THE INFLUENCE OF ETHICAL ENVIRONMENT ON MANAGERS' OPPORTUNISTIC BEHAVIOUR

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ABSTRACT: *The broad objective of this study is to examine the influence of an ethical environment on managers' opportunistic behaviour. The study specifically addressed the following, the influence of the ethical environment on the reliability and quality of financial information, the influence of the ethical environment on managers' responsibility for corporate actions and whether a corporate ethical culture can boost investor confidence in the financial activities of the company. This study utilised a survey research design and the sample comprised ninety-four employees from selected firms. The data were analysed descriptively and the t-test was used to test the hypotheses. The analytical results showed that the ethical environment influences the reliability and quality of financial information; it also influences managers' responsibility for corporate actions. Lastly, corporate ethical culture can boost investor confidence in the financial activities of the company. Based on this, the study recommends that corporations should create an ethical culture that encourages all corporate governance participants including directors, officers, auditors, financial advisors, employees, and others to do the right thing and understand that this is vital to the company's sustainable financial performance. The promotion of ethics in accounting professions remains critical for maintaining high standards. The use of judiciary orders to discover, trace and freeze benefits accruing from bad conduct should be possible. There is a need for stricter monitoring of stockbrokers to ensure that depositors' funds are protected. Investors should be enlightened on their rights and encouraged to seek redress where their rights have been violated.*

KEYWORDS: Ethics, Opportunistic Behaviour, Ethical Environment, Reliability, Quality, Investor Confidence.

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INTRODUCTION

Accounting is a very valuable knowledge and an important component of a market economy. No economic activity would be possible without accounting. It provides information on the financial position and profitability of operations. It is the foundation of countries' fiscal, monetary & financial systems and plays a key role in 'governance' towards establishing accountability and transparency in the economies (Asif, 2010). However, the rate of corporate failures and accounting scandals in the recent past has shaken the foundations of investors' confidence in the transparency, integrity and accountability of corporations and the capital markets. The collapse of large corporations has had serious financial implications for investors, employees and the public (Elias, 2004), giving rise to a credibility crisis (Earley & Kelly, 2004). Jackling, Cooper, Leung, and Dellaportas, (2007), determined top nine factors that contributed to ethical failures, include self-interest; failure to maintain objectivity and independence; inappropriate professional judgment; lack of ethical sensitivity; improper leadership and ill culture; failure to withstand advocacy threats; lack of competence; lack of organisational and peer support; and, lack of professional body support.

Ethics can be defined as a code of conduct that applies to everyday life. It addresses the question of whether actions are right or wrong. Ethics, sometimes known as philosophical ethics, ethical theory, moral theory, and moral philosophy, is a branch of philosophy that involves systematising, defending and recommending concepts of right and wrong conduct, often addressing disputes of moral diversity (Alnasser, Shaban, & Al-Zubi, 2014). Traditionally, the key feature of a profession is anchored on the grant of a special franchise by society who expects the practitioners of that profession to accept responsibility to provide a degree of regulation and enforcement through expert advice and persuasion thus, relieving society of the burden of providing that control by other means (Mautz, 1988). Some of these laws in Nigeria include The Price Control Act of 1970 as amended by the Price Control Act, of 1977; Nigeria Standard Organisation of Nigeria Act of 1971; the National Agency for Food and Drugs Administration and Control Act of 1974; Weight and Measures Act of 1974, etc. These and other related laws are essentially an imposition of moral consideration on business.

Presently, the ethical conduct of accounting professionals has become a topical issue, following the aftermath of the collapse of major corporations, like Enron, WorldCom, etc., following the opportunistic behaviours of the managers of such corporations. Opportunistic behaviour occurs when one party takes advantage of his superior knowledge, to further his/her interests, by failing to disclose such information to the other party (Venture Line, 2016). According to Alnasser, Shaban, and Al-Zubi (2014), moral failure played a prominent role in the emergence of the global financial crisis. The greedy behaviour of some executives who failed to exercise their work properly, and deviated from the established objectives to achieve personal interests, coupled with the greedy behaviour among shareholders trying to get quick gains and financial corruption, were among the root causes of the crisis. Publicised cases of the recent past, such as Satyam, Enron, WorldCom, Global Crossing, Adelphia Communications, HIH, Tyco, Vivendi, Royal Ahold and HealthSouth together with a host of companies from Nigeria (such as Cadbury and NAMPAK), have drawn increasing attention to this issue (Adeyemi & Fagbemi, 2011). These corporate scandals question the morality of businessmen in general and accountants in particular. Moreover, the blatant violation of the Independent Rule by the world's largest accounting firm, Arthur Anderson and Co., suggests there is a serious gap between what society expects of accountants and what accountants expect of themselves (Onyebuchi, 2011).

