

RESEARCH ON PROFESSIONAL RESPONSIBILITY AND ETHICS IN ACCOUNTING

Edited by Tara J. Shawver, DBA, CMA

RESEARCH ON
PROFESSIONAL RESPONSIBILITY
AND ETHICS IN ACCOUNTING

VOLUME 25

**RESEARCH ON PROFESSIONAL
RESPONSIBILITY AND ETHICS IN
ACCOUNTING**

RESEARCH ON PROFESSIONAL RESPONSIBILITY AND ETHICS IN ACCOUNTING

Series Editor: Tara J. Shawver

Recent Volumes:

Volumes 1–5: Series Editor: Lawrence Poneman

Volumes 6–8: Series Editor: Bill N. Schwartz

Volumes 9–21: Series Editor: Cynthia Jeffrey

Volumes 22–24: Series Editor: Charles Richard Baker

RESEARCH ON PROFESSIONAL RESPONSIBILITY AND
ETHICS IN ACCOUNTING VOLUME 25

**RESEARCH ON
PROFESSIONAL
RESPONSIBILITY AND
ETHICS IN ACCOUNTING**

EDITED BY

TARA J. SHAWVER
King's College, USA



United Kingdom – North America – Japan
India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2023

Editorial matter and selection © 2023 Tara J. Shawver.
Individual chapters © 2023 The authors.
Published under exclusive licence by Emerald Publishing Limited.

Reprints and permissions service

Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-80455-793-8 (Print)
ISBN: 978-1-80455-792-1 (Online)
ISBN: 978-1-80455-794-5 (Epub)

ISSN: 1574-0765 (Series)



ISOQAR certified
Management System,
awarded to Emerald
for adherence to
Environmental
standard
ISO 14001:2004.

Certificate Number 1985
ISO 14001



INVESTOR IN PEOPLE

DESCRIPTION

Research on Professional Responsibility and Ethics in Accounting is devoted to publishing research and cases that focus on the professional responsibilities of accountants and how they deal with the ethical issues they face. The series features chapters on a broad range of important and timely topics, including professionalism, social responsibility, corporate responsibility, ethical judgments, and accountability. The professional responsibilities of accountants are broad-based; they must serve clients and user groups whose needs, incentives, and goals may be in conflict. Further, accountants must interpret and apply codes of conduct, accounting and auditing principles, and securities regulations. Compliance with professional guidelines is judgment-based, and characteristics of the individual, the culture, and situation affect how these guidelines are interpreted and applied, as well as when they might be violated. Interactions between accountants, regulators, standard setters, and industries also have ethical components. Research into the nature of these interactions, resulting dilemmas, and how and why accountants resolve them is the focus of this book.

This page intentionally left blank

CONTENTS

<i>About the Editor</i>	<i>ix</i>
<i>Editorial Board</i>	<i>xi</i>
<i>List of Contributors</i>	<i>xiii</i>
Chapter 1 Professional Competencies for Accountants: Advancing Our Understanding of Soft Skills <i>Kara Hunter, Joan Lee and Dawn W. Massey</i>	<i>1</i>
Chapter 2 The Influence of Tone at the Top, Tune in the Middle, and Self-concept Maintenance on Financial Reporting Decisions <i>Andrew J. Felo and Steven A. Solieri</i>	<i>25</i>
Chapter 3 The Role of Moral Disengagement and Moral Identity in Unethical Commissions and Omissions <i>Megan Seymore and Mary B. Curtis</i>	<i>51</i>
Chapter 4 The Impact of Dark Triad Personality Traits and Gender on Whistleblowing Decisions <i>Phebe L. Davis, Amy M. Donnelly and Robin R. Radtke</i>	<i>77</i>
Chapter 5 Ethical Challenges Regarding Earnings Management, Short Sellers, and Real Activities Manipulation <i>Jap Efendi, Li-Chin Jennifer Ho, L. Murphy Smith and Yu Zhang</i>	<i>103</i>
Chapter 6 The Effect of CDS Initiation on the Quality of Earnings Forecasts <i>Emrah Ekici and Pedro Sottile</i>	<i>127</i>
Chapter 7 Casino Gambling and Workplace Fraud – Implications for Auditors <i>Christine Earley, Carol Hartley and Patrick Kelly</i>	<i>149</i>

