ considerably from the U.S. mainland geographically, culturally, and socially and results may be affected by these differences. The analysis of their effect on the dependent variable is outside the scope of this study. The same regional and geographical limitations were considered for the second stage.

Another limitation to generalizability of results is the number of participants. The total number of licensed CPA's that are residents of Guam is 150. The number of usable responses from the quantitative survey questionnaire in the first stage was 36. This represents a 24% response rate comparable with similar studies (e.g. Yetmar and Eastman, 2000). Likewise, the number of students that participated in the action research cycles was limited by student enrollment. Nevertheless, to ensure validity of results given limited numbers, findings in the first and second stages were corroborated, compared, and placed within the existent literature. Any deviations were investigated, and an attempt was made to explain these through qualitative methods, especially in the first stage where the blended approach was explanatory sequential (QUAN => qual).

3.11.2 Qualitative Analysis

To ensure accuracy of the data collection and analysis, the researcher performed all interviews to ensure consistency (Cohen, Kahn and Steeves, 2000) of delivery and techniques used to build rapport with participants. This guaranteed that the data were collected in a similar manner. In order to remain truthful about ways of thinking that may have an effect on the researcher's interpretation and analysis, bracketing was used to describe any previous knowledge (Cohen, Kahn and Steeves, 2000; Creswell, 2013) about the topic of study providing an insider's perspective that at times was reminiscent of past experiences with the phenomenon. Transparency and coherence are reflected in the researcher's narrative of the study by providing detail descriptions and justifications for selecting participants, the interviews, analysis, etc. The researcher should also show coherence in arguments meaning the research method should agree with the study's objectives and these should be linked to data analysis and findings (Smith, Flowers and Larkin, 2009). Additionally, whenever possible the transcripts and researcher's conclusions were shared with participants for commentary (Creswell, 2013). Changes were made accordingly. For reliability, the process of coding and themes is included in the study for detail and review.

3.11.3 Mixed Methods Analysis

Measures of validity for mixed methods research are integrative efficacy, inference transferability and integrative correspondence (Venkatesh, Brown and Bala, 2013). Integrative efficacy is concerned with the quality of meta-inferences made by the researcher in integrating the findings from the quantitative and qualitative methods. In this study, the quantitative survey instrument's purpose is to gather preliminary information about the state of experienced

and inexperienced ethical awareness. The qualitative method is used to fill any gaps between quantitative statistical results and theory, and to gather information on novices' learning environment in building ethical sensitivity. Therefore, meta-inferences will be made about the two methods in an integrative manner. Another measure of validity in mixed method research is inference transferability. It refers to the generalizability and transferability of findings to other situations. There are some limitations regarding inference transferability because of the cultural and social differences of the population of tax practitioners in Guam versus other geographic locations. Finally, integrative correspondence ascertains that the two methods used are aimed at meeting the study's overall objective(s). As stated earlier, the two methods are complementary and are aimed at understanding experienced practitioners' awareness of ethical content and how this know-how is passed on (or not) to newcomers in order to improve the learning process and adequately prepare young people for the demands of the profession.

The use of mixed methods serves to reaffirm the validity of results. Validity is ascertained with triangulation, using multiple methods with a common objective and research problem. Triangulation is complimentary to the topic of study by uncovering different dimensions and perspectives. In this respect, it helps enhance quality and validity of results (Jick, 1979) by adding richness and depth to the research inquiry. By relying on more than one source of evidence, the validity of this convergence is enhanced minimizing bias (Thorpe and Holt, 2008) and other shortcomings when solely relying on a single approach. The purpose of multiple methods is to confirm results confidently using more than one method. The use of multiple methods may result in converging, complementary, or contrasting conclusions. If results are converging, this enhances the confirmatory value of results and their validity. If they

are complementary, the different approaches emphasize the various facets of phenomena. Last, contrasting results can provide a better understanding of the issue (Heale and Forbes, 2013) and its complexity, or it may help to refine the research design or topic under study.

3.12 Ethical considerations

For both stages of this study, approval was obtained from the University of Liverpool DBA Ethics Committee and the University of Guam Institutional Research Board (IRB) before launching the quantitative survey questionnaire, conducting the qualitative interviews, and implementing the two action research cycles for the PBL activity.

3.12.1 First Stage

The Qualtrics survey administered in the first stage followed the recommendations made by Easterby-Smith, Thorpe and Jackson (2012). The survey's purpose was clearly stated. Participants were reassured that responses would be kept anonymous and confidential. The full questionnaire from Qualtrics is included in Appendix A. Additionally, the survey included an option for participants to be interviewed face-to-face by the researcher. Participants in the first stage who did not indicate a willingness to be interviewed were de-identified by the researcher.

For the qualitative strand, interviewees were de-identified by the researcher on transcription of their interview. Their names were substituted by expert or novice classifications followed by a number. The interviews were recorded with the participants' acknowledgement and signed consent. Before performing any interviews, participants were provided with an information sheet and a consent form. None of the participants were under the age of 18. Participants were given the option to quit the study at any time. Data were

safeguarded using passwords and encryption to preserve their integrity and anonymity.

Moreover, while conducting the interviews, the researcher made a conscious effort not to influence interviewees' descriptions of experiences or perspectives on the subject.

3.12.2 Second Stage

For the second stage, students from University of Guam income taxation course were asked to participate in a pre and post assessment questionnaire as part of a newly implement PBL tax activity. Their participation was voluntary. The pre and post-tests were administered online (via Qualtrics) like the survey questionnaire from the first stage. This ensured that data were not manipulated by the teacher-researcher. Participation in this assessment constituted automatic consent and such warning appeared before students began taking the tests. Students' grades were not affected by the results of the pre and post-tests, or refusal to participate. Additionally, the instructor stressed the need for students to provide honest answers and not be influenced by their relationship with the instructor because their feedback to the open-ended questions were anonymous. This should have minimized any conflict of interest. Students did not have access to any information. Data collected in Qualtrics was transferred to SPSS for statistical analysis. The assessment was completed individually, and information gathered was kept confidential. Only aggregate data were shared with the class and this study. Another ethical consideration addressed in this study was my role and personal experiences with the topic of ethical sensitivity at a professional level. This is discussed in detail under Bracketing (section 4.3.2).

3.13 Chapter Conclusion

This chapter described the study's ontology, epistemology, and methodology adopting an action research approach in support of a constructivist philosophy. The study relies on the pragmatic view as justification for using mixed methods to achieve the stated objectives. The flexibility of these methods and ways of understanding demonstrate the versatility, dynamism, and complexity of 'wicked' problems that require a holistic perspective to grasp its significance. The study aims at improving novice tax practitioners' ethical awareness by changing and adapting the accounting curriculum at a small university. The results of this study will be relied on to make recommendations to increase students' exposure to ethical standards of practice as part of the undergraduate accounting program curriculum.

4 CHAPTER 4: FIRST STAGE

4.1 Introduction

The first stage focuses on research questions one and two. A sequential (QUANT => qual) mixed method approach is used for this purpose. The quantitative analysis consists of descriptive statistics and Spearman correlations (a nonparametric statistical technique) to assess the association between the dependent variable with the independent variables for the two groups (experienced and novices) independently and combined. Phenomenology was used to analyze the qualitative interviews to explain and enhance quantitative results and gain a deeper understanding of participants' experiences with tax ethical situations. Thematic analysis was relied upon for the qualitative analysis based on Braun and Clarke's (2006) framework.

4.2 Quantitative Strand

4.2.1 Demographics

The demographic characteristics of participants for both inexperienced (n=21) and experienced (n=15) practitioners are shown in Table 8. A chi-square test was conducted for all nominal variables: gender, education, certification, age, and employment sector to determine if there were differences between the groups. All expected cell frequencies were greater than five. For GENDER, the percentage of female inexperienced respondents was considerably higher when compared to male in the same group. Although not all participants may be graduates of the University of Guam, this difference may be partially explained by the percentage of bachelor degrees conferred for the school year 2018-2019 being 63% female and 37% male (2018-2019 Factbook, 2019). It could be theorized that the difference between male

and female college attendees in Guam is mainly due to the U.S. military's aggressive recruitment. This gender difference is reversed for the experienced group. These findings coincide with the AICPA's 2017 trends showing a higher percentage of male (77%) partners in U.S. firms compared to female (23%) (AICPA, 2017) assuming that partnership interests are assigned to more experienced individuals. There was no statistically significant association between gender and the two groups tested ($X^2 = 1.000$; $p = 0.317$). The demographic variable AGE was also found to be not statistically significant ($X^2 = 2.000$; $p = 0.572$) for the two groups. Inexperienced practitioners were younger between the ages of 20 and 34 and experienced practitioners were older between the ages of 45 and 64. None of the survey participants were younger than 20, older than 64, or between the ages of 35 and 44.

The demographic variables that were statistically significant ($p < .05$) between the two groups were EDUCATION ($X^2 = 34.000$; $p < 0.001$), CERTIFICATION ($X^2 = 28.500$; $p < 0.001$), EMPLOYMENT SECTOR ($X^2 = 10.500$; $p < .005$), and YEARS in tax practice. Regarding EDUCATION, most novice participants have a 4-year college degree, but none of them have graduate degrees while experienced individuals have graduate and terminal degrees. The CERTIFICATION variable refers to a professional accounting certification such as certified public accountant (CPA), etc. Results show that more than half inexperienced individuals are CPAs, but 29% still do not have any type of professional certification. However, experienced tax practitioners are either CPAs (80%) or have another type of certification (20%). For EMPLOYMENT SECTOR, the sample of inexperienced practitioners are employed mostly by public accounting firms. In contrast, most experienced practitioners are self-employed or are part of a professional practice (i.e. partnership) while others are in private/for-profit sector

Table 8: Demographic Profile of Survey Participants

Demographic Profile of Survey Participants							
	Inexperienced n = 21		Experienced n = 15		Total n = 36		χ^2 p < .05
	No.		No.		No.		
GENDER							0.317
Male	3	14%	12	80%	15	42%	
Female	18	86%	3	20%	21	58%	
EDUCATION (a)							0.000
Some College	3	14%	0	0%	3	8%	
4-year College Degree	18	86%	6	40%	24	67%	
Masters Degree	0	0%	6	40%	6	17%	
Terminal Degree (JD, DBA, PHD, etc.)	0	0%	3	20%	3	8%	
CERTIFICATION							0.000
CPA	15	71%	12	80%	27	75%	
Other	0	0%	3	20%	3	8%	
None	6	29%	0	0%	6	17%	
AGE (b)							0.572
20 - 24	12	57%	0	0%	12	33%	
25 - 34	9	43%	0	0%	9	25%	
35 - 44	0	0%	0	0%	0	0%	
45 - 54	0	0%	6	40%	6	17%	
55 - 64	0	0%	9	60%	9	25%	
EMPLOYMENT SECTOR (c)							0.005
Private, For-Profit	3	14%	3	20%	6	17%	
Public Accounting	18	86%	3	20%	21	58%	
Self-Employed or Prof'l Practice	0	0%	9	60%	9	25%	
YEARS in Tax Practice	Mean	SD	Mean	SD	Mean	SD	0.000 (d)
	2.14	1.153	18.2	8.445	8.83	9.682	
(a)	The range of options for EDUCATION were as follows: Less than high school, High school, Some college, 2-year college, 4-year college, Masters degree, and Terminal degree. Only those choices that were selected by the participants are reported on this table.						
(b)	The range of options for AGE were as follows: Less than 19, 20-24, 25-34, 35-44, 45-54, 55-64, 65 and over. Only those choices that were selected by the participants are reported on this table.						
(c)	The range of options for EMPLOYMENT SECTOR were as follows: Private for-profit, Private not-for-profit, Local government, Federal government, Self-employed/Prof'l practice, Public accounting, and Unemployed. Only those choices that were selected by the participants are reported on this table.						
(d)	A Mann-Whitney U test was run to determine if there were differences in Years in Tax Practice between Inexperienced and Experienced practitioners (p < 0.0005). An independent sample t-test was also run for comparison. Both yield the same results.						

while some remain in public accounting. YEARS in tax practice was also statistically significant.

The mean for novice practitioners was 2.14 (standard deviation = 1.153) while the mean for

more seasoned practitioners was 18.2 (standard deviation of 8.445). For experienced tax professionals, years in tax practice range from 6 to 28 years.

In summary, for this sample, experienced practitioners tend to be older, have a graduate degree and a professional accounting certification, and they are more likely than novices to own their own accounting firm. Experts are also more likely to be male than female and have approximately 8 plus years of tax experience. In comparison, novices are more likely to be female than male and have a bachelor's degree, but not a graduate degree. Novices in this sample are either CPAs or have no other certification of any kind. They are also younger than experts and a majority are employed by public accounting firms. They meet the sample requirement of two years or less of tax experience to be considered entry-level professionals as described in this study.

4.2.2 Descriptive Statistics

Descriptive statistics for the dependent and independent variables for the two groups (inexperienced and experienced) are reported in the table below. The dependent variable is ethical sensitivity (ESENSITIVITY). When comparing means between the two groups, the difference appears to be minimal. Results show that both groups considered the ethical content of the four scenarios to be mostly significant.

When comparing novices and experts' means for all independent variables, novices' means were lower than experts. As expected, professional commitment (PROFCOMMIT) and organizational commitment (ORGCOMMIT) were higher for experienced professionals than inexperienced ones due to socialization (Larson, 1979) in the workplace resulting in a deeply

ingrained support and respect for the profession and the organization (Aranya, Pollock and Amernic, 1981). Thus, new entrants would be expected to have a lower commitment because they are still developing relationships with more experienced individuals and gaining professional knowledge.

Table 9: Descriptive Statistics

Descriptive statistics						
	INEXPERIENCED n = 21			EXPERIENCED n = 15		
	MEAN	MEDIAN	STD DEV	MEAN	MEDIAN	STD DEV
ESENSITIVITY (a)	6.14	6.00	0.359	6.40	6.00	0.507
ACCOUNTABILITY (b)	4.43	4.50	0.638	6.20	6.00	0.775
PROFCOMMIT_AC (c)	5.14	5.00	0.655	6.20	6.50	0.621
PROFCOMMIT_CC (c)	2.07	1.50	1.486	3.10	4.00	1.404
PROFCOMMIT_NC (c)	2.50	2.50	0.725	4.50	4.00	0.926
ORGCOMMIT_AC (d)	4.57	4.50	0.694	5.00	5.50	1.134
ORGCOMMIT_CC (d)	3.07	3.00	0.926	3.40	4.00	1.805
ORGCOMMIT_NC (d)	4.71	4.50	0.902	5.60	6.00	0.890
IDEALISM (e)	4.57	4.50	1.511	6.10	6.00	0.207
RELATIVISM (e)	4.29	4.00	0.538	3.30	4.00	0.902
AICPASSTS (f)	3.86	3.00	2.081	6.60	8.00	2.823
CIRCULAR230 (f)	4.00	4.00	2.191	6.60	8.00	2.823
(a)	Value of responses to Ethical Sensitivity items on a 1 (Very Insignificant) to 7 (Very Significant) Likert scale (refer to Appendix A).					
(b)	Value of responses to Accountability items on a 1 (Strongly Disagree) to 7 (Strongly Agree) Likert scale (refer to Appendix A).					
(c)	Value of responses to Professional Commitment (affective, continuance, and normative) items on a 1 (Strongly Disagree) to 7 (Strongly Agree) Likert scale (refer to Appendix A).					
(d)	Value of responses to Organizational Commitment (affective, continuance, and normative) items on a 1 (Strongly Disagree) to 7 (Strongly Agree) Likert scale (refer to Appendix A).					
(e)	Value of responses to Ethical Orientation (idealism and relativism) items on a 1 (Strongly Disagree) to 7 (Strongly Agree) Likert scale (refer to Appendix A).					
(f)	Value of responses to familiarity with AICPA Statements on Standards for Tax Service and IRS Circular 230 items on a 0 (Extremely unfamiliar) to 10 (Extremely familiar) Likert scale (refer to Appendix A).					

Based on Forsyth's (1980) taxonomy of ethical ideologies, experts appear to have “absolutist” tendencies while novices lean towards “subjectivist” ideology. “Absolutists” are high in idealism and low in relativism indicating that this group tends to rely on universal moral rules in achieving best results. On the other hand, “subjectivists” are low in idealism and high in relativism because they rely on personal values and beliefs rather than universal moral rules to attain the best possible outcome. These conclusions support previous commentary on commitment given that more experienced professionals would be more adept to the rules and regulations of the profession and they would be more likely to rely on these to resolve ethical dilemmas while novices who are less committed to the profession would still continue to rely on their personal ethical belief system to assess moral situations as they are still acquiring more knowledge and practical field experience.