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It is widely acknowledged that the accounting profession is an important facet of our society (Wyatt, 2004) since it emerged from society. According to Hines (1988) accounting is socially constructed and socially constructed. This implies that accounting influences society and accounting is influenced by society (Adeyemi & Fagbemi, 2011). Accountants have obligations to shareholders, creditors, employees, suppliers, the government, and the public at large (Oraka & Okegbe, 2015). Therefore, ethical behaviour is of paramount importance to the profession, and establishing a culture of ethics in organisations is a sine qua non for the survival of present-day corporations, as issues involving trust have led to the decline in the market value of companies with publicly traded shares. Professional accountants are therefore facing increasingly complex challenges in both business and professional environments as a result of the events of the last decade (Onyebuchi, 2011). Arguably, it has been stated that accountants have been the main contributors to the decline in the ethical standards of a business.

According to Avram and Ţogoe (2012), a professional accountant holds an important role in corporate governance, taking responsibility both for the public interest and towards the sustainable and balanced development of the economy. Unethical practices in the market involving professional accountants include but are not limited to the following: Falsification of accounts/Financial statements by issuers, Non-disclosure of material information (For example, the Cadbury Nig. Plc. case in 2006), Share price manipulation, Non – remittance of proceeds of a public offer to the issuers; or failure to remit same within the stipulated time by the law, and, Insider trading abuse (Itseuwa & Uwaleke, 2014). The evidence from the World Economic Forum [WEF] and available literature establish that a lack of or absence of ethics and values is at the root of many of the problems facing the global community today (Napal, 2011). Recent studies have addressed issues related to corporate governance and the effectiveness of a code of ethics (Alnasser, Shaban, & Al-Zubi, 2014). The study by Al-Qashi & Al-Khateeb (2006), concluded that both the collapse of Enron and Arthur Andersen were due to a lack of professional ethics. Professional accountants, therefore, need to understand what is expected of them to respond effectively in the future (Onyebuchi, 2011). It is against this backdrop that this study is set out to examine the influence the ethical environment has on managers' opportunistic behaviour. The main objective of this study is to examine the influence of an ethical environment on managers' opportunistic behaviour. The specific objectives of the study are as follows:

1. To ascertain the influence of the ethical environment on the reliability and quality of financial information.

2. To determine the influence of the ethical environment on managers' responsibility for corporate actions.

3. To ascertain whether a corporate ethical culture can boost investor confidence in the financial activities of the company.

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LITERATURE REVIEW

Conceptual Review

The Concept of Ethics

The word 'ethics' is derived from the Greek word 'ethos' (character) and the Latin word 'moras' (customs). Taken together these two words define how individuals choose to interact with one another. Thus, ethics is about choices. It signifies how people act to make the 'right' choice and produce 'good' behaviour. It encompasses the examination of principles, values and norms, the consideration of available choices to make the right decision and the strength of character to act per the decision. Hence, ethics, as a practical discipline, demands the acquisition of moral knowledge and the skills to properly apply such knowledge to the problems of daily life. The definition of ethics is very broad and there is no universal consensus, but in a general sense, ethics is defined as the systematic study of conduct based on moral principles, reflective choices, and standards of right and wrong conduct (Wheelwright, 1959). The definition of ethics is shaped by personal, societal and professional values, all of which are difficult to specify. Some stress the importance of society's interests and others stress the interests of the individual. It is widely acknowledged that the accounting profession is an important facet of our society (Wyatt, 2004). Accounting emerged from society. Hines (1988) stated that accounting is socially constructed and socially constructed. This implies that accounting influences society and accounting is influenced by society. It is expected that the accounting profession needs to be practical, and intellectual and to have regard for the public.

Offiah (2000) postulates that ethics is a system that relates to morality in which people and corporate entities conform to acceptable good behaviour. Ethics in business and accounting help to encourage people to abide by a code of conduct that facilitates and enhances confidence in their products and services serves as a deterrent to unethical behaviour serves as a support system as well as promotes community orientation of members (Smith, 2003; Parker, 1994; Frankel, 1989). It becomes imperative that accounting practitioners demonstrate the attributes of objectivity and integrity and keep abreast of developments that have an impact on the profession. Ethics is the attitude of people or an individual concerning the moral law that is hinged on a free decision. It is at times, taken to be a clear mental or moral nature as a result of superiority in strength or number of particular values (Brugger & Baker, 1974).