Chapter 8	Deficiencies in the Audit of Wirecard: A Case Study of the Enron of Germany	
	<i>William F. Miller and Steven M. Mintz</i>	165
Chapter 9	Volkswagen: Balancing Values vs Profits	
	<i>Tara J. Shawver and William F. Miller</i>	181
	<i>Index</i>	201

ABOUT THE EDITOR

Tara J. Shawver, CMA, is the Department Chair and Professor of Accounting at King's College in Wilkes-Barre, PA. She is an active member of the American Accounting Association (AAA) and Institute of Management Accountants (IMA). She has received numerous awards and honors for her work including the 2022 Excellence in Accounting Ethics Education Award from the AAA for the development, implementation, and dissemination of new pedagogy for teaching ethics to accounting students; the 2022 IMA Champion Award for her exceptional volunteerism and leadership; and the 2022 Rev. Donald J. Grimes, C.S.C. Annual Award for service-learning teaching excellence. In 2020, she received an Outstanding Author Contribution Emerald Literati Award.

She has authored or co-authored over 45 articles and chapters that have appeared in *Journal of Accounting Education*, *Journal of Business Ethics*, *Research on Professional Responsibility and Ethics in Accounting*, *Journal of Forensic Accounting*, *Journal of Forensic and Investigative Accounting*, *Journal of Business Disciplines*, *Management Accounting Quarterly*, *Advances in Management*, *Journal of Forensic Studies in Accounting and Business*, *Global Perspectives on Accounting Education*, and *Journal of Emerging Technologies in Accounting*. She has co-authored a book entitled *Giving Voice to Values in Accounting*. Her research interests include financial reporting, ethics, whistleblowing, fraud, and ethics education.

This page intentionally left blank

EDITORIAL BOARD

Charles D. Bailey
James Madison University, USA

Christopher J. Cowton
University of Huddersfield, UK

Mary B. Curtis
University of North Texas, USA

Timothy J. Fogarty
Case Western Reserve University, USA

Lori R. Fuller
West Chester University, USA

Cynthia Jeffrey
Iowa State University, USA

Joan L. Lee
Fairfield University, USA

Stephen E. Loeb
*University of Maryland College Park,
USA*

Dawn W. Massey
Fairfield University, USA

William F. Miller
*University of Wisconsin, Eau Claire,
USA*

Steven M. Mintz
Cal Poly San Luis Obispo, USA

Sara Reiter
Binghamton University, USA

Diane H. Roberts
University of San Francisco, USA

Michael K. Shaub
Texas A&M University, USA

Linda Thorne
Schulich School of Business, Canada

Paul F. Williams
North Carolina State University, USA

George R. Young
Florida Atlantic University, USA

This page intentionally left blank

LIST OF CONTRIBUTORS

<i>Mary B. Curtis</i>	University of North Texas, USA
<i>Phebe L. Davis</i>	Clemson University, USA
<i>Amy M. Donnelly</i>	University of Missouri-Kansas City, USA
<i>Christine Earley</i>	Providence College, USA
<i>Jap Efendi</i>	Northern Arizona University, USA
<i>Emrah Ekici</i>	University of Wisconsin – Eau Claire, USA
<i>Andrew J. Felo</i>	Susquehanna University, USA
<i>Carol Hartley</i>	Providence College, USA
<i>Jennifer Li-Chin Ho</i>	University of Texas at Arlington, USA
<i>Kara Hunter</i>	Fairfield University, USA
<i>Patrick Kelly</i>	Providence College, USA
<i>Joan Lee</i>	Fairfield University, USA
<i>Dawn W. Massey</i>	Fairfield University, USA
<i>William F. Miller</i>	University of Wisconsin – Eau Claire, USA
<i>Steven M. Mintz</i>	Cal Poly San Luis Obispo, USA
<i>L. Murphy Smith</i>	Texas A&M University – Corpus Christi, USA
<i>Robin R. Radtke</i>	Clemson University, USA
<i>Megan Seymore</i>	Ohio University, USA
<i>Tara J. Shawver</i>	King’s College, USA
<i>Steven A. Solieri</i>	Queens College (City University of New York), USA
<i>Pedro Sottile</i>	University of Wisconsin – Eau Claire, USA
<i>Yu Zhang</i>	Mount St. Joseph University, USA