Table 10: Tax Scenarios - Percent of Survey Respondents

Percent of survey respondents that correctly identify the issue		
	INEXPERIENCED n = 21	EXPERIENCED n = 15
Number of fill-in descriptions	21	12
Unsubstantiated deduction	100%	80%
Number of fill-in descriptions	21	9
Error made by former tax practitioner	100%	80%
Number of fill-in descriptions	21	9
Exploiting the audit selection process	86%	40%
Number of fill-in descriptions	21	9
Failure to correct an error/Client notification (g)	100%	47%

Familiarity with AICPA Statement on Standards for Tax Services (AICPA SSTs) and the Internal Revenue Service Circular 230 (CIRCULAR230) yielded interesting results when

compared to the percentage of correct responses from both groups in identifying the four tax ethical scenarios. The mean for novices was lower than for experts (Table 9) asserting that more experienced professionals are more familiar with these standards of practice than inexperienced. However, when identifying the issue for the four scenarios (Table 10), most inexperienced professionals' responses were correct (between 86% to 100%) while this percentage for experienced professionals was less than 50% for two out of the four scenarios, and the remaining two were 80%. Participants were asked to fill in the issue(s) as opposed to selecting the best choice from a list of options. Responses were also marked incorrect, if they were left blank, but the participant assigned a significance level to the ethical issue. Examples of the responses that were marked incorrect for experienced professionals are: "the firm should practice ethical standards, following tax laws, even if it means losing a client", "control environment (tone at the top)", "bargaining positions", "court cases", etc. These comments were too vague to assert that the participant was referring to any of the four issues outlined. Even though experienced professionals felt confident about their familiarity (mean of 6.60 and median of 8.00 for AICPASSTS and CIRCULAR230 variables) with these standards, when attempting to identify specific standards, they were not as accurate as inexperienced professionals who were less confident about their familiarity with the standards (mean of 3.86 and 4.00 and median of 3.00 and 4.00 for AICPASSTS and CIRCULAR230 variables respectively). A possible explanation for this disparity is that novices are recent graduates (mean of YEARS in tax practice is approximately 2.00) and may be preparing for an accounting certification exam. Thus, they may have more recent theoretical knowledge of these standards as they are peppered throughout most undergraduate accounting programs. However, more experienced

practitioners may have a practical knowledge of these but may not exactly be able to identify them by topic. These differences will be further elaborated in the qualitative strand of the study.

4.2.3 Association between Dependent and Independent Variables

A Shapiro-Wilk Test was performed to reconfirm that the data obtained from the sample used in this study is not normally distributed. Results indicate that all variables do not follow a normal distribution ($p < .05$). Hence, non-parametric tests were used in all statistical analyses (Laerd Statistics, 2015). Non-parametric statistical tests were appropriate in this study because the number of participants is relatively small ($n=36$), the dependent and most independent variables are ordinal, and it cannot be assumed that the sample is normally distributed. An assumption of normal distribution is needed for parametric statistical tests (Wilcox, 2009).

Spearman's correlation coefficient was relied upon to test the association for all ordinal variables. Results for the bivariate analysis between variables is reported in the table below. The Spearman's correlations for all participants show a positive association between ethical sensitivity and the accountability and professional affective commitment variables ($p < .05$) (Table 11). For the inexperienced group, ethical sensitivity is positively related to the accountability and organizational affective commitment variables ($p < .05$) (Table 12). However, for the experienced group, ethical sensitivity was only positively associated with the idealism variable ($p < .05$) (Table 13).

Table 11: Spearman Correlations - ALL

Spearman Correlations - All													
	AICPASSTS	Circular230	Years in tax	ACCOUNTABILITY	SENSITIVITY	PROFCOMM IT_AC	PROFCOMM IT_CC	PROFCOMM IT_NC	ORGCOMM T_AC	ORGCOMM T_CC	ORGCOMM T_NC	IDEALISM	RELATIVISM
AICPASSTS	1.000												
Circular230	.927**	1.000											
Years in tax	.683**	.621**	1.000										
ACCOUNTABILITY	.529**	.509**	.591**	1.000									
SENSITIVITY	0.114	0.055	0.198	.418*	1.000								
PROFCOMM IT_AC	0.218	0.154	.422*	.739**	.373*	1.000							
PROFCOMM IT_CC	-.357*	-.401*	0.031	0.264	0.294	0.144	1.000						
PROFCOMM IT_NC	0.264	0.242	.503**	.460**	0.252	.612**	-.440**	1.000					
ORGCOMM T_AC	.372*	0.318	0.056	.318*	-0.002	.431**	-0.152	0.025	1.000				
ORGCOMM T_CC	-.546**	-.430**	-0.108	-0.146	-0.139	-.301*	.695**	0.203	-.349**	1.000			
ORGCOMM T_NC	.655**	.740**	.342*	.589**	0.015	.546**	-0.211	0.210	.660**	-.416**	1.000		
IDEALISM	.438**	.445**	0.280	.807**	0.285	.754**	0.279	.603**	0.255	-0.120	.684**	1.000	
RELATIVISM	-.501**	-.575**	-.478**	-.485**	-0.214	-0.276	.302*	-0.154	-0.144	.293*	-.592**	-.333*	1.000

* Correlation is significant at the 0.05 level (2-tailed)
 ** Correlation is significant at the 0.01 level (2-tailed)

Table 12: Spearman Correlations - Inexperienced

Spearman Correlations - Inexperienced													
	AICPASSTS	Circular230	Years in tax	ACCOUNTABILITY	SENSITIVITY	PROFCOMM IT_AC	PROFCOMM IT_CC	PROFCOMM IT_NC	ORGCOMM T_AC	ORGCOMM T_CC	ORGCOMM T_NC	IDEALISM	RELATIVISM
AICPASSTS	1.000												
Circular230	.782**	1.000											
Years in tax	.477*	0.239	1.000										
ACCOUNTABILITY	-0.174	-0.138	-.813**	1.000									
SENSITIVITY	-0.136	-0.292	-0.128	.471*	1.000								
PROFCOMM IT_AC	-0.080	-0.201	-.692**	.761**	0.237	1.000							
PROFCOMM IT_CC	-.741**	-.722**	-.709**	.692**	0.278	-.563**	1.000						
PROFCOMM IT_NC	0.019	0.093	-.780**	.757**	-0.119	.563**	.443*	1.000					
ORGCOMM T_AC	.481*	0.293	-0.114	.486*	.525*	.647**	-0.048	0.115	1.000				
ORGCOMM T_CC	-.807**	-.514*	-.482*	0.028	-0.157	-0.172	.449*	0.196	-.753**	1.000			
ORGCOMM T_NC	0.083	0.358	-.783**	.611**	-0.236	.548*	0.196	.869**	0.200	0.167	1.000		
IDEALISM	0.090	0.306	-.788**	.800**	0.231	.697**	0.257	.734**	.561**	-0.036	.873**	1.000	
RELATIVISM	-0.057	-0.321	0.227	-0.067	-0.141	0.313	0.289	-0.250	0.186	-0.400	-0.372	-0.356	1.000

* Correlation is significant at the 0.05 level (2-tailed)
 ** Correlation is significant at the 0.01 level (2-tailed)

Table 13: Spearman Correlations - Experienced

Spearman Correlations - Experienced													
	AICPASSTS	Circular230	Years in tax	ACCOUNTABILITY	ESENSITIVITY	PROFCOMMIT_AC	PROFCOMMIT_CC	PROFCOMMIT_NC	ORGCOMMIT_AC	ORGCOMMIT_CC	ORGCOMMIT_NC	IDEALISM	RELATIVISM
AICPASSTS	1.000												
Circular230	1.000**	1.000											
Years in tax	.821**	.821**	1.000										
ACCOUNTABILITY	.973**	.973**	.738**	1.000									
ESENSITIVITY	0.148	0.148	0.289	0.304	1.000								
PROFCOMMIT_AC	0.000	0.000	-0.354	0.186	0.408	1.000							
PROFCOMMIT_CC	-.632*	-.632*	-0.154	-.730**	-0.148	-.725**	1.000						
PROFCOMMIT_NC	.579*	.579*	-.718**	-0.379	0.444	.725**	-0.105	1.000					
ORGCOMMIT_AC	0.158	0.158	-0.205	0.162	-0.444	-0.181	-0.132	-0.105	1.000				
ORGCOMMIT_CC	-.632*	-.632*	-0.154	-.730**	-0.148	-.725**	1.000**	-0.105	-0.132	1.000			
ORGCOMMIT_NC	.921**	.921**	.667**	.865**	-0.148	-0.181	-.526*	-.658**	0.500	-.526*	1.000		
IDEALISM	.544*	.544*	.707**	.559*	.612*	0.250	-0.363	-0.181	-.725**	-0.363	0.181	1.000	
RELATIVISM	-.860**	-.860**	-0.447	-.884**	0.000	-0.395	.918**	0.287	-0.229	.918**	-.803**	-0.395	1.000

* Correlation is significant at the 0.05 level (2-tailed)

** Correlation is significant at the 0.01 level (2-tailed)

Regarding the association between accountability and ethical sensitivity, results showed that novices felt accountable to superiors more so than the experts. The focus of Hochwarter's et. al (2005) accountability scale is on superiors and top management. For example, statements like “top management holds me accountable for all of my decisions” or “if things at work do not go the way that they should, I will hear about it from top management” are more appropriate for subordinates than upper management. It is assumed that experts would be part of top management given that some of them classified themselves as self-employed. If experts identify or are part of top management, then they would perceive that they are not accountable to themselves. Perhaps the scale should have been modified to include other sources of accountability such as clients, government, or peers.

Considering the total number of participants, the professional affective commitment variable was positively associated with ethical sensitivity. Affective commitment indicates the

level of attachment to one's occupation (Meyer et. al, 1993). Although not directly related to awareness, Tsunogaya, Sugahara and Chand, (2017) reported that auditors with high levels of professional affective commitment, organizational affective commitment, and organizational normative commitment when facing obedience pressure were more likely to make ethical judgments than those with low levels. The study also found that levels of professional and organizational continuance commitment did not influence auditors' judgment. Similarly, no association was reported on this study between professional and organization continuance commitment and ethical awareness. Jeffrey and Weatherholt (1996) found that accountants with high levels of professional affective commitment would be more likely to follow the rules than those that showed low levels. Shaub et. al, (1993) and Yetmar and Eastman (2000) reported no correlation between professional commitment and ethical sensitivity. However, these studies did not take into consideration the three-dimensional characteristics of professional commitment as espoused by Meyer et. al (1993). No other studies have investigated the relationship between these two variables in a tax compliance environment.

Regarding the two groups, Spearman's correlation showed a significant ($p < 0.05$) association between ethical sensitivity and organizational affective commitment for the inexperienced sample ($n=21$). Similar to professional affective commitment, organizational affective commitment relates to the level of felt obligation and support by its members Meyer et. al (1993). As stated above, Tsunogaya et al. (2017) reported a positive relationship between organizational affective commitment and ethical judgements of auditors. Others found no correlation between organizational affective commitment and ethical sensitivity (e.g. Shaub et al., 1993). In line with these studies, the relationship between these two variables was not

significant for the expert group. It seems that experts perceive ethical orientation more relevant than other variables when dealing with situations that appear to contain an ethical issue.

For the experienced group, there is a significant ($p < 0.05$) positive relationship between ethical sensitivity and idealism reflecting a tendency for deontology. Deontological perspective is not concerned about consequences as it is about following the rule of the law/duties, and principles commonly accepted. Findings are consistent with other studies. For example, Chan and Leung (2006) found a positive relation between idealism and ethical sensitivity in accounting students, while Shaub et al. (1993) reported a moderate ($p = 0.053$) positive association between these two variables in auditors. According to Forsyth (1980), when an individual relies on ethical guidelines to make decisions based on the belief that these will lead to desirable or 'optimal' guidelines, these individuals are high in idealism. While those low in idealism are more pragmatic and realize that sometimes these guidelines need to be adapted to the ethical situation. Relativism is based on the rejection of these moral guidelines and embraces different ways of looking at ethical dilemmas.

4.2.4 Summary of Findings and Conclusion

The results of this study indicate that more experienced professionals are more likely to rely on prescribed codes and standards of ethics when identifying ethical content more so than organizational and/or professional values. They embrace a deontological approach. In comparison, inexperienced professionals perceive accountability to be a significant factor as well as their affective connection and obligation to the organization. As previously speculated,

these novices appear to have a closer relationship to the organization and are more willing to abide by its values and socialization system than other factors tested here. A reason for this could be that novices are still finding their place in the organization and relying on its system facilitates this assimilation. They feel accountable to their superiors and this pressure enforces and enhances their awareness in identifying ethical content. As suggested by Beu and Buckley (2001), accountability can also be used to 'control' employees' behavior when accountability is a decision making influencing factor.

Other significant associations for all participants that are not directly associated with ethical sensitivity, but are relevant in instilling professional and organizational values are the positive relationships between codes of practice (AICPA SSTS and IRS Circular 230) and years in tax, accountability, organizational normative commitment and idealism, and a negative correlation with professional and organizational continuance commitment and relativism. Similarly, the accountability variable is positively associated with professional affective and normative commitment, organizational affective and normative commitment, and idealism, but negatively associated with relativism. Relativism infers that the individual rejects universal moral rules, in this case standards and codes of practice, and participants with high levels of relativism perceive themselves as less accountable than those with lower levels. The same inverse relationship with relativism was found for organizational normative commitment and idealism. Interestingly, there is a positive correlation between relativism and continuance professional and organizational commitments. This implies that individuals who perceive leaving the profession or organization as costly (feel that they 'must' remain), also have moderately levels of relativism. Perhaps they are more cynical about the reliability and effectiveness of

standards and codes of practice more so than those that are in the organization or the profession because they have an affective attachment to these. The study also found a positive correlation between professional affective commitment and organizational affective commitment consistent with other studies (Hall et. al, 2005). There is a negative correlation between organizational continuance commitment and professional affective, and organizational affective and normative commitments. Professional continuance commitment also shows a negative correlation with affective and normative organizational commitment, but these associations are not significant. This is partially supported by Meyer et al (1993) who reported a negative correlation between affective and continuance for both professional and organizational commitments.

4.3 Qualitative Strand

Findings from the quantitative strand are incorporated in the qualitative phase for the purpose of explaining and enhancing convergences and divergences about participants' experiences in ethic issues in a tax compliance context. This phase is also exploratory because it aims to discover any information and/or variables that were not initially considered. In this section, I offer a discussion of the results obtained from the thematic analysis following Braun and Clarke's (2006) framework, and I attempt to explain these in reference to the quantitative strand.

4.3.1 Discussion of Results

Four clusters of themes emerged from the thematic analysis: ethical frameworks, tacit knowledge, learning and training, and socialization (refer to Appendix C). These themes not

only compliment and explain the quantitative findings, but they also bring forward underlying issues and concerns voiced from different perspectives in recognizing ethical issues that, at the beginning of this study, were not considered germane by the teacher-researcher.

4.3.1.1 Theme: Ethical Frameworks

Various frameworks were used by interviewees from both groups (novices and experts) to gauge ethical recognition, judgment, intent, and behavior in a tax compliance context. Ethical frameworks were associated with ethical orientations and philosophies, emotions, moral intensity and risk tolerance, and experience (tacit knowledge). Participants' descriptions and interpretations of their experiences are discussed here.

Forsyth (1980) theorized that there are four quadrants of ethical ideologies (situationists, absolutists, subjectivists, and exceptionists). These are defined depending on the various degrees of idealism/deontology, and relativism/teleology. From the quantitative analysis, it was suggested that participants' ideologies in this study favored two out of the four philosophies described: absolutists and subjectivists. When asked about their understanding of ethical sensitivity, students showed subjectivists' characteristics with high levels of relativism and low levels of idealism. This is demonstrated by their perception of ethics and ethical awareness as dependent on the individual's values and beliefs system. Hence, newcomers who lack the knowledge of rules and standards of the profession/organization tend to rely on their personal values system (Doyle et al, 2013):

*...really hard for me to decide cause I'm also **considering the situation, how many people will be affected, and how difficult it would be and the consequence.** [Interview transcript, novice 2].*

*Ethical sensitivity.... I guess **depends on the person** as far as, how sensitive they are towards ethics, more of **their standing point of view** when it comes to a specific situation... **moral is more of a personal thing**... [Interview transcript, novice 3].*

In comparison for more experienced professionals, their approach is more absolutist as it is based on the rules and standards of the profession and/or organization:

*...**following the rules** and also **protecting their [client] information**... We have to make sure **we follow, um, standards and guidelines** for accountants and tax preparers. [Interview transcript, expert 2].*

*[W]hat comes to mind for me is, uh, is **doing your job technically correct** because I was a technician before I was a client service person and I decided a long time ago that I was going to **give the technical correct answer**. [Interview transcript, expert 3].*

It was also evident that the students were relying on ethical frameworks to help them analyze the question and situation(s) attempting to make sense. For example, novice 2 refers to how recognizing an ethical issue will be dependent on the situation, number of people and consequences. This implies a utilitarian view within the teleological perspective. Teleologists focus on the consequences of actions allowing for the 'best' alternative to be chosen based on the greatest good to all of those affected by the behavior (Hunt and Vitell, 1986). On the other hand, deontologists focused on the absolute based on duties, laws, and regulations (Hunt and Vitell, 1986) as corroborated from experts' narratives above.