Business ethics entails the study of the ethical dimensions of organisational economic activity on the systematic, organisational and intra-organisational levels (Rossouw, 2011). Business ethics focuses on what is good and right in a particular economic activity, where an organisation engages in moral analysis and assessment of such economic activities and practices (Smith, 2003). Ethics refers to a set of rules that define right and wrong conduct and that help individuals distinguish between fact and belief, decide how such issues are defined and what moral principles apply to the situation. Similarly, Philip (1998) held that ethics is the generally accepted code of conduct formulated to enhance good ethical practice in our business, especially accounting and finance sectors. He stated that ethics has a relationship with the quality a person possessed from birth as well as acquired moral philosophy expressed in the names, ways of thinking, feeling or behaviour of people and groups that take part or are involved in an activity such as accounting and finance practice. Ethics comprises statutes that have been documented, journals, published information and an official announcement made known to the public by regulatory authorities and statutory bodies. All the above

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documentation will guide professionals, as explained by Orhingur (2003), on the day-to-day practice of their profession. As a branch of philosophy, ethics is looked at as a normative science since it is concerned with norms of human conduct (Nnadi, 1998).

To be truthful and thus reliable, financial information must be free from material error and possess certain subsidiary characteristics (Lewis & Pendrill, 2008). These qualities include:

- *Faithful representation*. It must faithfully represent what it purports to represent so that, for example, the substance of a transaction must be portrayed when this differs from its legal form.
- *Neutral*. The information should be neutral, in other words, it should not be subject to deliberate or systematic bias.
- *Free from material error*. The information which includes a material error is unlikely to be reliable.
- *Complete*. It should be complete to the extent possible.
- *Prudent*. The UK Accounting Standards Board's Statement of Principles for Financial Reporting defined prudence as "the inclusion of a degree of caution in the exercise of the judgements needed in making the estimates required under conditions of uncertainty, such that gains and assets are not overstated and losses and liabilities are not understated. In particular, under such conditions, it requires more confirmatory evidence about the existence of, and a greater reliability of measurement for, assets and gains than is required for liabilities and losses". Otalor and Eiya (2013), listed the following importance of professional ethics:

1. Protection of clients and professionals alike.
2. Clarifies the ideals and responsibilities of the profession.
3. Enhancement of the profile of the profession.
4. Motivates and inspires practitioners.
5. It provides guidelines on acceptable conduct.
6. It raises the level of awareness and consciousness on issues.
7. Improves quality and consistency.

Ethics and Professional Conduct

Accounting codes of professional conduct significantly influence the behaviour and judgment of practising accountants (Onyebuchi, 2011). Various accounting organisations revise and amend these codes periodically to adapt them to the changing socioeconomic, business and accounting environments. Most of these codes contain technical and ethical rules designed to help accountants fulfil their professional obligations with competence and integrity (Onyebuchi, 2011). Professional ethics is a code of conduct that applies to the practice of a profession. Like the ethical conduct of a company, the ethical actions of a profession are a collection of individual actions (Ross, 1988). It is the responsibility of every person who

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becomes a member of a firm to uphold the high standards of the profession, regardless of the field the individual enters (Needles, Powers, Mills, & ve Anderson, 1999). Ethical behaviour from a professional standpoint also involves making choices based on the consequences of alternative actions (Onyebuchi, 2011).

Ethics, according to Elegido (1996), helps in knowing how to behave to ensure that the practice of one's profession flourishes, succeeds, is fulfilling and is worth emulating. To him, it helps us to decide how we are going to act, not just to achieve a certain objective but everything is taken into consideration. Ethics demand that for any entity to be successful, it has to do things in the proper ways that are acceptable to the public. When this is so, it will manifest itself in a higher standard of professionalism. Ethical behaviour is not simply conforming to legal and professional rules; it is a state of mind, adhering to unwritten principles, and a culture of 'doing the right thing. An individual's interpretation of ethical behaviour is influenced by a variety of factors including industry and company guidelines, social and economic pressures, laws and regulations, and prevalent values and beliefs. These influences develop a set of written and unwritten principles which are drawn on when faced with an ethical dilemma. Ethical behaviour is necessary for the accounting profession to prevent fraudulent activities and to gain public trust.