Another form of ethical sensitivity 'tool' that was more relevant to experts than novices was feelings and emotions in support of a more intuitive approach. A possible reason for

experts' concerns may be related to the next topic of risk tolerance. Experts have more to lose in terms of their reputations and professional careers than inexperienced practitioners who more than likely do not share the same level of responsibility and accountability. Gaudine and Thorne (2001) introduced a framework for emotion and ethical decision-making. Based on this framework, Connelly, Helton-Fauth and Mumford (2004) investigated the association of various trait emotions to ethical decision-making in the context of judgment. Findings show that responsibility and distress were positively associated to ethical judgment. As the level of responsibility and distress increased, the likelihood that participants would select ethical choices also increased. Emotions in the narrative surfaced as feelings of anxiety and distress:

*Sensitivity...I mean when there's issues and it['s] kind of like a, **it's how you feel?** How **you feel about these issues**. Um, I guess **how it affects your conscience**. For example, a client of mine, there are issues and it['s] kind of, um, like I'm thinking about some issues during the day at night, **like things that keep you up**. So, if it **affects your morals**, then yeah, for me that's something that's ethical, ethically sensitive. [Interview transcript, expert 1].*

Another form of framework for ethical recognition was based on the level of transgression perceived by the participant also known as moral intensity (Jones, 1991). These include references by mostly novices as "big ones" or "big unethical problem". He/she would be more or less inclined to act morally depending on the seriousness attributed to the moral issue (Jones, 1991). In this respect, student/novices perceive ethical dilemmas to be only 'big' issues and they do not acknowledge the risk of micro-transgressions. This may leave them vulnerable to 'slippery slope' situations (Reckers and Samuelson, 2016).

*I **am not really certain** about any ethical dilemmas that I came across because I don't think there's any **big ones** that I've experienced. [Interview transcript, novice 1].*

For experienced professionals, in some instances, moral intensity translated to their level of risk tolerance. This involves an effort to ‘measure’ moral intensity by defining when an unethical situation was relevant and warrants recognition by the actor.

*I think it depends on **how obvious they are...How obvious it is** because maybe, you know, some **clients would ask you**, “oh just don’t do this, do like that, so that I can get the most taxes”. [Interview transcript, expert 2].*

*There’s always ‘more likely than not’ standard, you know. That, that the... Circular 230 requirements. You know, you have to **give them an answer that is ‘more likely than not’ to survive scrutiny by the tax authority...There’s always a little bit of saying how far you can go without crossing the line, crossing the line to illegal, or, doing something that’s not allowed**, and so there’s always that. You know you have to **through experience, you learn to make that judgment about not going too far**. [Interview transcript, expert 3].*

The above passage also alludes to frameworks or lenses used in the awareness process. In this case, professional standards of practice are carefully evaluated to mitigate risk and establish defined borders of moral intensity by making references to “Circular 230”, “more-likely-than-not” standards, and “crossing the line”. For practitioners, these tax ethics guidelines were perceived as a threat to their reputation if not properly followed. Experts considered these rules of practice germane in mitigating risk and in upholding professional abilities and trust.

In analyzing the experts’ narrative above, it is also evident that through their experience they have learned to identify certain client behavior as part of the ethical recognition process.

*The clients are **trying too hard to hide something**, um, that kind **of leads you to question**, um, and then like I think earlier I was saying, when there’s a lot of revisions to the financial statements because tax liability is too high, uh, that’s something that **you can also pick up on**. [Interview transcript, expert 1].*

Experts have demonstrated their capability to discern appropriate from inappropriate behavior especially from clients. They are more aware and can easily identify red flags such as unexpected taxable deductions or underreported income. These are discussed further under tacit knowledge.

4.3.1.2 Theme: Tacit Knowledge - Experience

Tacit knowledge was only applicable to the expert group. Experience was significant when used to identify clients' aggressive behavior and to assess the utility of tax standards of conduct and practice. Experts were able to relate their experiences with clients that described not just awareness, but the entire ethical decision-making process (judgment, intent, and behavior), sometimes taking place all at once. In the evaluation phase of the EDM process, most experts resort to their level of risk tolerance and professional standards of practice. Then, a decision is finally made to either comply with client's demands or to deny this request and even consider severing the relationship. Common to all of experts' narratives was emphasizing clients' behavior as opposed to tax professionals' actions. This perspective was never considered in their descriptions. Aggressive behavior was always initiated by clients.

*The ethical issue is like number one, **the client's approach to taxation**. Um, the **client's desire** to, not just **minimize tax**, but almost pay no tax, right? [Interview transcript, expert 1].*

*There's always people who will approach you as an adviser with **an answer in their head** already. They have the **answer predetermined**. This is what they want and so **it's up to you to try to deliver that**. Many times you can't do it. A lot of times is just straight out fraud, you know. [Interview transcript, expert 3].*

Standards of practice were mainly relied upon as a threshold to assess risk and exposure. Tacit knowledge of these is needed in order to make these assessments. Although experts stated that they were unfamiliar with these, in practice, these are embedded in their ability to make judgments and decisions.

...I'm sure I read those things once upon a time, but I do not know anything. Uh, I mean I can't recall anything, now. Uh, probably early in my career, I was probably required or forced to. Um, but no, I guess wouldn't say I'm familiar with it. [Interview transcript, expert 1].

They demonstrated tacit knowledge of these when practitioners recognized clients' attempt to lower their taxable income by reporting additional deductible expenses after finding out their tax liability or by underreporting income. They also stated that did not guide their practice, but their knowledge of it is innate. This may explain the reason for the low percentage of correct answers when they were required to provide the standard that was addressed in the ethical vignettes included with the quantitative survey questionnaire. A reason for this could be that they are blindly following procedure, and these rules and standards of practice are embedded in this process:

We still compare with prior year, if something it's too high like meals and entertainment...well, for that we always have to ask. They [clients] like to hide things. Even other miscellaneous things, if there's a large account, we still gonna ask. For certain clients, we also ask for their documentation, not just request the ledger. [Interview transcript, expert 2].

Results from the quantitative study did not show any significant ($p < 0.05$) relationship between professional standards of practice (AICPA SSTS and IRS Circular 230) and ethical sensitivity for all participants and for both groups. However, these standards of practice were

positively significantly associated with years in tax practice, accountability, organizational normative commitment, and idealism; and negatively associated with professional and organizational continuance commitment, and relativism. As demonstrated by experts' narratives, there is a desensitization of rules and regulations because they are integrated as part of normative practices enforced at the organizational level. These are meant to mitigate risk and provide assurance to practitioners, clients, and government. They indirectly help instill public trust and are perceived to have a direct effect on personal and organizational standing.

4.3.1.3 Theme: Learning and Training

Learning and training was found to be relevant in relation to ethical recognition with novices describing a lack of skills and experience, and experts showcasing their skills and knowledge. However, learning also surfaced as a way of addressing and improving both groups' deficiencies. Novices acknowledged a lack of skills that in turn negatively affected their confidence to perform appropriately or to meet perceived expectations. In terms of guidelines, novices admitted to being unfamiliar with professional codes and standards of practice, and if they were remotely familiar, they did not know how to apply these rules in the field. Instead, they resorted to existing personal frameworks or knowledge from their ethics class required as part of their bachelor's degree and taken concurrently with the internship program. However, most students expressed that the ethics course was too general and not relevant to the work environment. In the following passage, the novice was aware of the confidentiality rule in keeping client's information confidential, but did not know how it was pertinent to her situation:

Because I was looking at a name that was really familiar and then, it felt that for me it seemed familiar because I was unsure if I did the tax preparation for that client. And when I said that to my group mates, I was wondering if I wasn't supposed to say that or if it was okay for me to say that. [Interview transcript, novice 2].

Because of their lack of confidence in their technical and soft skills, many novices interviewed were overburdened by the transition from college to the 'real' world,

it's like... for example, when you first start out everything is a little overwhelming because they kind of 'throw you' in there. They give you an assignment, but then you're just kind of nodding your head, 'Oh okay, I get that', and then they leave. [Interview transcript, novice 3].

In stark contrast, experts' narratives were confident and demonstrated awareness of their abilities:

I have a good idea of what the answer is. And fortunately with my training with the IRS [Internal Revenue Service], I know what the answer is. I know how to find the answer. So, you know, you can tell when people are approaching you and either you want to do it right or you want to get the answer they want. [Interview transcript, expert 3].

Nevertheless, both groups provided insightful ideas for further development and improved ethical recognition. Novices' suggestions included having experts' share experiences in the classroom, start ethical instruction early in the program rather than waiting until senior year to take the compulsory ethics class, and fomenting an open environment at work. An expert suggested that students are exposed to specific tax case scenarios. She recalled that a lot of ethics cases dealt with auditing and forensic accounting, but none were tax focused.

4.3.1.4 Theme: Socialization

Socialization is centered around the organization especially for novices. It is demonstrated in their narrative about preoccupations with performance and procedures to fit in with coworkers and colleagues, and in establishing connections and relationships. There is also a darker side of socialization that is manifested in pressures and influences, and negative emotions of sadness and isolation. The socialization process begins at the university level (Larson, 1979) and it is later transferred and reinforced in the workplace in the form of commitment to the organization and the profession (Aranya et al, 1981). Socialization theory refers to the convergence of personal values with those of the work environment (Douglas et al, 2001).

Sparks and Hunt (1998) posit that ethical sensitivity is learned through socialization where novices/students are introduced to the rules and standards of the profession. These procedures are essential in establishing normative practices and serve as teaching and learning 'moments' for experts and novices. Novices' preoccupation with performance could be related to grading. Students participants were enrolled in the internship program and their performance in this program is graded. The internship is required for the undergraduate accounting degree. However, this was never acknowledged in their narratives. Some accounting firms participating in the internship program have hired these students in the past, this may also contribute to students' concerns and added pressure to perform. Nevertheless, what was evident in their descriptions was the need to fit in and become part of the group within their work environment. A review process is characteristic of most public accounting

firms where the work is initiated by the least experienced individual (lower staff-level) and it is subsequently reviewed by more experienced (higher staff-level) practitioners:

*it's not really about being ethical, it's just the procedure...my senior asks me to compose an email for the client, but then I always had to **submit to her for review** before she sends it to the client...in terms of tax preparation, I think it's straight forward. I would know when I should **ask a senior for help**. [Interview transcript, novice 1].*

*I felt that I was **focusing more on my work**, the job versus my school work. [Interview transcript, novice 3].*

*I was just **really focused on the task** actually... especially when April started, um, I was just given a sheet of paper were I had to do, um, the preparation form...and then, there was a **time actually were I stayed back** . [Interview transcript, novice 2].*

Informal and formal communication between superiors and lower level personnel was an important factor of socialization. This relationship is focused on teaching, guiding, and advising. Many mentors accept that their function is to instill the organization's values on novices (Dirsmith and Covalleski, 1985). Some have positive experiences,

*I would say, um, I would be...um, **comfortable raising the issue**, because with the partner I was assigned under, she was, um....**she's very approachable**. [Interview transcript, novice 2].*

while others seemed frustrated at attempting to form work relations and either blamed the environment or themselves.

*I just **stay quite** for most of the time. I feel like **that was my mistake** and...I feel like just I **haven't created a connection** or a **professional relationship** with the staff in department. I was **really quite and timid**, and that's when **my introversion** really kicked in. [Interview transcript, novice 1].*

It is inferred in novices' narratives that there is a system or process of checks and balances, and that given their inexperience, they are co-dependent on this system for their performance. This may help shift some of the responsibility and accountability to superiors, but it also emphasizes novices' vulnerabilities in terms of becoming victims of social influence and pressure.

*I had **my share of responsibility**, but my **seniors always emphasize** that I should **always ask for help** because when I make a mistake **I won't get in trouble**, it is going to be on their part...the seniors. **Someone always checks my work**. [Interview transcript, novice 1].*

*...we have our supervisors who are pretty much **our safety net** and even though we knew that they are going to **check our work afterwards**, when they come back with **review notes**, I felt that I could have caught the error, the **mistakes I made**. Or when I caught things that my supervisor did not, I **took pride** on it because is not only me, **they can also get in trouble**. [Interview transcript, novice 3].*

Overreliance on superiors manifested as a lack of accountability to others. Moreover, their lack of accountability to outsiders (client, government, etc.), from a novices' perception, was sheltered by the review process. Thus, they felt they did not need to worry about ethical issues at this point because someone else would be responsible for this. However, this shift in accountability and responsibility to superiors leaves students vulnerable to that person's ability to become aware of ethical issues. Students lack vigilance because they feel sheltered.

For some, the transition from the classroom to the workplace was less than optimal to say the least, and it seemed to unleash a set of emotions that negatively affected their job experience. Accountability and organizational affective commitment were positively associated ($p < .05$) with ethical sensitivity (quantitative strand) for inexperienced tax compliance preparers.

It is evident from the qualitative interviews that accountability is directed to superiors who play an essential role in transferring values and standards of practice to novices. Social acceptance is important in the workplace and it is demonstrated through formal and informal communications consisting of feedback and social encounters as shown above. These affect new entrants' emotions and feelings of acceptance or not into the group. When accepted, newcomers more easily assimilate the organization's values. If they are not accepted, they seem to resent their environment, and more than likely they would look for other job opportunities.

We kept to ourselves. *I understand is busy season, but as an intern, I was **mostly in my cubicle** and I really felt like...I'm just working...I **wasn't really able to form relationships**. And, I think that's very important for someone to **feel like they belong** in an organization. [Interview transcript, novice 1].*

*I was really interested in the tax preparation itself, but, um, in the department alone with their group in there, I **felt like I was an outsider**...It's like the other...staff...um, **had their own world** that I feel like I wasn't...I thought **I couldn't really enter**. felt like there was some points were they were welcoming, but then other times, there were more time **when I felt like an outsider** were if I say something like **I'm intruding**. [Interview transcript, novice 2].*

*As far as seeking guidance, **everyone was very helpful**...or most of them. Other people like to stick to themselves. But, **no one was ever rude** to me or anything, everyone was **always happy to answer my questions**. [Interview transcript, novice 3].*

The consequences of mixed these emotions were reflected in students/newcomers' lack of professional commitment. They based professional commitment on their personal work experiences during their internship. So, if they had a negative experience, they evaluated their

future careers, and felt that since they have already invested time and money in obtaining a degree then they should continue to pursue a career in accounting:

*I would say like **in the middle** also [be]cause right now I can be good within accounting, but I **also want to try other things**. So, I'm...I **can't say that I'm fully committed**, but to a certain degree I am because it is the route that I went for...and I want to use it some like ... I want to use it for my career, but I'm also **keeping an open**, open door for other things. Just so that in case that accounting doesn't really work me, **I'm also open to try out new things**. [Interview transcript, novice 2].*

Those that had a positive experience were more forward-looking searching for ways to improve their opportunities for career advancement:

*I **strongly feel that** [professionally committed]. **I'm actually planning to get my CPA** [Certified Public Accountant]. I kind of end up not joining the AGA [Association of Government Accountants], but you know in my years as a student, **but I'm actually planning to also join that**. [Interview transcript, novice 1].*

*I think I would **probably stay with this [profession] for the rest of my life**... I was requesting for a part time [job], **because I want to study for the CPA**. [Interview transcript, novice 3].*

For experts, socialization can also be an emotional process and as novices, it centered around their relationship with organizational members. They reflected on socialization aspects by explaining how middle management adapts to upper managements' threshold and tolerance depending on superiors' personalities as being more or less strict and accepting these outcomes. Feelings powerless and shifting blame (accountability) to those making ultimate decisions were also noted:

*You just kind of see it overtime as you work with them. I can see whose hard working, **who's more strict with the rules, who's more lenient with how they interpret the tax***

regulations. So, I guess the way we work on our engagements depends on who are we working under. So, we just follow how they do it. Sometimes, if it's like a lenient manager, we have to go with their interpretation, even though sometimes we don't agree with it, but that's how they want it...then they're the ones approving, they are the ones signing [the tax return]. [Interview transcript, expert 2].

Those that were discontent with the organization were also contemplating changing careers. Some showed continuance commitment (Meyer, Allen and Smith, 1993) especially those in middle management. For example, in spite of being recently promoted, they were not fully satisfied with their jobs. They were at a stage where they felt confident of their abilities and were ready for more challenging assignments, but were not getting the same recognition and acknowledgement from superiors. This resulted in job dissatisfaction:

I don't think I would solely stay in the tax profession for ten years. I wouldn't..., it's interesting, and you know, it's, uh, everyone needs to do their taxes and the rules are always changing, so you don't just stay stagnant with your information, but I want to do more. I just do work and I want to do more...because right now I mostly do like tax preparation we don't do other things, like tax consulting. I'm not at that level yet. [Interview transcript, expert 2].

However, most experts were highly committed, they felt the need to justify its importance and to become advocates for the profession:

It's definitely like an underappreciated profession, but it's something that...it's a profession that, um, you know, I think bridges the taxpayers, the government, to make sure that they pay the government what is due to them. And so, yeah, it's an underappreciated profession, um, but I think the work is very important, you know. So, and it's allowed me as well to earn some supplemental income after, um, my career at a[n] accounting firm. [Interview transcript, expert 1].

My reputation is important to me. So um, yeah I'm very committed to doing the right thing. Actually, I have consulted with tax departments around...even I try to make sure

they have the right resources. And, I've always been an advocate for [local tax authorities] that have never been fully...given the full capabilities that they need to do their job. So yeah I'm very committed. [Interview transcript, expert 3].

Professional commitment was significantly ($p < 0.05$) associated with ethical sensitivity when the quantitative answers were evaluated for all participants. Perhaps, this result was mainly driven by experts as novices had a difficult time dissociating profession from organization. Regardless of these results, professional commitment was not significantly associated with ethical sensitivity when this relationship was evaluated for each group. None of the groups (experienced or inexperienced) showed a significant relationship between professional commitment and ethical sensitivity.

4.3.2 Bracketing

Bracketing refers to the researcher's own experience with the phenomenon studied with the purpose of identifying any possible biases in the interpretation of the data collected and analyzed (Creswell, 2013). I was employed by a public accounting firm and my involvement with newcomers sparked my interest in teaching. Overall, I stayed in public accounting for approximately 15 years. As stated, I did not have any previous knowledge of the students who participated in this study because at the time that they were in the program, I was not teaching at their university. However, the three experts interviewed were previous acquaintances. Guam is a small island and there are not that many accounting professionals (between 100 and 150). Therefore, most accounting professionals have either worked or met other professional in this community by being part of professional organizations, or chamber of commerce. This is a relatively small community and people tend to participate in the same events and belong to the

same groups. Although I highly respect them as professionals, I do not have a close relationship with any of the participants.

Nevertheless, it is reasonable to consider whether their answers were influenced by my current position as an accounting instructor at the university or my previous knowledge of their backgrounds. Although there were times when I felt that the participants were holding back, most of the time the conversation flowed as any other normal discussion. Even though the format for these interviews was semi-structured, at times, we deviated slightly from the script because the interviewee felt comfortable discussing certain issues and I did not want to interrupt the conversation. Thus, I perceived their answers to be honest. This is also corroborated by the congruency of results between the quantitative and qualitative data.

Throughout the data collection process, I made a conscientious effort to remain unbiased by the narrative. However, I will not deny that in certain instances I found their accounts relatable to my experience. The experiences of expert 2 were truly relevant because this person had sufficient experience to make his/her own opinions and was frustrated when ignored by superiors. He or she felt that their opinions did not matter and attempted to shift responsibility to upper management. This narrative was pertinent to me because I shared his/her feelings, and personally, that was the time that I decided to change careers. From my discussions with expert 2, it was implied that he/she was contemplating another line of employment.

4.4 Summary of Findings – Integrating Quantitative with Qualitative Results

In this section, a summary of findings is provided integrating the explanatory sequential quantitative and qualitative mixed method research. The purpose of this section is to analyze and evaluate results from the two strands (QUAN => qual) and provide integrated conclusions (Creswell and Plano Clark, 2017) that will be used to design the problem-based learning activity for the income taxation class. The main purpose of the using a mixed method explanatory approach was to answer research questions 1 and 2. The findings described here answer these questions as they are linked through the process of socialization meaning that the differences or gaps found between the two groups are explained by the organizational systems in place. Once novices enter the workplace, learning is integrated in everyday life to assimilate normative practices and become socialized into their new environment.

Results from the quantitative research showed that organizational affective commitment and accountability were associated with ethical awareness of inexperienced professionals. According to Bauer and Erdogan (2011), organizational socialization (onboarding) is a process of newcomers' adaptation to the organizational culture and environment. Through this process employees acquire knowledge, skills, and behaviors they need to be assimilated into the organizational culture. Quantitative research findings of this study were further supported by the qualitative interviews as described in section 4.3. In general, novices seem to rely on organizational practices and accountability to superiors to guide their ethical sensitivity. This is explained by novices' desire to conform to their new environment. Additionally, to fit in with members of the organization, novices were over-dependent on supervisor's reassurance, guidance, and feedback characterized as a mentor relationship. New employees are expected

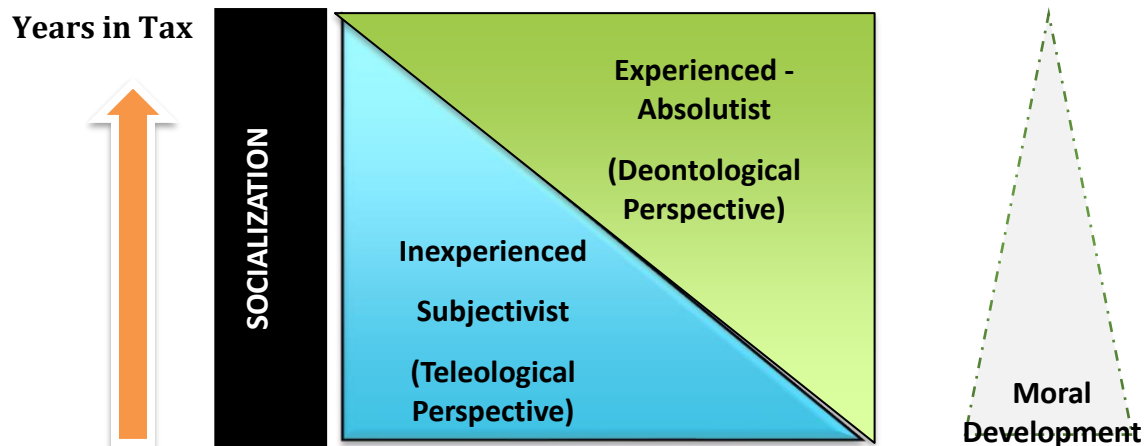
to seek feedback and work on relationship building with their peers and colleagues (Bauer and Erdogan, 2011). Thus, they felt accountable to superiors forcing them to focus mainly on their performance in an attempt to gain social acceptance (Bauer et al., 2007). A drawback of this dependency is that students fully relied on their supervisors to screen and identify ethical situations leaving them vulnerable to their superiors' level of ethical awareness.

For the expert group, neither professional commitment nor organizational commitment were associated with ethical sensitivity. A possible explanation for the lack of organizational commitment could be attributed to the professional-organizational conflict (role conflict) (Aranya et al.1981) that was evident in middle management's narrative. Middle management appear to value professionalism and the independence granted by this knowledge, but were constricted by organizational practices represented by upper managements' approach to ethical dilemmas. Thus, these individuals would value professional values over organizational practices. This is demonstrated by the negative relationship between idealism and organizational commitment shown on Table 13. This concurs with Jha and Pandey (2015) findings.

Regarding ethical orientation, this study concludes that ethical ideology of novices and experts in respect to ethical sensitivity in a tax compliance context may be summarized in the diagram below. As shown in figure 6, when novices enter the workplace, they employ a teleological perspective when recognizing ethical content based on their individual value system. Since students/novices were termed subjectivists, they are characterized by ethical egoism. Egoism is a teleological perspective that evaluates consequences relative to the individual (Jha and Pandey, 2015). As novices continue their career in tax, the more years that

they spend in tax compliance, the higher the likelihood that their perspectives will change, increasingly adopting a deontological perspective as a byproduct of organizational socialization.

Figure 6: The Evolution of Ethical Ideologies



Source: Developed by the author of this study

The triangle to the right of Figure 6 represents moral development. Although the association between moral development and ethical sensitivity was not included in this study, previous research in this topic has demonstrated an inverse relationship between accounting professionals and moral development in support of the socialization theory. In business ethics, most studies have reported a positive relationship between cognitive moral development and ethical decision-making (O'Fallon and Butterfield, 2005). However in accounting Ponemon (1992) showed a decrease in moral development for higher level management in public accounting firms compared to lower levels. Moreover, partners' ethical reasoning was similar, and they tended to favor individuals in the firm who reasoned in a similar manner. These results were attributed to ethical socialization.

Therefore, the following weaknesses were found in newcomers that will be addressed in the following chapters by modifying my pedagogy accordingly relying on problem-based learning, a form of experience-based learning, to help fill this gap. These are as follows, students:

- i. Lack an overall understanding of the importance of the accounting profession.
- ii. Rely heavily on superiors for technical and social guidance.
- iii. Lack initiative and leadership.
- iv. Lack knowledge of professional standards for tax practice, their relevance and applicability in the field.
- v. Tend to shift professional responsibilities and accountability to superiors. They depend on others to recognize unethical situations and do not attempt to make that determination.
- vi. Are susceptible to social influence pressure in their eagerness to bond with peers and coworkers.

From my perspective, those that felt technically ill-prepared had low confidence and it seemed to have a ripple effect socially, demonstrated in their inability to make connections and fit in with colleagues and peers. They were frustrated and expressed having negative feelings such as sadness and isolation. Failing to address these shortcomings could have detrimental consequences for these novice professionals.

5 CHAPTER 5: SECOND STAGE- ACTION RESEARCH CYCLE ONE

5.1 Introduction

The overall intent of the problem-based learning (PBL) classroom activity described in this chapter was to engage students in reflection in action (Schön, 1991) in dealing with ethics for tax practice in order to answer the third and final research question. The PBL activity is the second phase described in the research design (chapter 3). The activity foments anticipatory socialization (Archts, Jansen and van der Velde, 2001) by introducing students to professional codes and standards for tax practice, and the importance of a 'reflective practice' (Schön, 1991). There are two action research cycles that were implemented in spring and fall semesters in 2019. The first cycle took place in spring 2019 and it is the focus of this chapter. Cycle two is referenced in the next chapter.

In accordance with the action research methodology and framework introduced in chapter 3, the cycles are structured as follows: define the problem, collect data and decide on pedagogical changes, implement the changes, monitor and evaluate, and review and reflect. The problem definition and research questions have already been addressed in previous chapters. The pedagogical changes are a result of the literature review and the first stage explanatory sequential mixed method approach. This chapter details the process of the designing the activity, and the first action research cycle of implementation in the classroom.

5.2 Background and Setting

In previous semesters, the income taxation course included ethics activities that were limited to either synthesizing information or answering a questionnaire to trigger evaluation

and analysis. The activity was usually introduced in one class and students were required to form groups and meet outside the classroom to complete the assignment that was normally due before the next class meeting. Class meets twice per week for a total of 3.4 hours per week for 15 weeks per semester for spring (January – May) and fall (August – December). Students are required to take the class only for one semester either spring or fall to earn 3.0 credit hours towards their bachelor’s degree in accounting. The course is delivered on ground at the university’s campus. However, an online learning management system (Moodle) was used for students to access instructions and guidance to the PBL activity including grading rubrics, online asynchronous forum discussions, and other tools and materials. The content of this course is U.S. individual, corporation, and partnership income taxation and tax law research. However, one of the learning outcomes of the course addresses ethics in tax practice: “understand tax-related professional and ethical obligations...” This learning objective is in accordance with the AICPA Model Tax Curriculum (Nellen *et al.*, 2014). The PBL activity is designed to meet this course, program, and the University of Guam’s institutional learning outcome as well as professional organizations. The table below shows this relationship:

Table 14: Course, Program, and Institutional Learning Outcome

Course LO	Program LO	Institutional LO	AICPA Core Competency (AICPA, 2018)
Understand tax-related and ethical obligations	Identify and analyze ethical problems that occur in the accounting/business environment.	Responsible use of knowledge, natural resources, and technology	<p><u>Ethical conduct:</u> Behave in a manner bound by ethical principles for the protection of society, including upholding the AICPA Code of Professional Conduct.</p> <p><u>Professional behavior:</u> Practice in a manner that is consistent with the character and high standards set by the AICPA and the accounting profession.</p>

5.3 The Tax PBL Activity

Under the assumption that students have little exposure to PBL pedagogy and as explained in chapter 2, I have adopted Stanley and Marsden (2012) framework due to its simplicity and the short amount of class time allocated to this small-scale activity. The steps in the framework are as follows: 1. FACTS = Define the problem through inquiry, 2. IDEAS = Analyze options, 3. RESEARCH = Problem-solving, 4. DECIDE = Decision-making supported by collaboration, and 5. EXECUTE = Communicate decisions and act. A 6th step called REFLECTION was added with the objective of introducing students to criticality in practice.

The activity was implemented in spring and fall semesters in the year 2019. The purpose of a PBL teaching strategy is to expose students to the problem first as they would in the 'real world' making them responsible for acquiring the knowledge needed to solve the proposed problem (Barrows and Tamblyn, 1980; Milne and McConnell, 2001; Hmelo-Silver, 2004). Nevertheless, some researchers recommend that technical knowledge should be introduced prior to the PBL activity (Johnstone and Biggs, 1998). In order to strike a balance regarding these recommendations, students were introduced, in a short class lecture, to tax professionals' rules and standard at least three weeks before the PBL activity was implemented, but they were not given any guidance during the activity to refer to these to solve the problem.

For the PBL activity, the scenario used for context is one that I have created specifically to address tax practitioner's standards. The fictitious scenario is designed for students to question loyalties, responsibilities, obligations, and social pressure from peers, colleagues,

family, and/or superiors. Table 15 below shows how students' vulnerabilities outlined in chapter 4 were addressed in the PBL activity as follows.

Table 15: Linking Stage 1 Research Findings to PBL Activity

First Stage Research Findings (Chapter 4)		PBL Activity Intended Outcome
a)	Lacking an understanding of the importance of the accounting profession.	By demonstrating how concepts are put into practice and the type of problems that tax accountants encounter, students will gain an understanding of the profession and its importance in helping businesses thrive by efficiently managing their finances and capital.
b)	Lacking knowledge of professional standards for tax practice, their relevance and applicability in the field.	The PBL activity offers an opportunity for students not only to apply concepts learned but also operate in a 'real' world environment where issues are ill-defined and complex. Students will correctly identify and articulate the ethical content embedded in the activity by applying AICPA SSTS and IRS Circular 230 standards.
c)	Overreliance on superiors for technical and social guidance.	Items c) through e) are addressed in the PBL scenario. The ethical situation presented in the problem is that of an intern with career ambitions searching for opportunities for advancement. Unfortunately, the work ethics of the prestigious firm where she obtained her internship is not as expected, and she is faced with the decision to either become a whistleblower and ruin any career prospects, or continue to embrace the current status quo (Suez-Sales, 2014). Students will become aware of the practice risks involved in working for an organization, and they will acknowledge their exposure to superiors and peers' actions.
d)	Shifting professional responsibilities and accountability to superiors. Dependency on others to recognize unethical situations and do not attempt to make that determination.	
e)	Susceptibility to social influence pressure in their eagerness to bond with peers and coworkers.	
f)	Lacking initiative and leadership.	Leadership is demonstrated by students' level of collaboration and inquiry.

5.4 Implementing Pedagogical Changes

Given the teacher-researcher's understanding of the students' weaknesses outlined in the previous chapter and Table 15 above, the expectations for the PBL tax activity are outlined in the student learning outcomes (SLOs) as follows:

Upon completion of this activity, students should be able to:

SLO(1) Apply professional codes and standards of tax practice (AICPA code of ethics, AICPA SSTS and IRS Circular 230) in a tax compliance context.

SLO(2) Collaborate with peers in solving complex or difficult problems. Engage in participatory collaboration being empathic about others' positions even when presented with dissenting views (Raelin, 2003).