Accounting is a profession that relies greatly on the basis to show a high sense of responsibility and stewardship, and this stress the need for all members to be steered by a professional code of conduct (Nwagboso, 2008). ICAN and ANAN provided the fundamental guidelines applicable to the practice of accounting & auditing in Nigeria. These guidelines are summarised below:

- Integrity: A professional accountant should be honest in their professional relationships and transactions
- Objectivity: Professional accountants should take into professional judgment the realities of their business and not allow prejudice, bias, conflict of interest or influence of others on the professional judgment to affect their work
- Professional competence and due care: Professional accountants should perform the service that is possible to afford. A Professional accountant should have knowledge and skills in their professional development, new methods and techniques and etiquette to the level at which the employer has to ensure the efficiency of the professional service
- Confidentiality: A professional accountant should not disclose the information obtained in the course of professional services without the explicit permission of the employer or the employer's confidential information unless or without the professional legal duty of exposing the information is permitted.
- Professional behaviour-courtesy: Professional accountants should deal with each other when carrying out their duties, and act with courtesy and respect. Must also comply with laws and regulations and refrain from actions that would discredit the profession.

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Professional ethics provide the accountant with these advantages (Jenfa, 2000; Nwagboso, 2008): it helps the accountants to determine the prosperity of their conduct in the professional posture the accountant must maintain if he is to succeed; it gives potential clients a basis for feeling confident that the professional sincerely desires to serve them well and places service above financial reward; it gives client assurance that standards of competence independence and integrity shall remain the goal regulatory authorities to fulfil their responsibility of ensuring that the professional accountants have the capabilities and competence expected of them by employees, clients and public interest is protected and the credibility of the profession is enhanced.

Ethics and Quality of Financial Information

According to Alexander and Britton (2000), the fundamental objective of corporate reports is to communicate economic measurements of and information about the resource and performance of the reporting entity useful to those having rights to such information. Nzotta (2008) stated that financial reports assist the user in evaluating the past and present performance of the organisation and it is the ability to maximize the wealth of the shareholders furthermore, it assesses the ability of the firm to create value and objective assessment of the value created over time financial reports insights into these resources held by an organisation, the claims to these resources including the obligation of the firm to transfer resource to other entities and owners and the effects of transactions, events and circumstances that change its resource and claims to these resources (Glauter & Underdown, 2001; Nzotta, 2008).

Every decade sees its share of corporate, political, and social villains, but the pervasiveness of ethical lapses in the early 2000s was astounding. It began with Enron Corp., America's seventh-largest corporation in mid-2000. The mighty company was destroyed by a combination of deceit, arrogance, shady financial dealings, and inappropriate accounting practices that inflated earnings and hid debt. Soon, the names of other revered companies became synonymous with greed, dishonesty, and financial chicanery: Arthur Andersen, Adelphia, WorldCom, Tyco, and HealthSouth.

Theoretical Review

Three prominent philosophical theories of ethics are utilitarianism, rights and justice. They are normative theories of ethics, which provide a principle or standard on how a person ought to behave towards others by considering the right and wrong of an action.

The Theory of Utilitarianism

According to this theory, the ethical alternative is the one that maximises good consequences over bad consequences. Jeremy Bentham, who is considered the father of utilitarian ethics, defines utilitarianism as the greatest happiness principle (the principle of utility), which measures good and bad consequences in terms of happiness and pain. He wrote as follows in his book 'An Introduction to the Principles of Morals and Legislation': "Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do."

The utilitarian approach, espoused by the nineteenth-century philosophers Jeremy Bentham and John Stuart Mill, holds that moral behaviour produces the greatest good for the greatest number. Under this approach, a decision maker is expected to consider the effect of each

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decision alternative on all parties and select the one that optimises the satisfaction for the greatest number of people. Because actual computations can be complex, simplifying them is considered appropriate. Applying the utilitarian principle is a procedural process involving five steps: (1) Define the problem; (2) Identify the stakeholders affected by the problem; (3) List the alternative courses of action for resolving the problem; (4) Identify and calculate the short- and long- term costs and benefits (pain and happiness) for each alternative course of action and (5) Select the course of action that yields the greatest sum of benefits over costs for the greatest number of people. Thus, ethical conduct by accountants based on this theory leads to consideration of all possible consequences of a decision for all parties affected by it.

The theory of rights

The theory of rights stems from the belief that people have an inherent worth as human beings that must be respected. Therefore, according to this theory, a good decision respects the rights of others. Conversely, a decision is wrong to the extent that it violates another person's rights. In general, the rights can be divided into two categories: (1) natural rights (rights that exist independently of any legal structure) and (2) Legal rights and contractual rights (rights that are created by social agreement). Natural rights are commonly known as human rights or constitutional rights. Among many natural rights, the right to the truth is important to the function of accounting. The users of financial statements have the right to truthful and accurate financial information when making choices on alternative investment strategies. This right imposes a moral obligation on the accountant and the reporting entity to prepare and issue true and fair financial statements. On the other hand, legal and contractual rights are important in the accountant-employer and the accountant-client relationships. These contractual relationships mean that employers and clients have a legal right to expect professional and competent service from the accountants. In turn, accountants have a corresponding legal duty to perform their tasks to the best of their ability within the constraints of their expertise.