The purpose of the SLO (1) was to introduce students to rules and standards that guide tax compliance, understand their importance, and know how to apply them in a 'real' world scenario. This SLO also addresses the application of technical skills. SLO (2) emphasizes the value of peer collaboration in problem-solving encouraging differing views to surface forcing students to justify their thoughts and opinions. It also compels students to communicate with one and other instilling the soft skills that were lacking in interviewees in chapter 4 (initiative, leadership, interpersonal skills, etc.). It is expected that these learning outcomes would foment critical reflection in relation to ethics. The learning outcomes were aligned with the student, the program, and the institution's learning outcomes as follows. The table below also links these outcomes to students' practice risks outline in table 15:

Table 16: Learning Outcomes – First Cycle

PBL Activity LO	Student LO	Program LO	Institution LO	AICPA Core Competency (AICPA, 2018)	Students' Practice Risk
SLO1			Responsible use of knowledge, natural resources, and technology	<p><u>Ethical conduct:</u> Behave in a manner bound by ethical principles for the protection of society, including upholding the AICPA Code of Professional Conduct.</p> <p><u>Professional behavior:</u> Practice in a manner that is consistent with the character and high standards set by the AICPA and the accounting profession.</p>	Items a) and b)
SLO2	Understand tax-related and ethical obligations	Identify and analyze ethical problems that occur in the accounting/business environment.	<p>(1) Understanding and appreciation of culturally diverse people, ideas, and values in a democratic context.</p> <p>(2) Mastery of critical thinking and problem solving.</p>	<p><u>Collaboration:</u> work productively with diverse individuals in a variety of roles, with multiple interests in outcome to achieve acceptable and optimal results.</p> <p><u>Decision-making:</u> objectively identify and critically assess issues and use professional judgment to develop appropriate decision models, identify and analyze the costs and benefits of alternative courses of action and recommend optimal solutions.</p>	Items c) through f)

5.5 Taking Action

The duration of the PBL activity was only for one class (80 minutes). Before and after class, students were asked to complete Kember *et al.*'s (2000) Reflection Questionnaire as a pre and posttest (Appendix D). Fifteen students were enrolled in the class, but only fourteen volunteered to complete the pre and posttests. Students were asked to form groups of three or four and discuss possible solutions for the tax case supported by rules and standards for tax practice. There was a total of four groups. At the end of class, they were asked to submit their answers in Word via Moodle, the university's learning management system. The tax case and instructions of the PBL steps were also posted in Moodle and accessible to students. Although only fourteen students volunteered to take the pre and post-tests, all fifteen students' performance was assessed and graded. Details of the PBL steps and teaching strategy are shown below:

Table 17: Tax Ethics PBL Activity Learning Steps- First Cycle

Group PBL Activity	Step	Timing
Discuss problem definition, facts, and ask relevant questions.	Facts	15 minutes
Come up with possible solutions to the problem. Discuss your findings with the group.	Ideas/Research	25 minutes
Choose the best alternative	Decide	15 minutes
Write your answers in your report to the client supported by your research	Execute	20 minutes
Review your actions and final answer, and make any changes appropriately	Reflection	5 minutes

5.6 Monitoring and Evaluating Action

As stated, fourteen students volunteered to complete the pre and post-tests. Of the fourteen students, one student was a non-native English speaker. All others were native English speakers. Eleven students were between the ages of 20 and 24, and three were between the ages of 25 and 34. All students were in their senior year. The undergraduate accounting program requires that all students complete the Ethics for Accountants course in their last semester prior to graduation. None of the students were currently enrolled in this course or had taken the course prior to this assignment. Results of the pre and post-tests are shown in Table 18 below. Three of the four constructs included in Reflective Questionnaire did not yield statistically significant results ($p < .05$). The Habitual Action was the only construct that was found to be significant. Habitual action refers to knowledge that is embedded and assimilated in everyday actions to the point that the individual may not be consciously performing the activity (Kember *et al.*, 2000). In this regard, the PBL activity did not improve students' criticality in practice and fail to foment deep learning.

Table 18: Pre and Post-test Results – First Cycle

VARIABLES	PRE-TEST (n=14)		POST-TEST (n=14)		DIFFERENCE TEST (p-value)
	MEAN	MEDIAN	MEAN	MEDIAN	WILCOXON TEST
HABITUAL	2.45	2.00	3.19	3.50	0.002 *
UNDERSTANDING	4.51	5.00	4.71	5.00	0.076
REFLECTION	3.60	3.50	4.02	3.50	0.444
CRITICAL REFLECTION	3.20	3.50	3.55	3.50	0.251

* Indicates statistical significance at $p < .05$

The two learning outcomes developed for this activity were assessed using a grading rubric for reports and essays. The rubric focuses on two assessment areas: evaluating students' inquiry and analysis and writing mechanics. Students were also asked to complete a peer evaluation where they were required to grade teammates' contributions to the group. Students used the same grading system for peer ratings. These grades were incorporated in their individual assessment of this project. The table below shows a synopsis of assessment results. The benchmark for this activity was 70% in accordance with the passing grade for this course.

Table 19: Assessment Results – First Cycle

ASSESSMENT PLAN MATRIX			
Learning outcome	Assessment tool or measure	Target or benchmark	Assessment responsibility, analysis, and dissemination
SLO1	PBL in class activity, grading rubric	Students will achieve a grade of "C" or better (70% is a passing grade)	All students (n=14) met this outcome achieving a grade of "B" (80% or higher).
SLO2	PBL in class activity, Peer evaluations	Students will achieve a grade of "C" or better (70% is a passing grade)	86% of students (n=12) met this outcome. 79% of students (n=11) achieved Mastery level (includes a student that did not complete the RQ), 7% Proficient (n=1), 0% Developing; and 14% Emerging (n=2).

All students met the first learning outcome and 86% (n=12) of students met the second learning outcome. This also includes students' peer evaluations where 91% (n=34 responses, each student is rated by each member of the group resulting in multiple performance evaluations per person) rated their teammates' performance as deserving a grade of 90%-100% or A; 3% (of 34 responses) assigned a grade of 80%-89% or B; and 6% (of 34 responses) assigned a grade of 50%-59% or D. In terms of learning levels these were mastery, proficient, and

emerging, respectively. The high grade in peer evaluations may be attributed to students' desire to remain in good terms with classmates in fear that negative evaluations may lead to discourse and confrontations. Even though these evaluations are confidential, because of the small class size and the low number of individuals per group, it is relatively easy for students to guess the identity of the evaluator. Although most students met the benchmarks stated for the two learning outcomes for this activity, they did not demonstrate an improvement in their ability to engage in reflection or critical reflection as shown in the pre and post-test findings discussed above.

In addition to the quantitative analysis, students were also asked to anonymously provide feedback to the instructor for the PBL activity. A thematic analysis was performed for this purpose following the process outlined in chapter 3 (refer to Appendix E). Students were asked to answer four questions about aspects of the activity that they liked and did not like, what was learned from their perspective, and proposed changes. Out of fourteen students, nine students answered the question 'what you did not like' about the case and eight students answered the other three questions. Three themes emerged from this analysis. These are discussed below.

5.6.1 Theme: Emotions

While analyzing students' feedback, I perceived a sense of reproach that I attributed to certain emotions experienced by students such as anxiety and uncertainty because of being exposed to unstructured issues characteristic of problem-based learning. There was emphasis on vagueness and level of difficulty which they attributed to a lack of proper guidelines. They

were uncomfortable with finding solutions to this type of problem. Hence, there was a tremendous backlash from almost all student participants.

I feel that the only aspect that I felt weary about was the letter [assignment] part of the case study. It's not that I did not like it, but I was just unsure in how to format the type of letter that was being asked. [#3]

I did not like how difficult it was to find the answer. I feel like there was a couple possible answers and deciding which was the most appropriate made it more difficult [#6]

Because the intent of PBL is to imitate reality, students are placed in complex situations with limited guidance from the instructor (Barrows and Tamblyn, 1980). Although, students were introduced to tax practitioners' standards of practice early in the semester, they did not consult these until later in the case. This anxiety and uncertainty is somewhat typical and aids in the process of sensemaking and deep learning (Mesa, 2019). These emotions may also be related to accounting students' personality traits. Accounting students tend to choose the profession based on how well their perception of stereotypes fits with their personality and preferences, and in general, accountants prefer unambiguous and structured situations (Rosen, Amernic and Beechy, 1984).

These negative emotions were counterbalanced by a sense of accomplishment that students seemed to enjoy and value.

I liked reading the case given. It was interesting and enjoyable to find solutions for the case. [#2]

*In terms of the content, I personally **enjoyed doing an activity** like this because these type of situation assessments **help me learn more**. I wish we did more case studies because it **made me think more** about applying how to follow tax regulations. [#5]*

It could be assumed that while wrestling with emotions, students achieved a certain level of confidence in solving this type of unstructured problems as part of the process. Students need to come to accept or tolerate ambiguity and vagueness characteristic of 'real world' problems. Students have become synthesized or institutionalized to 'cookie cutter' type of assignments based on traditional learning approaches where answers could easily be found online with limited thinking leading to surface learning (Dolmans *et al.*, 2016).

5.6.2 Theme: Self-Learning

There are several sub-themes that were part of the process of learning to learn. These are authenticity, meta-cognition, value of collaboration, and realization and awareness. Authenticity was related to students' perception of the problem as being realistic, a true portrait of a 'real life' situation. According to Hung (2006) context is important in establishing a 'real world' feel to the problem and keep students focused. In this respect, the PBL activity seemed to have achieved this aim. Meta-cognition pertains to students' realization of their learning, formulating strategies for learning leading to moments of discovery.

*However, I think that's **what stimulated my critical thinking as I looked beyond the positions of the employees and focused instead on their individual character**. [#7]*

*I liked how **my group members and I had the freedom** to just write about **what we thought** about the whole scenario and having to find the tax information needed on our own. It **allowed us to independently learn**. [#1]*

Related to acknowledging ways of learning, students valued insights gain from collaboration. They perceived these interactions to enhance their learning and understanding of the topic,

*Maybe instead of having the option of doing the project solo or with a partner, **it should be a with a partner**. It is great **to have another person's insight** on the case as well. [#2]*

Another student found value in discourse and open discussion of issues and alternatives and made a proposal to change the PBL activity to include this setting:

*I would not change anything at all but **it would be fun** if there is a class participation where **each group can compete with each other and debate** which solution or route should Jessica take. By doing this, it **allow[s] students to hear all perspectives**. [#8]*

The last sub-theme under self-learning is realization and self-awareness. Although the pre and post-test resulted in no statistically significant ($p < .05$) change to reflection or critical reflection, some students demonstrated, however slightly, a certain level of awareness about the meaning of the ethical situation portrayed and its relevance to their own state of alertness.

*I actually liked how the case **made me analyze and think** about the ethical issues that were happening within the firm. It also made me understand the **importance of cross-checking even the top managers or bosses of a company**. [#4]*

*[T]the necessary laws that need to be applied when it comes to tax. It also reminds us of what **ethical issues to be mindful about** in case we ever encounter these **situations in the future**. [#1]*

5.6.3 Theme: Avoidance

There were a couple of students that did not answer the question about what they did not like about the case study. Additionally, out of fourteen students, only eight provided feedback. This is what I call 'avoidance' meaning that students avoid having to make a stance, voice their opinions, or participate in the discussion. Typical answers include "n/a", "nothing", "anything", etc. Some scholars identify this behavior as communication apprehension (Gardner *et al.*, 2005). Communication apprehension can be manifested in oral and/or written forms of communication. Some scholars have attributed this behavior to accounting students' personality characteristics assuming that they would choose careers that are perceived to have minimal interaction (Daly and Stafford, 1984 cited in Gardner *et al.*, 2005). However, it may also be related to culture. This topic is explored further in the next chapter, but students may be reluctant to provide negative opinions to someone of a position of power either out of respect or fear of retaliation (students were told that their answers were anonymous). There is another possibility that students may perceive that their input has no value to the instructor, and so they may think of it as a waste of time.

5.7 Review and Reflect

It was discussed in chapter 2, the many advantages problem-based learning (PBL) in higher education such as the acquisition of knowledge through problem solving; students' increased autonomy of their learning; and the application of self-assessment and criticism of practice (Barrows and Tamblyn, 1980; Hmelo-Silver, 2004; Conklin, 2013). However, there are a few drawbacks. Similar studies in PBL have reported that students raised concerns about the amount of time demanded to complete the assignment (Milne and McConnell, 2001).

Additionally, students may be uncooperative or resistant in applying nontraditional teaching methods (Lizzio and Wilson, 2004). It has been my experience that undergraduate accounting students at our university are not usually introduced to this type of learning until their last semester prior to graduation, when they are required to complete the business capstone or internship course. Up until that point, students' exposure to experience-based learning is minimal.

In evaluating the implementation of the first cycle, I observed that students were struggling to meet the time limit of 80 minutes (one class time) without being previously introduced to the PBL situation and context. The short period of time did not allow for quality professional research, collaborative discussion/discourse, and critical reflection. This shortfall should be taken into consideration in designing the second cycle for fall 2019 semester. Given that the course is spread over 15 weeks and that it was originally designed to focus on tax technical-driven content, I will rearrange the schedule to allocate a maximum of 2 weeks to the PBL activity. This means that technical content will have to be truncated to fit the revised timetable.

Another issue highlighted during the first cycle implementation was the lack of critical reflection assessed by the pre and post-tests. This aspect was challenging for the teacher-researcher in achieving the 'right' balance in her role as facilitator without taking away students' ownership of their learning (Milne and McConnell, 2001). Because students lack practical and classroom experience with critical reflection, I acknowledged that this concept maybe difficult to grasp from the learner's perspective. As a result, in the future the teacher-researcher would initiate a line of inquiry to get students started in practicing criticality. Inquiry is

an essential aspect of action learning (Argyris, 1977; Raelin, 2003), but it may not come naturally to students at this level without previous exposure and in a short period of time as is the case with this PBL activity. Furthermore, from previous classroom observations, a great number of accounting students are introverts, and they may be afraid to openly ask questions or answers them. Thus, in order to improve student reflection, they will be required to complete a personal journal (Hmelo-Silver, 2004) for the duration of the activity. In summary, the PBL activity will be redesigned based on the findings from the first cycle.

6 CHAPTER 6: SECOND STAGE-ACTION RESEARCH CYCLE TWO

6.1 Introduction

As a result of the teacher-researcher's review and reflection of the changes implemented in the first cycle, the PBL strategy was revised in the second cycle based on these findings. The second cycle emphasized students' reflection and articulation of their personal values, and recognition of their relevance when applied in a broader ethical context. In the second cycle, students were also allowed more time for this activity. This resulted in students achieving a significant ($p < .05$) change in the pre and post-test in relation to critical reflection. This was a noteworthy improvement from the PBL activity's implementation in the first cycle, but there is still room for enhancement.

6.2 Implementing the Pedagogical Changes

Aspects of concern found in the first cycle were: (1) limited time; (2) lack of critical reflection; (3) communication apprehension (open dialogue). In turn, the learning outcomes outlined in the first cycle remained. The reason being that one of them dealt with application of tax standards of conduct and that is the context of this activity. The other learning outcome emphasized collaboration, and this was highly valued by students as shown by the positive feedback received in the first cycle. Therefore, two more student learning outcomes (SLOs) were added in the second cycle, for a total of four as follows.

Upon completion of this activity, students should be able to:

- SLO1** Apply professional codes and standards of tax practice (AICPA code of ethics, AICPA SSTS and IRS Circular 230) in a tax compliance context.

- SLO2** Create a personal value self-portrait in relation to ethicality. This includes reflecting on responsibilities, obligations, and loyalties, and recognizing admirable and less admirable personality characteristics.
- SLO3** Collaborate with peers in solving complex or difficult problems. Engage in participatory collaboration being empathic about others' positions even when presented with dissenting views (Raelin, 2003).
- SLO4** Critically reflect about taken for granted assumptions, challenging ways of thinking, and fomenting personal change about their learning and comprehension.

The most significant change in comparison to the first cycle was the incorporation of two new student learning outcomes (SLOs). In the first cycle, I only had two SLOs because I assumed that students would automatically engage in critical reflection after their group discussions. However, results from the first cycle were disappointing making me reevaluate my thinking. As a result, SLO4 was added to specifically address and measure critical reflection. SLO2 pertains to the personal value portrait (Gibson, 2008) implemented to encourage reflection and understanding of students' value and belief system in respect to others, defining their moral identities (Sheehan and Schmidt, 2015). This helps to assert clearly and concisely the student's ethical positioning and creates the lenses use to recognize, judge, intent, and behave ethically.

The learning outcomes were aligned with the student, the program, the institution's learning outcomes, and students' practice risks identified in chapter 4 as follows:

Table 20: Learning Outcomes – Second Cycle

PBL Activity LO	Student LO	Program LO	Institution LO	AICPA Core Competency (AICPA, 2018)	Students' Practice Risk
SLO1	Understand tax-related and ethical obligations	Identify and analyze ethical problems that occur in the accounting/business environment.	Responsible use of knowledge, natural resources, and technology	<u>Ethical conduct:</u> Behave in a manner bound by ethical principles for the protection of society, including upholding the AICPA Code of Professional Conduct.	a) & b)
SLO2				<u>Professional behavior:</u> Practice in a manner that is consistent with the character and high standards set by the AICPA and the accounting profession.	e)
SLO3			(1) Understanding and appreciation of culturally diverse people, ideas, and values in a democratic context. (2) Mastery of critical thinking and problem solving.	<u>Collaboration:</u> work productively with diverse individuals in a variety of roles, with multiple interests in outcome to achieve acceptable and optimal results. <u>Decision-making:</u> objectively identify and critically assess issues and use professional judgment to develop appropriate decision models, identify and analyze the costs and benefits of alternative courses of action and recommend optimal solutions.	c) & f)
SLO4			Demonstrate critical thinking and the ability to gather and synthesize information for accounting/business management problems.	Mastery of critical thinking and problem solving.	<u>Decision-making:</u> same as above.

6.3 Taking Action

One junior and eight seniors undergraduate accounting students enrolled in the Income Taxation course for fall 2019 semester. After completing the first cycle, a few changes were made to the implementation strategy of the PBL activity. Students spent a total of four classes (320 minutes) on this activity instead of one as done in the first cycle. This does not include time spent outside the classroom which is estimated to be approximately two to three hours or 120 to 180 minutes. In order to facilitate understanding of the activity, as some students had expressed confusion and frustration in the first cycle, a schedule was handed out in class on the first day detailing the various steps and requirements at each stage. To circumvent the short amount of time that I could dedicate to PBL without disrupting the prescribed course curriculum, students were asked to complete parts of this assignment outside the classroom. The purpose of these pauses was also to allow students to think, reflect, and respond more effectively. Hence, a hybrid method was adopted offering continuity between face-to-face meetings and online discussion. As mentioned in the previous section and to address communication apprehension, I was willing to experiment by allowing students to engage in discussions online in the hope that this medium would encourage discourse and reflection.

Furthermore, the PBL activity was broken down into four mini assignments detailed in the table below. The grading scale was the same used in the first cycle. Each of the four assignments was graded in a scale of 0% – 100%. Three separate grading rubrics were used for assessment. One rubric was used to assess the quality of the online forum discussions; one was used to assess the quality of reflection and critical reflection based on three parts: introspective (personal value portrait), extrospection (collaborative participation), and

transformation; and the third rubric was the same used in the first cycle. The latter was used to assess students' effective writing and technical knowledge.

Table 21: Tax Ethics PBL Activity Learning Steps- Second Cycle

Activity	Step	Timing
<p>Classroom: Introduction to the PBL activity (context). Form groups. Discussion of the Personal Value Portrait assignment.</p> <p>Individual Homework assignment: Complete and prepare the personal value portrait (Gibson, 2008) as instructed in your personal journal.</p>	Scaffolding	Day 1
<p>Online Forum: Using your personal value portrait, read the scenario posted in Moodle, and identify the ethical issue. Post your findings in the online forum designated for this case.</p>	Facts	Day 2
<p>Online Forum: Post one insightful question to two different classmates' posts (one question per post). (HINT: challenge your classmates' assumptions and preconceptions). Answer your classmates' questions.</p>	Facts, Ideas, and Research	Day 3
<p>Classroom Group Assignment: Discuss with your group members possible solutions for this problem supported by rules and standards for tax practice. Submit your answers via Moodle at the end of class.</p>	Decide and Execute	Day 4
<p>Personal journal DUE:</p> <ul style="list-style-type: none"> a) Write your honest thoughts, ideas, questions/answers, reflections about the case and this project (i.e., I was surprised..., I learned that..., I wonder about..., etc.). b) What are your assumptions and beliefs about ethics and taxation, and the accounting profession in general? c) As a recent graduate student, what do you think your responsibilities and obligations will be in the workplace? d) How would you rate your ethical awareness and why? e) What role do you think that management and/or supervisor(s) have when there is an ethical dilemma? 	Reflection	N/A – students were required to turn in their journals before class (Day 5)

6.4 Monitoring and Evaluating Action

Table 22: Pre and Post Test Results – Second Cycle

VARIABLES	PRE-TEST (n=8)		POST-TEST (n=8)		DIFFERENCE TEST (p-value)
	MEAN	MEDIAN	MEAN	MEDIAN	WILCOXON TEST
PROFCOMMIT_AC	5.44	5.00	5.72	6.00	0.490
HABITUAL	2.33	2.00	3.39	3.50	0.024 *
UNDERSTANDING	4.78	5.00	4.67	5.00	0.564
REFLECTION	4.06	4.00	4.39	4.00	0.343
CRITICAL REFLECTION	3.44	3.50	4.28	4.00	0.037 *

* Indicates statistical significance (p<.05)

Similar to the first cycle, Kember *et al.*'s (2000) Reflection Questionnaire from Appendix D was used in order to compare results between the two cycles. All nine students (four males and five females) enrolled in the fall 2019 semester Income Taxation course volunteered to take the pre-test that was administered on Day 1 of the tax ethics activity via Qualtrics. Only eight students volunteered to complete the post-test that was administered on Day 5, the ninth student dropped the class prior to this day. Thus, the latter student's answers were deleted from the results reported here. Of the eight remaining students, three students were non-native English speakers. All others were native English speakers. Six students were between the ages of 20 and 24, and three were between the ages of 25 and 34. Seven students were in their junior year and two were in their senior year. Table 22 shows the statistical results of the Wilcoxon signed-rank test along with descriptive statistics for the variables tested. Only habitual action and critical reflection variables were found to be statistically significant (p<.05). Same as in the first cycle, students' habitual action was improved by the tax ethics activity integrating and incorporating this knowledge in a routine fashion. However, for the second

cycle, the activity also fomented and improved students' capacity for critical reflection. The latter being the focus of this PBL classroom activity.

Table 23: Assessment Results – Second Cycle

ASSESSMENT PLAN MATRIX			
Learning outcome	Assessment tool or measure	Target or benchmark	Assessment responsibility, analysis, and dissemination
SLO1	Stage 4: Case analysis and problem solving.	Students will achieve a grade of "C" or better (70% is a passing grade)	All students (n=8) met this outcome achieving a grade of "B" (80% or higher).
SLO2	Stage 2: Personal Value Portrait	Students will achieve a grade of "C" or better (70% is a passing grade)	62.5% of students (n=5) met this outcome. 12.5% of students (n=1) achieved Mastery level; 37.5% Proficient (n=3); 12.5% Developing (n=1); and 37.5% Emerging (n=3).
SLO3	Stage 3: Online Forum Discussions	Students will achieve a grade of "C" or better (70% is a passing grade)	75% of students (n=6) met this outcome. 50% of students (n=4) achieved Mastery level, 25% Proficient (n=2), 0% Developing; and 25% Emerging (n=2). The latter includes a student who did not participate in this activity.
SLO4	Stage 5: Personal Journal	Students will achieve a grade of "C" or better (70% is a passing grade)	62.5% of students (n=5) met this outcome. 25% of students (n=2) achieved Mastery level; 12.5% Proficient (n=1); 25% Developing (n=2); and 37.5% Emerging (n=3).

Table 23 summarizes the assessment results for each of the learning outcomes outlined earlier. As mentioned, three students were non-native English speakers (37.5%). These students only achieved an “emerging” learning level (less than 70%) for the individual reflection assignments (personal value portrait, online forum discussion, and personal journal) of this activity. They had a difficult time expressing themselves and understanding the meaning of reflection and critical reflection. This may explain the low number of students that met SLOs 2-

4. Same as the first cycle, SLO3 was met, but the percentage of students that met this outcome was lower (75%, n=6) when compared to the previous cycle (86%, n=12).

Qualitative thematic analysis was also conducted for students' feedback upon completion of the PBL activity. Once again three themes emerged from the data: self-learning, realization, and avoidance. These are discussed next.

6.4.1 Theme: Self-learning

The sub-theme of uncertainty and vagueness that students were preoccupied with in the first cycle was not as obvious in this cycle. It may be that the time spent reading and analyzing the problem increased the level of understanding and it became more manageable for students. Instead, the following sub-themes are discussed: authenticity, collaboration, and value of learning. Once again students corroborated findings from the first cycle and agreed that the PBL activity was perceived as depicting a complex 'real world' situation. This is in accordance with Hung's (2006) recommendations to enhance the effectiveness of this teaching tool,

*[T]the story line of the assignment. It **portrays the real world** where there will be **a lot of pressure** and sometimes **the right way is in the gray area**. [#4]*

Another sub-theme is collaboration. The importance of discussion and participation was also found to be valuable in the first cycle. For many, it serves as a springboard for thoughts and flow of ideas to find solutions to unstructured problems,

[H]having a **discussion forum with my classmates**, so that I can **learn about their thoughts and take it into consideration into trying to form my own decision-making skills that is fair and ethical**. [#3]

[H]how to practice my critical thinking skills with ethical dilemmas. It taught me to **communicate with my colleagues regarding important decisions to be made**. [#4]

Students were also cognizant about any new skills acquired as a result of participating in the activity. In consideration of different teaching methodologies, this increases the value of this activity by fomenting deep learning and meta-cognition,

*I liked how I **had to think outside the box** in this activity. It gave me **a chance to brainstorm** what a tax professional should do in certain circumstances. [#7]*

*I liked how the case seemed like a situation that students may actually face if they decide to work in tax. The activity gave enough detail for me to **think critically and be resourceful** regarding **how the issue should have been handled**. For example, by referencing the SSTS, I was able to understand the standards that Diane was held accountable for. [#8]*

6.4.2 Theme: Realization

Realization was mentioned in the first cycle, but it was not as frequent as it was in this cycle. I coded as 'realization' any complexities in the ethical dilemma presented in the PBL activity. It indicates a kind of 'aha' moment for students. It may not be clearly stated or obvious, but there is a hint of awareness permeating through their brief narratives. These moments either pertained to the case itself or students' current or future work environment,

[T]that there will **always be pressure to please the management to keep the job** but it is not always the best idea to follow through. **Be ethical**. [#3]

[T]that ethical issues can arise in the workplace **when personal values clash with the attitudes of the company**. [#5]

*People behave different in terms of ethicality & **perceive ethics in unique ways** because they place **higher importance/value** on different aspects of their **work life and their personal life** than others. This difference can, ultimately, **influence how ethical behaviors are practiced**. [#8]*

6.4.3 Theme: Avoidance

Avoidance also surfaced during the first cycle, students ‘dodging’ the question by providing brief answers or ignoring completely. Eight students provided feedback to three of the four questions included with the post-test, but only six answered the question about what they did not like about the case. Student #2 provided a one word answer such as ‘anything’ and ‘nothing’. However, he/she acknowledged learning about their personal values. As explained in the first cycle, there could be various reasons for avoiding a question. Since three students were non-English speakers, the person providing these short answers could be one of these students. They may find it difficult to express their thoughts and opinions. One of these students wrote the following in his/her personal journal,

*This was a very **subjective matter**. Ethics has too little criteria in creating conclusions. **I am uncomfortable with expressing my opinions**. I do not want **to ever encounter** an ethical issue that **places responsibilities on myself**, but I have to do what I have to do.*

*I am not sure if I need to change my way of thinking because **I normally get provided with the right answers**, if I get any feedback at all. However, such a feedback may be inapplicable in this case, given the subjectivity and abstractness of ethics. [Student F19].*

However, in the second cycle, participation was 100% as all students provided some type of feedback including the student mentioned here while for the first cycle, participation was just

above 50%. In this respect, students in the second cycle were more willing to communicate as compared with the first, but they are still lacking as far as providing meaningful criticism.

6.5 Review and Reflect

The above narrative extracted from the student's personal journals implies that he/she perceived the tax ethics activity to be futile in attempting to infuse critical reflection as a way of recognizing an unethical environment. Furthermore, this student felt uncomfortable expressing his views in front of classmates or the instructor. It is apparent that this student found the activity to be intrusive and of little value. This reaction may be attributed to cultural differences. Most students attending the University of Guam are Chamorro (native population) or Filipino (born on Guam or naturalized citizens), and Asian (Japanese, Chinese, Korean, etc.). A small minority are from U.S. mainland (White, African American, Hispanic, or Native American), or the rest of the world. The predominant culture is a mix of Eastern and Western American cultures. From personal classroom experience, students with Eastern influences usually do not participate in classroom discussions, they are mostly introverts and feel uncomfortable when forced to work in groups. However, because the school is accredited by Western institutions, these practices are generally embraced, assessed, and thus, are commonly incorporated in classroom's teaching activities. Some researchers have explained this classroom silence of East-Asians students attending Western schools as a lack of language proficiency that impedes communication (e.g. Jackson, 2002) while others researchers have considered the influence that classroom settings and individual personalities have on these students with either positive or negative outcomes (Zhou, Knoke and Sakamoto, 2005).

Duke and Appleton (2000) concluded in a one-year long seminar for nursing students that reflective practice is achieved over time (developmental) and that some reflective abilities are more difficult to develop than others. Likewise, in this study, reflection and critical reflection were difficult to achieve for most students. Only three out of eight students received a grade of "A" (90% or higher) for this classroom activity (the average of combined grades received for the PBL mini assignments) with two students receiving grades below the 70% benchmark for the learning outcomes. Part of the difficulty may be attributed to students' reluctance to share thoughts and experiences with classmates and/or the instructor. As mentioned, this could be due to cultural, or may be due to different personalities (introvert versus extrovert). Some students struggled to articulate feelings, thoughts, and attitudes, and/or did not fully understand the project's purpose or importance. However, some students demonstrated an ability to critically reflect on their practice and ways to improve; discovering weaknesses such as social influence pressure reflected in their feedback or recognizing strengths by gaining the confidence to express themselves in front of others.

Results from the second cycle reflect the need for continued evaluation and monitoring of teaching strategies. It also highlighted the importance of matching and adapting these to accommodate students' idiosyncrasies in improving learning and meeting the prescribed student learning outcomes. In evaluating student learning outcomes, SLO1 was met satisfactorily in both cycles. This confirms that students can effectively apply professional standards for tax compliance. SLO2 was only measured in the second cycle. Only 62.5% (n=5) of students met this objective directed at inciting self-reflection of values and beliefs and verbalizing these in their personal journals. The premise behind this assignment is that

students' core values are made implicit and can be used as a point of reference to compare their behavior against others. Even though SLO3 was measured in both cycles, different instruments were used therefore a comparison is meaningless. In the first cycle, I used the group members' perspective for evaluation. However, after having a couple of casual conversations with students, I was made aware that they were not being completely truthful. Therefore, for the second cycle, I relied on grading rubrics to accurately grade this outcome. This could be the reason why the percentage of students that met this objective was lower on the second round than the first. Finally, SLO4 was newly introduced in the second cycle because the critical reflection was not incorporated in any learning outcome. The reason for omitting this SLO in the first round was due to the teacher-researcher's assumption that students would automatically engage in critical reflection after having an opportunity to discuss the issue with peers. However, this proved to be misleading either because the students did not have sufficient time to engage in any meaningful discussion during the first cycle, or because they were not clear about the activity's learning expectations. Regardless, the addition of SLO2 and SLO4 seemed to yield favorable results demonstrated by the statistically significant ($p < .05$) differences between the pre and post-test for the critical reflection construct.

Nevertheless, I should consider making the following implementation changes in the upcoming semester (spring 2020 – outside the scope of this study):

- Experienced-based learning strategies such as PBL should be peppered throughout the income taxation course, not just ethics, and it should be incorporated in other accounting courses (financial and managerial accounting)

to expose students to different contexts and situations (Hung, 2006) to enhance their understanding of accounting practices.

- Introduce professional standards early in the program to stimulate tacit knowledge and contribute to anticipatory socialization. In chapter 4 while conducting the qualitative interviews, novices suggested that instruction of rules and standards for practitioners (audit, taxation, etc.) should be introduced in the first year of the program, not the last semester prior to graduation. Although this was the intent of the activity described in chapters 5 and 6, perhaps, instruction of this pressing topic could be introduced in the first accounting course.
- It is implied from the findings described in this chapter that students had a challenging time understanding, applying, and achieving critical reflection and transformation. Most of them were overwhelmed and some were even reluctant to critically think about their personal values and ways of improving. Watson and Kenny (2014) suggest to have students define what critical reflection means to them and to introduce these skills gradually and repeatedly to develop its practice (Duke and Appleton, 2000).
- It was initially expected that students would demonstrate leadership skills as a byproduct of collaborative participation and inquiry. Because I did not use a rubric to specifically assess this quality, I cannot with certainty say that students have acquired any leadership skills in the process of participating in this activity.