The Theory of Justice

Generally, justice is described as fairness, which refers to the correlation between contribution and reward. However, fairness alone cannot define the term justice. There are also other forms of justice, which include equality (assumes that all people have equal worth), procedural justice (concerns with due process) and compensatory justice (addressed the loss from a wrongful act).

Empirical Review

Salaudeen, Ibikunle, and Chima (2015) examined unethical accounting practices and financial reporting quality in Nigeria. Behaving ethically is an essential and expected trait for professional accountants. Society places a high premium on trust and expectations from professional accountants and auditors as such people need to have confidence in the financial reports being prepared/audited by them in making an informed decision. It's imperative, therefore, that the information being provided by accountants and auditors should be meaningfully efficient, reliable, realistic and unbiased. An explanatory case study approach was used for the study complemented by archival data, newspaper reports and regulatory reports. One of the key issues in their findings is that extended audit tenure could impair auditors' independence and ability to employ professional scepticism on matters at their disposal. Non-adherence to the spirit and letter of corporate governance was also responsible for the corporate scandals. They recommend therefore that the composition of the board of

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Directors and audit committee members should be made up of people of proven integrity and corporate experience. Also, the tenure of external auditors should have a terminal frame and not be too long so as to affect their ethical conduct.

Oraka and Okegbe (2015) assess the impact of professional accounting ethics on quality assurance in an audit. Data for the study were collected from both primary and secondary sources. The data collected were analysed with mean score and standard deviation and the three formulated hypotheses were tested with the z-test statistical tool. Based on the analysis, the study found among others that quality assurance in audit has enhanced investors' confidence in the reliability of audited accounts and Professional ethics of independence have a significant impact on quality assurance hence, Professional ethics is essential in quality assurance in audit as it enhances independent of an auditor.

Alnasser, Shaban, and Al-Zubi (2014) The current study aims to examine the effect of a code of ethics, and sound corporate governance participation in curbing the financial crisis. This study suggests that symptoms like lack of confidence in stock markets, investor's lack of trust, and lack of visibility, were all symptoms of the financial crisis. The thread that binds these symptoms together in an effort to provide the right cure is an ethical code of conduct and tight corporate governance. A questionnaire has been designed for this purpose, and it was distributed to selected accounting and management employees working in different Jordanian business environments. The number of questionnaires analysed was (150) questionnaires. Resolution data were analysed using the statistical program Smart PLS, (Partial Least Square).

Ogbonna and Appah (2011) examine the effect of ethical accounting standards on the quality of financial reports of banks in Nigeria. To achieve this objective, data was collected from primary and secondary sources. The secondary sources were textbooks, journals and an unpublished thesis. The primary source involves a well-structured questionnaire of four sections of sixty-seven questions administered to a sample of eight banks systematically collected from the twenty-four banks in Nigeria. The data generated from the questionnaires were analysed using econometric models such as diagnostic tests, Augmented Dickey-Fuller, ordinary least square and Granger Causality. The results reveal that ethical accounting standards are significantly related to the quality of financial reports of banks in Nigeria. Based on the findings, the study concluded that ethical accounting standards are fundamentally necessary for accountants to produce quality financial reports free from material misstatements.

Adeyemi and Fagbemi (2011) The purpose of the study is to provide evidence on ethics, the legitimacy of the auditing profession and the future outlook of the profession in Nigeria by obtaining responses from external auditors, industry and academic accountants as well as auditing students. Using a survey design, the questions that were raised in the study were tested with the use of statistical tools for population means and level of significance tests. In essence, an analysis of variance was carried out on the responses of the groups of respondents who were surveyed. Findings from the study show that there is no significant difference in the perception of respondent groups on the need for auditors to abide by high ethical standards and the need to shape the views of new entrants to the profession. However, respondents have different perceptions of the decline of core values which attracted them to the profession.