Therefore, a rubric or some other form of assessment should be adopted or developed to measure the level of leadership in students.

- The last recommendation is directed at improving foreign students' participation in group discussions and critical learning. Perhaps instead of finding ways to change students' engagement, as a teacher-researcher I should evaluate my assumptions and expectations (Jackson, 2002), and possible cultural misconceptions directed at these students. Further classroom research and analysis in this area is necessary to generate any meaningful conclusions. This could be part of a possible third cycle (outside the scope of this study) of action research for spring 2020 semester.

6.6 Conclusion

The tax ethics PBL activity described in chapters 5 and 6 was designed to engage students in reflection in action in dealing with ethics for tax practice in order to answer the third and final research question. The changes implemented during the first and second cycle yielded significant results ($p < .05$) related to two constructs, habitual learning and critical reflection, included in the pre and post-tests of the reflection questionnaire (Kember *et al.*, 2000). A comparison between the two cycles was described and differences were analyzed. Recommendations were made for future classroom applications. The PBL activity was partially effective in achieving the set learning objectives and this pedagogy will be adopted permanently in the classroom and the undergraduate accounting program in general. This is described further in the next chapter.

7 CHAPTER 7: REFLECTIONS FROM MY JOURNEY

7.1 Introduction

In this chapter, I describe my journey as a teacher-researcher and reflect on the development of my practice in my dual role. Coghlan and Brannick (2014) state that action research includes two cycles. One research cycle focuses on solving the management problems outlined at the beginning of this thesis. The second cycle is the 'reflection cycle' that takes place concurrently with the first cycle. In the latter, I evaluate my learning and development as a researcher and as a teacher in relationship with students while at the same time addressing educational gaps identified by the findings in this study and implementing the problem-based learning activity in tax compliance. I also describe the potential significance and future implications of the action research. Limitations and future research opportunities are also outlined in this chapter.

7.2 Action Research – Reflections

As a teacher, I wanted to research a topic that would be applicable to our graduates and at the same time serve our professional community. I began with an examination of my current teaching practices and identifying gaps between newly graduates and seasoned professionals. I relied on an action research methodology and mixed methods (quantitative and qualitative) to accomplish this task. Embarking in the implementation of mixed methods for this research was overwhelming and challenging. However, while analyzing the qualitative interviews, suddenly, it was as if all the pieces of the puzzle were now fitting together. Finally, I understood what the quantitative findings meant and how these were further explained and verified by the

interviewees' narratives. It was a true 'Eureka' moment. I was now better prepared to design the classroom action learning activity to address the students' practice risks identified in the research. I had verifiable information to ascertain students' needs rather than relying on my or colleagues' assumptions.

The iterative process of the action research reflected in the two implementation cycles of the PBL activity served to monitor and evaluate findings of the action. The results from the first cycle were also a process of personal discovery because my assumption was that students will be just as excited as I was about engaging in critical reflection. However, some students found critical reflection to be intrusive and unwanted. Nevertheless, those that understood the PBL activity's objectives and its benefits demonstrated achieving the learning outcomes related to critical reflection. This was evident in the second cycle. Hence, I feel that I have achieved the outcomes that I have set to for myself and this study. I will continue to implement this or a similar activity in the classroom in future semesters. I will continue to measure the learning outcomes over time and make any necessary adjustment as I see fit. The action research cycles are somewhat infinite because there's always room for improvement and change. But, at this time, I am satisfied with the results.

7.3 The Value of Collaboration

Collaboration is an integral aspect of action research (Greenwood and Levin, 2007) and action learning (Argyris, 1977, 1977; Raelin, 2003). Similar to other action research studies in education, collaboration was manifested between student participants and the teacher-researcher in my role as facilitator, between the participants themselves, and between the

teacher-research and other practitioners (Elliott, 1991; McNiff and Whitehead, 2005; Goldstein *et al.*, 2016; Oksiutycz and Azionya, 2017).

The discourse between students and the teacher-researcher was not explicit. Asking students to remain open minded and try new methodologies away from traditional instructional settings is a constant battle. Students' feedback of the PBL activity was slightly more truthful and honest because their responses were anonymous. However, in general this type of feedback is rare in the classroom. Occasionally, more vocal students may join the class encouraging dialogue among students thus enriching the learning for everyone involved. As a teacher, their feedback may be at times hurtful and frustrating because I wish they would voice their opinions frequently in order for me to recalibrate my teaching rather wait until the semester is over when faculty evaluations are due. Because of the PBL activity, I requested for student feedback right after its implementation. This proof to be more effective and timelier and such feedback will be requested throughout the semester to make any necessary adjustment to the teaching and learning.

Another valuable aspect of collaboration in this study was the input received from accounting practitioners and professional organizations. The Dean of the School of Business has recently implemented an accounting faculty committee composed of accounting stakeholders: faculty, the executive director of the Guam Board of Accountancy, the president of Guam Society of CPAs, the president of the Guam Association Government Accountants, the Dean and others in charge of assessment of learning, and administrators. The purpose of the committee is to improve enrollment and increase the number of accounting graduates to meet market demands. Points of discussion are at a macro level focusing on CPA examination

passing rates, the accounting competency entrance exam, etc. However, the exchange of information was helpful in assessing the needs and qualities that employers are looking for in future graduates such as critical thinking and problem-solving skills, independent thinking and self-starter character. From these discussions, it was evident that traditional educational practices are antiquated and that new pedagogies need to be implemented that challenge students' thinking to be able to handle the multifaceted aspects of the accounting field.

7.4 Potential Significance of the Research

Action research has two principal functions. One is to create a solution to a complex problem and the other is to generate new knowledge (Tenkasi and Hay, 2004). New knowledge was generated from the findings of the mixed method approach and the PBL activity. Research results from the first stage highlighted newcomers and experts' differences in ethical orientation and philosophical ideologies in a tax compliance context. Although research has been conducted in this area (Doyle, Hughes and Summers, 2013; Frecknall-Hughes *et al.*, 2017), participants in these studies were from outside the United States (Ireland and UK), and they did not compare novices versus experts. The current thesis adds to the body of knowledge by comparing newcomers and seasoned professionals in the U.S. territory of Guam.

Another contribution of this study is to the literature pertaining to problem-based learning (PBL). A search of past applications of PBL to tax ethics in the U.S. was scarce. Therefore, the PBL activity included here contributes new knowledge helpful to instructors interested in implementing the pedagogy in their classroom. When evaluating whether the PBL reached the intended outcomes of addressing novices and students' practice risks identified in

chapter 4 and outlined in chapter 5 (p. 151), the following actionable knowledge was achieved from the teacher's perspective:

- a) Lacking an understanding of the importance of the accounting profession: as an instructor, I cannot with certainty state that student-participants have achieved this outcome because it was not directly measured or questioned. The feedback received only pertained to an appreciation for tax laws, standards, and regulations and its application (discussed in b)), but there was no mention of the profession. It is only assumed that by learning the importance of the application of these standards that students would gain an appreciation and commitment for the profession.
- b) Lacking knowledge of professional standards for tax practice, their relevance and applicability in the field: students achieved this objective in both AR cycles. This outcome was specifically assessed quantitatively in the first and second cycles as SLO1. Additionally, students provided direct feedback (qualitative) on their renewed understanding of their applicability.
- c) Through e) these include overreliance on superiors, shifting responsibilities to others, and susceptibility to social influence pressure: students' feedback (qualitative) acknowledged these issues. This was analyzed thematically under the theme 'Realization' in the second AR cycle where it was most clearly stated by participants. This 'realization' process was very emotional for some students as they engaged in self-learning leading to criticality and awareness.
- d) Refer to item c).
- e) Refer to item c).

- f) Lacking initiative and leadership: it was assumed that by engaging in collaborative participation students would gain leadership skills. However, neither the peer evaluation in the first cycle nor the grading rubric in the second cycle explicitly measured this outcome. Thus, I am unable to ascertain whether students achieved this objective or not.

Although the majority of the PBL outcomes were achieved, its effectiveness was only measured in one or two weeks as part of this study. There is no reassurance that students would apply these skills, knowledge, and awareness to the workplace once they enter the workforce. However, it is expected that the implementation of experienced-based learning rather than traditional teaching methods provided a glance of 'real' ethical situations that are commonly encountered by professionals and the skills that are needed to overcome these complexities. This portrayal should help ease the transition from the dependability and comfortability of the classroom to the uncertainties, ambiguities, and responsibilities of the business environment.

7.5 Implications of the Research

There are several implications of the results reported in this study. One of these is the permanent adoption of the PBL in the income taxation course expanding its use to other aspects of tax compliance that are more technical, not just ethics. The addition of mini PBL scenarios peppered throughout the semester are expected to be more effective to students' learning and adaption to this type of pedagogy than dedicating two or three classes to it as done here. Moreover, PBL will also be integrated with other courses such as the intermediate

accounting course, cost accounting, and ethics for accountants. These are compulsory for the undergraduate accounting degree. Assessment results will be reported to the assurance of learning committee who will in turn forward these to the university's accrediting bodies (IACBE, and WASC). Results will also be shared with the accounting faculty committee for informational purposes.

Another implication of the research is related to raising ethical awareness and knowledge of professional accounting standards among students. These should extend to all aspects of accounting (auditing, financial, managerial, etc.), not just tax compliance. Findings from the research indicate that students would prefer to be introduced early in the program to ethical practices. It has been a general assumption of the accounting faculty that students should be required to take the ethics for accountants' class on their last semester prior to graduation. However, ethical education should be introduced early on and reinforced thereafter as suggested by the students themselves. Therefore, ethical education in accounting will be introduced at all levels in the accounting program. Moreover, on January 2020, the undergraduate accounting program has become a member of the Center of Public Trust (CPT) sponsored by the National Association of State Boards of Accountancy (NASBA). Being part of the CPT organization means that our accounting students will have the opportunity to attend stateside conferences and forums on ethics and mingle with professionals in the field. This should serve to foment students' ethical awareness and understanding of its importance and risks in practice.

7.6 Limitations and Opportunities for Future Research

7.6.1 Research Limitations

Although research results ultimately augmented the literature and improved my teaching by identifying novices' ethic vulnerabilities and consequently providing a relevant focus to my pedagogy, they are not without limitations. A limitation identified is generalizability of results. Generalizability in this context refers to the applicability of research results to other groups (Shah and Corley, 2006) in the same tax compliance context but in a different geographical location, other accounting fields (auditing, financial reporting, etc.), or other business disciplines (marketing, finance, etc.). Because Guam may be considered isolated from other parts of the world, socio-economic and cultural aspects may vary. This means that if the study were to be replicated, these characteristics may cause unexpected variations in the findings. Guam is a U.S. Territory, but has a history of occupations from Spain and Japan. The native inhabitants are known as Chamorros, but the population is somewhat of a 'melting pot' that includes Filipinos, Asians, Americans, Australians, Europeans, etc. This mix of cultures has made Guam very distinct from other places where East meets West. Consequently, the findings discussed in this study may be characteristic or unique to this group and not others. However, the mixed method approach served to corroborate and extend findings from the quantitative and qualitative adding an extra layer of reassurance of the overall quality of results. Furthermore, results were supported by the literature and existent theories validating and explaining any discrepancies in the data.

Another limitation relates to the vignettes used in this study. The vignettes used in the quantitative survey questionnaire, and the students' pre and post-tests were the same used by

Yetmar and Eastman (2000) in their study of tax practitioners' ethical decision-making. The four vignettes focus on unsubstantiated deductions, errors made by a former practitioner, exploiting the audit selection process, and failure to correct an error. These scenarios were selected because of their simplicity making them reasonably recognizable by novices. Moreover, the vignettes only relate to tax compliance. A drawback of this strategy is that the vignettes do not include any vague or legally ambiguous tax topics that would have been more challenging for experienced tax practitioners allowing the researcher to examine ethical awareness under these complex conditions. Additionally, the scenarios do not include tax planning. Results of this study showed that a deontological approach dominated experts' ethics recognition while newcomers primarily leaned towards a teleological approach. These findings may vary if ambiguous tax scenarios are included as part of the testing or if the study is directed to tax planning rather than tax compliance.

7.6.2 Opportunities for Future Research

Several opportunities for future research are identified. One of these relates to the number of variables that were identified when coding the participants' interviews. These included attitudes, social influence pressure, moral intensity, tacit knowledge, job satisfaction, client's behavior and attitudes, mentoring, ethical decision-making process, etc. Some researchers have already identified these factors, but they have not been extensively analyzed in a tax compliance or tax planning context. The interplay of these variables with findings in this study would serve to augment our understanding of this topic and further inform accounting pedagogy.

Another opportunity for research is to conduct a longitudinal study to assess the effectiveness of these classroom changes over time as students transition into the workplace and become more experienced. The study would assess students' perception about the usefulness of classroom tools and teaching modalities, and obtain feedback on ways to improve, extend, or change these educational aids. There should be a constant dialogue between students and professionals to assess needs and design strategies to meet those needs. A longitudinal qualitative study would fulfill this objective.

Another recommendation is that the study could be applied to a larger population such as the U.S. mainland or other countries to compare results. In this respect, cultural aspects or factors that were not analyzed in this study could also be incorporated. Hunt and Vitell's (1986) theory of ethics framework takes into consideration cultural influences; however, these were not investigated here because the sample was small (n=36 for quantitative, and n=6 for qualitative). A much complete picture of the effect of culture could be evaluated with a larger sample in two different countries. For example, Nolder and Riley (2014) analyzed examined the effect of cross-cultural differences on auditors' judgments, and Tsakumis (2007) investigated the influence of national culture on financial accountants' reporting attitudes among others.

One last recommendation for future research pertains to students' cultural differences and its effect in classroom communications. I learned from the tax ethics classroom activity that cultural differences may affect my expectations of prescribed learning outcomes especially related to critical reflection, collaborative practices, and class participation and discussion. Other researchers have investigated Asian students' unwillingness to participate in classroom discussions (e.g. Jackson, 2002; Zhou, Knoke and Sakamoto, 2005). However, these may or may

not be pertinent to Guam's unique socio-cultural environment and this is something that warrants further examination.

7.7 Conclusion

The action research cycle of constructing, planning, taking action, and evaluation (Coghlan and Brannick, 2014) was implemented at every step of the research. This cycle may continue to repeat numerous times until the desired outcome is achieved. In this study, the overall objective was to design a classroom activity to inform students about professional standards of practice for tax practitioners, and most importantly, to critically reflect on their ethical values, to reflect-in-action, and to engage in collaborative practices when dealing with complex issues. The tax classroom activity was meant to enlighten students about possible adverse scenarios and test their ability to navigate through these situations paying special attention to their convictions and inculcating meta-cognition. This objective was accomplished, however, there's room for improvement and those were outlined in the opportunities for future research section.

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APPENDIX A

You are invited to participate in a research study with the objective of investigating tax practitioners' ability to identify situations that may contain an ethical component in a tax compliance practice context. The study aims at outlining differences between experienced and inexperienced tax professionals in an attempt to improve novices' learning environment including education and on-the-job training. The study is conducted by Martha G. Suez-Sales. To participate in this study, you have to have performed tax compliance work for at least one tax season in the last one or two years. Your responses to this questionnaire are anonymous and confidential. Results will only be presented in aggregate form. By completing this survey, you are giving consent to participate in this study.

The survey will take approximately __ minutes to complete. To compensate you for your time in completing this questionnaire, you will be entered to win a \$100 gift certificate from Amazon. At the end of the survey, you will be asked to enter your email address, if you wish to enter to win. The total number of questions is _____.

PROFESSIONAL AND ORGANIZATIONAL COMMITMENT

(Meyer, Allen and Smith, 1993)

1. The tax profession is important to my self-image.
2. I regret having entered the tax profession.
3. I am proud to be in the tax profession.
4. I dislike being a tax professional.
5. I do not identify with the tax profession.
6. I am enthusiastic about taxation.
7. I have put too much into the tax profession to consider changing now.
8. Changing professions now would be difficult for me to do.
9. Too much of my life would be disrupted if I were to change my profession.
10. It would be costly for me to change my profession now.