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METHODOLOGY

The researchers made use of the survey research design. This research strategy was considered necessary because of its ability to view comprehensively and in detail the major questions raised in the study (Adeyemi & Fagbemi, 2011). According to Denscombe (2003), this research design is an efficient way of collecting information from a large number of respondents and the ability to use statistical techniques to determine statistical significance. A population is the entire set of relevant units of analysis (Saunders, Lewis, & Thornhill 2007). The population of the study is made up of managers in the underlisted companies. They were 123 in all. The companies are listed hereunder:

1. Juhel Nigeria Ltd
2. John Silver Tech. Ltd.
3. ARM Pension Managers
4. Millennium Limited
5. Eni (Saipem) formerly AGIP

Thereafter, the sample was computed using the population figure above. When data serving as the basis for generalisation is comprised of a subset or sub-group of the population, that subset or subgroup is called a sample (Frankfort-Nachmias & Nachmias, 2006; Saunders, Lewis, & Thornhill, 2007). In determining the sample size of the study, the Taro Yamane formula was applied:

$$n = \frac{N}{1 + N * (e)^2}$$

$$n = \frac{123}{1 + 123 \times (.05)^2} = 94.07 \text{ (Approx. 94)}$$

Sources of Data

Primary data were collected for this study. The primary data was obtained from the targeted respondents through a carefully constructed questionnaire. The *primary data* are those which are collected afresh and for the first time, and thus happen to be original in character. The main instrument of data collection used in this study is the questionnaire. Questionnaires are prepared sets of questions that the researcher administers to respondents to solicit information on issues relating to the research questions.

Questionnaires can either be structured or unstructured. The study made use of a structured questionnaire. A structured questionnaire is one in which the researcher only wants specific, clear-cut answers to the questions posed. The questionnaire comprised two sections. Section

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'A' was meant to obtain demographic information of the respondent, while Section 'B' was aimed to address issues on the subject matter. The questionnaire was designed in the Likert-scale format on a continuum of 1 to 5, the options are as follows: Very Low Extent (VLE); Low Extent (LE); Normal (N); High Extent (HE), Very High Extent (VHE). The idea used in developing the instrument (questionnaire) was derived from literature based on the demands of the research questions and hypotheses formulated.

Instrument Validity and Reliability

Validity simply refers to the appropriateness, accuracy or correctness of an instrument in measuring what is intended to measure. The instrument was subjected to face and content validation by 3 experts in measurement and evaluation in the accountancy department. These experts reviewed the content coverage and appropriateness of the language used. Corrections were made based on the reviews and suggestions made by the experts, as the questionnaire was modified and administered to the respondents. On the other hand, reliability refers to the dependability or the degree to which an instrument consistently measures what it purports to measure. Because no single item is a perfect measure of a concept, we must rely on a series of diagnostic measures to assess internal consistency. Cronbach's alpha was employed as such.

Method of Data Collection

The researcher visited the sampled companies. The sample size of the study is 94; the researcher, therefore, administered 94 copies of questionnaires to the respondents who are drawn from the sampled companies. The researchers made a frantic effort to see that the entire questionnaires administered to the respondents were duly completed and returned and all were returned showing a 100% success rate in the data collection process. This process lasted for about ten (10) working days.

Method of Data Analysis

Data analysis means to organise, provide structure and elicit meaning. Analysis of qualitative data is an active and interactive process. The technique used in analysing the quantitative data employed in the study is the descriptive statistics done with the aid of a statistical package for social science (SPSS ver. 20). A mean of 3.0 was used as decision thresh-hold in answering the research questions while a small sample t-test was using in testing the hypotheses. The cut-off point is computed thus:

$$\frac{1+2+3+4+5}{5} = 3.0$$

Conclusions and recommendations will be drawn with the results obtained here.

Data Analysis

Ninety-four (94) questionnaires were distributed to the respondents and 94 questionnaires were filled and returned. The researcher used 94 questionnaires for the analysis. The demographic information showed that 54 respondents are males (i.e. 47.8%), while 40 persons were females (i.e. 35.4%), the number of participants between the ages of 30 to 35 years of age is 12 (10.6%), participants between the ages of 36 to 40 years of age are 30 (26.5%), participants between the ages of 41 to 45 years of age is 21 (18.6%), while participants 46 years of age and above is 31 (27.4%). The number of single participants is 36 (31.9%), the table also shows that 46 (40.7%)

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of the participants are married while 12 (10.6%) were not willing to disclose their marital status. Years of experience showed that 15 respondents (i.e. 13.3%) have between 0 to 5 years of working experience, 24 respondents (i.e. 21.2%) have 6 to 10 years of working experience, 14 respondents (i.e. 12.4%) have 11 to 15 years working experience while 41 respondents (i.e. 36.3%) have 16 years working experience and above. This is an indication that over 50% of respondents have stayed long on the job making it easy to give a valid opinion on the subject matter. 21 respondents (i.e. 18.6%) are casual staff while 73 respondents (64.6%) are line managers.

Reliability Statistics

Cronbach's alpha on the test of measurement reliability scale for corporate governance showed a level of .888 which is above the generally accepted threshold of .70. Thus, the measurement is reliable. The Cronbach's alpha on the test of measurement reliability scale for corporate governance showed a level of .730 which is above the generally accepted threshold of .70. The Cronbach's alpha on the test of measurement reliability scale for corporate governance showed a level of .820 which is above the generally accepted threshold of .70. Thus, the measurement is reliable.

Test of Hypotheses

Hypothesis one

Table 1: One-Sample Statistics of Hypothesis One

	N	Mean	Std. Deviation	Std. Error Mean
RQ1	94	18.0957	6.57802	.67847

***Source**: SPSS Ver.20*

From table 1, the mean extent of ethical environment influence on the reliability and quality of financial information of 18.0957 suggests that a greater percentage of the respondents accept that the items under the research questions rightly represent their perception.

Table 2: One-Sample Test of Hypothesis One

	Test Value = 0.05					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
RQ1	26.598	93	.000	18.04574	16.6984	19.3931

***Source**: SPSS Ver.20*

From table 2, it could be inferred that the asymptotic significance of .000 is less than the level of significance employed in this study. Consequently, we reject the null hypothesis and conclude that the alternative hypothesis is statistically significant and thus we conclude that the ethical environment influences the reliability and quality of financial information

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Hypotheses two

Table 3: One-Sample Statistics of Hypothesis Two

	N	Mean	Std. Deviation	Std. Error Mean
RQ2	94	19.8085	1.93595	.19968

***Source**: SPSS Ver.20*

From table 3, the mean extent of ethical environment influence on managers' responsibility for corporate actions of 19.8085 suggests that a greater percentage of the respondents accept that the items under the research questions rightly represent their perception.

Table 4: One-Sample Test of Hypothesis Two

	Test Value = 0.05					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
RQ2	98.952	93	.000	19.75851	19.3620	20.1550

***Source**: SPSS Ver.20*

From table 4, it could be inferred that the asymptotic significance of .000 is less than the level of significance employed in this study. Consequently, we reject the null hypothesis and conclude that the alternative hypothesis is statistically significant and thus, we conclude that the ethical environment influences managers' responsibility for corporate actions

Hypotheses three

Table 5: One-Sample Statistics of Hypotheses Three

	N	Mean	Std. Deviation	Std. Error Mean
RQ3	94	18.7660	2.27858	.23502

***Source**: SPSS Ver.20*

From table 5, the mean extent of corporate ethical culture boost on investor's confidence in the financial activities of the company of 19.8085 suggests that a greater percentage of the respondents accept that the items under the research questions rightly represent their perception.

Table 6: One-Sample Test of Hypotheses Three

	Test Value = 0.05					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
RQ3	79.636	93	.000	18.71596	18.2493	19.1827

***Source**: SPSS Ver.20*

From table 6, it could be inferred that the asymptotic significance of .000 is less than the level of significance employed in this study. Consequently, we reject the null hypothesis and

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conclude that the alternative hypothesis is statistically significant and thus, we conclude that corporate ethical culture can boost investor confidence in the financial activities of the company**.**

CONCLUSION AND RECOMMENDATIONS

The study reveals the influence of the ethical environment on managers' opportunistic behaviour. It has been established that the ethical environment influences managers' responsibility for corporate actions and the study reveals that the operations of companies in Nigeria are revolved around the fulfilment of governance issues based on different phenomena. Largely, companies in Nigeria are premised on an inclusive stakeholder-centred approach to business ethics and corporate governance rather than on an exclusive shareholder-centred approach to business ethics and corporate governance. The research findings support the rationale that an inclusive stakeholder-centred approach accommodates all organisational stakeholders, including shareholders, government, customers, suppliers, management and employees, the community and the natural environment. It has also been established that the ethical environment influences the reliability and quality of financial information. The study, therefore, offers the following recommendations for policy and practitioners:

1. Corporate Culture of Ethics: Corporations should create an ethical culture that encourages all corporate governance participants including directors, officers, auditors, financial advisors, employees, and others to do the right thing and understand that this is vital to the company's sustainable long-term performance. Members of the organisation, starting with the executives, must lead by example in their efforts to encourage others to comply with applicable policies and procedures. The norms and values embraced by the organisation as its corporate culture should be consistent with its policies and procedures; otherwise, behaviour inconsistent with those policies and procedures will result in losing confidence in these corporations.