11. There are no pressures to keep me from changing professions.
12. Changing professions now would require considerable personal sacrifice.
13. I believe people who have been trained in a profession have a responsibility to stay in that profession for a reasonable period of time.
14. I do not feel any obligation to remain in the tax profession.
15. I feel a responsibility to the tax profession to continue in it.
16. Even if it were to my advantage, I do not feel that it would be right to leave the tax profession now.
17. I would feel guilty if I left the tax profession.
18. I am in the tax profession because of a sense of loyalty to it.
19. I would be very happy to spend the rest of my career with this organization.
20. I really feel as if this organization's problems are my own.
21. I do not feel a strong sense of "belonging" to my organization.
22. I do not feel "emotionally attached" to this organization.
23. I do not feel like "part of the family" at my organization.
24. This organization has a great deal of personal meaning for me.
25. Right now, staying with my organization is a matter of necessity as much as desire.
26. It would be very hard for me to leave my organization right now, even if I wanted to.
27. Too much of my life would be disrupted if decided I wanted to leave my organization now.
28. I feel that I have too few options to consider leaving this organization.
29. If I had not already put so much of myself into this organization, I might consider working elsewhere.
30. One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.
31. I do not feel any obligation to remain with my current employer.
32. Even if it were to my advantage, I do not feel it would be right to leave my organization now.
33. I would feel guilty if I left my organization now.
34. This organization deserves my loyalty.
35. I would not leave my organization right now because I have a sense of obligation to the people in it.
36. I owe a great deal to my organization.

ACCOUNTABILITY

(Hochwarter, Hall and Ferris, 2005)

37. I am held very accountable for my actions at work
38. I often have to explain why I do certain things at work

39. Top management holds me accountable for all of my decisions
40. If things at work do not go the way that they should, I will hear about it from top management
41. To a great extent, the success of my immediate work group rests on my shoulders
42. The jobs of many people at work depend on my success or failures
43. In the grand scheme of things, my efforts at work are very important
44. Co-workers, subordinates, and bosses closely scrutinize my efforts at work

ETHICAL ORIENTATION

(Forsyth, 1980)

45. A person should make certain that their actions never intentionally harm another even to a small degree.
46. Risks to another should never be tolerated, irrespective of how small the risks might be.
47. The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.
48. One should never psychologically or physically harm another person.
49. One should not perform an action which might in any way threaten the dignity and welfare of another individual.
50. If an action could harm an innocent other, then it should not be done.
51. Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.
52. The dignity and welfare of people should be the most important concern in any society.
53. It is never necessary to sacrifice the welfare of others.
54. Moral actions are those which closely match ideals of the most "perfect" action.
55. There are no ethical principles that are so important that they should be a part of any code of ethics.
56. What is ethical varies from one situation and society to another.
57. Moral standards should be seen as being individualistic; what one person considers to be moral may be judged to be immoral by another person.
58. Different types of moralities cannot be compared as to "rightness."
59. Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.

60. Moral standards are simply *personal* rules which indicate how a person should behave, and are not to be applied in making judgments of others.

61. Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.

62. Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustment.

63. No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.

64. Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.

ETHICAL SENSITIVITY

(Yetmar and Eastman, 2000)

CASE 1

C, a CPA tax practitioner with XYZ & Co., is responsible for the tax work of P, a new and important client. P gave C partial documentation pertaining to the charitable contributions for the current year. The amount P indicated for the current charitable contributions is larger than P's prior three years' reported contribution deductions. P advised C that P misplaced the documentation pertaining to the current charitable contributions. The charitable contribution deduction is not that large in relation to P's gross income. C enters the charitable contribution amount on P's current tax return and decides to utilize the remaining budgeted hours to pursue and verify more material amounts and issues.

Nature of Issue(s) (if any): _

1. _____

Rate the identified issue 1

CASE 2

C recently found out that an error was made in P's tax return (in P's favor) three years ago, prior to P becoming an XYZ & Co. client. The error was made by P's former tax firm. C calculates the extra tax burden and determines that the additional tax liability is not large. C's supervisor agrees as to the magnitude of the additional tax liability and supports C's decision not to expend any more resources on this situation. C moves on to other issues with XYZ & Co.'s full support and does not notify P of the past error.

Nature of Issue(s) (if any): _

1. _____

Rate the identified issue 1

CASE 3

P is always reading about tax planning strategies and putting excessive pressure on XYZ & Co. to reduce the tax liability. P proposes to C a tax-cutting idea from an article by a well-known tax practitioner in Q, a popular weekly business periodical, and engages C to research the idea. C knows from experience that the IRS examines this tax issue very infrequently (i.e., the likelihood of detection is small), but has been known to take the opposite position when aware of the issue. The few court cases involving this tax issue do not support P's tax position. However, the Q article contains support for P's tax position. C decides that P's position is valid, and C's superiors agree. C also reasons that P's return is not likely to be audited; however, if it is, this issue would serve as a good bargaining position in a settlement negotiation.

Nature of Issue(s) (if any): _

1. _____

Rate the identified issue 1

CASE 4

C has completed the final tax returns and discussed the results with P and upper management at XYZ & Co. The tax returns are mailed. Several weeks later, C's supervisor is perusing P's completed return and discovers an overlooked issue. C's error gave P a tax savings. C's superiors strongly recommend, and C agrees, not to amend the return. The overlooked issue affects numerous schedules in P's return that would be time-consuming and costly to redo. Also, P's confidence in XYZ & Co. might be reduced.

Nature of Issue(s) (if any): _

1. _____

Rate the identified issue 1

APPENDIX B

Qualitative Method - Open-Ended Interview Questions		
Questions	Purpose	Justification based on QUANT findings
1. Years of experience	To confirm that the participant met the requirements of purposive sampling	N/A
2. What type of organization did you work with? How many people are in your department?	To distinguish between public accounting firm and other industries	N/A
3. What is your understanding of the concept of “ethical sensitivity”?	To assess participants’ perception	N/A
4. How do you evaluate your ability to recognize or become aware of ethical problems? Examples...	To understand participant’s self-assessment of his/her ability to recognize ethical issues	N/A
5. Can you recall and describe an ethical issue that you encountered in practice (self, peers, supervisors, client, tax return preparation or billable hours)? How did you become aware that this was an ethical issue?	Phenomenology approach	(Moustakas, 1994; Smith, Flowers and Larkin, 2009)
6. What did you learn from this experience about ethics in practice? What would you do differently? What would you do the same?	Phenomenology approach; reflection-on-action	(Schön, 1991; Moustakas, 1994)
7. Did you feel responsible/accountable for your tax compliance work and why? Who were you accountable to?	Accountability – independent variable	Ethical sensitivity was significantly ($p < .05$) associated with accountability for the combined sample and novices, but not experts. This contradicts other researchers’ theories and findings, although none compared experts

		vs. novices (Tetlock, 1983; Gibbins and Newton, 1994)
8. Did you feel like you belong? How committed are/were you to the organization?	Organizational commitment – independent variable	Only organizational affective commitment in the inexperienced group was found to be significantly ($p < .05$) associated with ethical sensitivity. Shaub et. al (1993) reported a positive relationship between ethical sensitivity and organizational commitment (did not test all three dimensions) for auditors.
9. How committed are you to the profession?	Professional commitment – independent variable	Only professional affective commitment for the combine sample was found to be significantly ($p < .05$) associated with ethical sensitivity. Shaub et. al (1993) reported a positive relationship between ethical sensitivity and professional commitment (did not test all three dimensions) for auditors.
10. How do you feel about tax ethics guidelines? Did/do they help your practice?	AICPASSTS & CIRCULAR230 – independent variables	Tax compliance rules and standards issued by the AICPA and the IRS were not found to be significantly ($p < .05$) associated with ethical sensitivity. The literature was also inconclusive prompting further clarification (Hume, Larkins and Iyer, 1999; Monsour, Elias and Cruz, 2006).
11. What factors impede your ability to recognize or become aware of ethical problems? Examples... 12. What factors facilitate your ability to recognize or become aware of ethical problems? Examples...	Exploratory	The rationale for these two questions was to probe for unidentified factors that have not yet been address in the literature, and that may influence ethical sensitivity.

APPENDIX C

Stage 1 - Qualitative Interviews: Representative Participants' Quotes for Each Theme Identified			
Theme	Sub-Theme	Novice	Experienced
Ethical Frameworks	Ethical Orientation: Teleology vs Deontology	CODES: Certain conduct, individual values, individual perspectives, consequences	CODES: Doing the right thing, following rules, following standards and guidelines, technically/legally correct
		CATEGORY: Ethics depends on personal values and beliefs, situations, etc. - Relativism	CATEGORY: Idealism - Deontology
		"A person's awareness [is] certain conduct in any environment whether is their workplace or somewhere where you are more familiar with...I think is more internal like what I feel is right or wrong" [N1]	"Well, I think it's doing the right thing and especially with us where we handle the clients. It's also following the rules and also protecting their information and not giving into what the client demands just to satisfy the client. We have to make sure we follow standards and guidelines for accountants and tax preparers" [E2]
	Moral Intensity	CODES: 'Big' ones, 'big' unethical problem	CODES: Unable to forget, haunted, level of obviousness, crossing the line, survive scrutiny
		CATEGORY: Moral intensity	CATEGORY: Gauging moral intensity and risk tolerance
		"I am not really certain about any ethical dilemmas that I came across because I don't think there's any big ones that I've experienced" [N1]	"[Y]ou have to give them an answer that is 'more likely than not' to survive scrutiny by the tax authority. So, you should do your research, you know, you come to a conclusion that you look at it and say is that 'more likely than not' [?]" [E3]
Tacit Knowledge	Practical Knowledge		CODES: Desire to minimize taxes, client's approach, client's attitude/behavior, unexpected expenses, underreporting income
			CATEGORY: Evaluating client's behavior/attitudes

			"One time were doing extension estimates for a client and when they saw how high their tax liability was they were telling us, 'oh okay we're going to give you extra receipts and you can count those', but you know the books were closed already... we have to tell them, no, we can't do that because it's not in your books" [E2]
Learning and Training	Knowledge and Experience	CODES: Lack of confidence, less confident on application, lack of knowledge and skills	CODES: Confident in skills, knowledge, and experience
		CATEGORY: Strengths and weaknesses	CATEGORY: Strengths and weaknesses
		"As of right now, I wouldn't say yes, only because I don't have the knowledge of what would be considered ethically right or wrong. I don't know the rules specifically, but if I were knowledgeable, yeah". [N3]	"I have a good idea of what the answer is. And fortunately with my training with the IRS, I know what the answer is. I know how to find the answer. So, you know, you can tell when people are approaching you and either you want to do it right or you want to get the answer they want". [E3]
Socialization	Accountability	CODES: Consulting with supervisor, always ask seniors, review process, worried about performance, miscommunication, job satisfaction, safety net	CODES: Shift responsibility to superiors, powerless, cannot be blamed, managers with strong moral/ethics, trust superiors, unloading responsibility
		CATEGORY: Work environment: guidance and mentoring, performance, fitting in	CATEGORY: Justifying behavior - Looking for a way out
		"[D]efinitely felt accountable, but you know as a new employee, we have our supervisors who are pretty much our safety net" [N3]	"[Y]ou have your manager, your supervisors, and they ask you to do something maybe that you feel it's not ethically right, you can pass that responsibility to that person. So, you feel like you're not to blame for anything...you're really not in a position to do anything about it" [E1]
	Organizational affective commitment	CODES: Isolated, unable to form relationship, did not belong, helpful, feeling sad, outsider, intruding, couldn't enter	CODES: Aggressive stands, justification, superior's personalities, legal interpretations (strict vs lenient), perception of values
		CATEGORY: Work environment: feelings, communication	CATEGORY: Organizational rules, procedures, standards

	<p>"I wasn't so committed actually. I was just there to do the work and learn from what I was doing...[organizational] value wise, I did really like it there, but my problem was...I think is there's no much communication" [N2]</p>	<p>"I think, when I worked with the firm, though there were times that we took aggressive stands as far as tax. I felt it was within the law, so, although maybe I may not have been that aggressive, I was okay with it. And so, yeah, I think I've been lucky in that sense" [E1]</p>
Professional affective commitment	<p>CODES: Try new things, creative things (as opposed to accounting?), CPA examination</p>	<p>CODES: Unfulfilled, unsatisfied, unchallenged, underappreciated profession, justified importance, value of profession, importance of reputation, advocate</p>
	<p>CATEGORY: Continuous, affective, and normative commitment</p>	<p>CATEGORY: Continuous, affective, and normative commitment</p>
	<p>"I strongly feel that. I'm actually planning to get my CPA. I was requesting for a part time, because I want to study for the CPA". [N1]</p>	<p>"I think, it's, uh, it's definitely like an underappreciated profession... I think bridges the taxpayers, the government, to make sure that they pay the government what is due to them...I think the work is very important... and it's allowed me as well to earn some supplemental income..." [E1]</p>

APPENDIX D

Reflection Questionnaire

Please fill in the appropriate circle to indicate your level of agreement with statements about your actions and thinking in this course.

5—Strongly agree

4—Agree

3—Neither agree nor disagree

2—Disagree

1—Strongly disagree

Habitual Action

1. When I am working on some activities, I can do them without thinking about what I am doing.
5. In this course we do things so many times that I started doing them without thinking about it.
9. As long as I can remember handout material for examinations, I do not have to think too much.
13. If I follow what the lecturer says, I do not have to think too much on this course.

Understanding

2. This course requires us to understand concepts taught by the lecturer.
6. To pass this course you need to understand the content.
10. I need to understand the material taught by the teacher in order to perform practical tasks.
14. In this course you have to continually think about the material you are being taught.

Reflection

3. I sometimes question the way others do something and try to think of a better way.
7. I like to think over what I have been doing and consider alternative ways of doing it.
11. I often reflect on my actions to see whether I could have improved on what I did.
15. I often re-appraise my experience so I can learn from it and improve for my next performance.

Critical Reflection

4. As a result of this course I have changed the way I look at myself.
8. This course has challenged some of my firmly held ideas.
12. As a result of this course I have changed my normal way of doing things.
16. During this course I discovered faults in what I had previously believed to be right.

Source: (Kember *et al.*, 2000)

APPENDIX E

Stage 2 - Qualitative Interviews: Representative Participants' Quotes for Each Theme Identified			
Theme	Sub-Theme	SPRING 2019	FALL 2019
EMOTIONS	Emotions	CODES: Uncomfortable dealing with vagueness, how to handle difficult situations, finding solutions	CODES: Uncomfortable with vagueness, annoyed,
		CATEGORY: Uncomfortable, accomplished	CATEGORY: Uncomfortable, accomplished
		"I would change the tool. I felt that there was way to many avenues to search..." [P7]	"I did not like how unethical the company was. I was getting annoyed reading about the unethical things that they have done." [P6]
SELF-LEARNING	Lack of Knowledge	CODES: Need more guidelines, never done it	CODES: Unaware of possible conflict of interest
		CATEGORY: Lack of knowledge, first time	CATEGORY: Lack of knowledge, know how
		"I personally like the memo, I just wish more guidelines were given, especially for those who have never done a memo before. (Maybe during the in-class setting)." [P1]	"I did not like how Diane wouldn't just work for her father's firm." [P1]
	Value of Collaboration	CODES: Another person's insight, class participation, debate, hear all perspectives	CODES: More time for group discussion, communicate with colleagues
		CATEGORY: Value of collaboration	CATEGORY: Value of collaboration
		"Maybe instead of having the option of doing the project solo or with a partner, it should be a with a partner. It is great to have another person's insight on the case as well". [P2]	"...the limited amount of time we got to talk with our classmates. I feel that maybe one more class session (or a group discussion) would have benefited everyone a little more". [P3]
	Self-Learning	CODES: Knowing, new found abilities, learn to use and understand	CODES: How to handle difficult situations, critical thinking skills, learn from mistakes
		CATEGORY: Self-learn	CATEGORY: Self-learning
		"This activity helped me learn proper tax ethics while being able to utilize the different tax laws and codes". [P3]	"This activity helped me become aware of possible situations that may happen in real life and it helped me learn from their mistakes". [P7]

	Authenticity	CODES: Realistic, happens in the real world,	CODES: Realistic, happens in the real world,
		CATEGORY: Problem authenticity	CATEGORY: Problem authenticity
		"I really liked the content of the case study. The situation felt very possible to happen". [P7]	"I liked how the case seemed like an situation that students may actually face if they decide to work in tax". [P8]
REALIZATION	Realization	CODES: Realization - awareness	CODES: Realization - awareness
		CATEGORY: Realization	CATEGORY: Realization
		"[T]he necessary laws that need to be applied when it comes to tax. It also reminds us of what ethical issues to be mindful about in case we ever encounter these situations in the future'. [P1]	"[T]hat there will always be pressure to please the management to keep the job but it is not always the best idea to follow through. Be ethical". [P3]
AVOIDANCE	Avoidance	CODES: Avoidance	CODES: Avoidance
		CATEGORY: Avoidance	CATEGORY: Avoidance
		"Nothing at all." [P8]	"Nothing." [P2]