2. Promoting ethics in accounting professions remains critical for maintaining high standards. The attainment of high ethical practices in accounting is a collective responsibility of all members and other stakeholders. The regulators, therefore, have a critical part to play in shaping and maintaining the legal framework for developing and improving good ethical practices in the subject under discussion. The accountants on their part must play a meaningful role to keep directors and management on their toes. In any capitalist country, accountability is the livewire, hence the need to have a culture of transparency and accountability. There is a need to develop other methods of monitoring or checking some of the professionals under discussion who are engaged in certain business activities from denting the image of the noble profession. Laws have to be enforced strictly or amended where it is loose to ensure that ethical and cultural practices are maintained to the highest standard.

3. The use of judiciary orders to discover, trace and freeze benefits accruing from bad conduct should be possible. There is a need for stricter monitoring of stockbrokers to ensure that depositors' funds are protected. Investors should be enlightened on their rights and encouraged to seek redress where their rights have been violated. It is hoped that policymakers will look into these recommendations and come out with policies that will

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ensure that players in the market play their roles efficiently and effectively to remove these identified challenges for more efficient functioning and development of the Nigerian capital market.

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APPENDIX

Demographic information of respondents:

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	40	35.4	42.6	42.6
	Male	54	47.8	57.4	100.0
	Total	94	83.2	100.0	
Missing	System	19	16.8		
Total		113	100.0		

***Source:** Fieldwork, 2021.*

The table above shows that 54 respondents are males (i.e. 47.8%), while 40 persons were females (i.e. 35.4%)

Age Bracket

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30-35	12	10.6	12.8	12.8
	36-40	30	26.5	31.9	44.7
	41-45	21	18.6	22.3	67.0
	46- Above	31	27.4	33.0	100.0
	Total	94	83.2	100.0	
Missing	System	19	16.8		
Total		113	100.0		

Source: Fieldwork, 2021.

From the table above, the number of participants between the ages of 30 to 35 years of age is 12 (10.6%), participants between the ages of 36 to 40 years of age are 30 (26.5%), participants between the ages of 41 to 45 years of age is 21 (18.6%), While participants 46 years of age and above is 31 (27.4%).

Marital Status

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		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	36	31.9	38.3	38.3
	Married	46	40.7	48.9	87.2
	Others	12	10.6	12.8	100.0
	Total	94	83.2	100.0	
Missing	System	19	16.8		
Total		113	100.0		

***Source:** Fieldwork, 2021.*

From the table above, the number of participants who are single is 36 (31.9%), the table also shows that 46 (40.7%) of the participants are married while 12 (10.6%) were not willing to disclose their marital status.

Years of Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5	15	13.3	16.0	16.0
	6-10	24	21.2	25.5	41.5
	11-15	14	12.4	14.9	56.4
	16- Above	41	36.3	43.6	100.0
	Total	94	83.2	100.0	
Missing	System	19	16.8		
Total		113	100.0		

Source: Fieldwork, 2021.

From the table above, Years of experience showed that 15 respondents (ie. 13.3%) have between 0 to 5 years of working experience, 24 respondents (ie. 21.2%) have 6 to 10 years of working experience, 14 respondents (ie. 12.4%) have 11 to 15 years working experience while 41 respondents (ie. 36.3%) have 16 years working experience and above. This is an indication that over 50% of respondents have stayed long on the job making it easy to give a valid opinion on the subject matter.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Casual staff/employees	21	18.6	22.3	22.3
	Top level (Line) Managers	73	64.6	77.7	100.0
	Total	94	83.2	100.0	
Missing	System	19	16.8		
Total		113	100.0		

***Source:** Fieldwork, 2021.*

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Reliability Statistics:

Cronbach's alpha values for Section B of the questionnaire

Reliability Statistics

Cronbach's Alpha	N of Items
.888	5

Source: *SPSS Ver.20*

The Cronbach's alpha on the test of measurement reliability scale for corporate governance showed a level of .888 which is above the generally accepted threshold of .70. Thus, the measurement is reliable.

Cronbach's alpha values for Section C of the questionnaire

Reliability Statistics

Cronbach's Alpha	N of Items
.888	5

Source: *SPSS Ver.20*

The Cronbach's alpha on the test of measurement reliability scale for corporate governance showed a level of .730 which is above the generally accepted threshold of .70. Thus, the measurement is reliable.

Cronbach's alpha values for Section D of the questionnaire

Reliability Statistics

Cronbach's Alpha	N of Items
.888	5

Source: *SPSS Ver.20*

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