



Presenting a Mixed Content Analysis Model of the Ethical Values in Auditing

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ABSTRACT

This study aims to present a mixed content analysis model of ethical values in auditing. The study employs an applied approach in terms of its objective, presenting results that can be utilized by researchers, auditors, and policymakers. This study is descriptive-survey in nature with a statistical population consisting of auditors working in auditing institutions. The non-probability snowball sampling method was used to select 358 individuals as the statistical sample in this study. The Cronbach's alpha test was used in SPSS26 software to evaluate the reliability of the questionnaire. Additionally, SMARTPLS3 software was utilized to analyze the collected data. The findings revealed that all dimensions, including ethical decision-making, accountant culture, professional conduct, developed sustainable accounting, professional knowledge, and Iranian-Islamic culture, have a positive and significant impact on ethical values. Among all the factors, developed sustainable accounting has the highest impact, with a coefficient of 0.267, while accountant culture has the lowest impact, with a coefficient of 0.125, on the ethical values of auditors.

Keywords: Ethical Decision-Making, Accountant Culture, Professional Conduct, Developed Sustainable Accounting, Iranian-Islamic Culture, Professional Knowledge, Ethical Values

1. Introduction

The ethical values of accounting essentially serve as guidelines for an accountant's decision-making. The responsibility of a professional accountant is not exclusively limited to meeting the needs of clients, organizations, or employers. They must also follow ethical regulations. There is also a need for closer attention and discretion when vital issues such as accounting and ethics come together. In such cases, overlooking certain factors leads to financial corruption, a concern in the private and public sectors. Upholding ethics is the primary solution to such a crisis, as the very nature of tasks performed by auditors and accountants demands a high level of adherence to ethics (Micho & Asgari, 2004). Shareholders and other financial statement users rely on the information within the financial statements of companies to make superior investment decisions. Additionally, they rely on the auditors who have validated said financial statements. In all such circumstances, ethics plays a critical role by creating public trust in information provided by auditors and accountants and largely preventing improper conduct. Regrettably, comprehensive and fundamental practical and empirical studies on professional accounting ethics are few and far between.

There is a significant amount of pressure on accountants to act ethically and professionally. The recent wave of corporate scandals in Britain and the United States has resulted in increased and more rigorous examination of business ethics and professional accounting. However, ethical decision-making models are either highly complex or fail to take the importance of professional codes of conduct concerning the conduct of accountants into account (Jones et al., 2003). Consequently, we propose a model of factors influencing ethical values that are specifically applied to official auditors.

Professional auditors are unique in this respect in that they are governed by professional values. These professional values impact the behavior and decision-making of the auditors, as they require them to consider public interests. When professional auditors face an ethical challenge, they are required to prioritize public interests over client or personal interests. This serves as the starting point of our model. Auditors must remain committed to professional rules of conduct and their ethical values when making ethical decisions (Dunn, 2018).

The recent ethical issues of auditors worldwide have driven many auditing institutions to pursue ethical credibility among shareholders who employ audited financial statements. The recent instances of financial scandals within Iran and around the world indicate that enhancing auditors' understanding of ethical conduct, professional social identity, and adherence to its standards is essential. Studies demonstrate that the primary reasons impacting auditor performance, which have led to suspension, are non-compliance with ethical conduct and focusing on individual identity versus social identity.

Ethical conduct and social identity are among the characteristics of a healthy individual in any society, including auditors. The social identity of auditors stems from the social structure, is influenced by social relationships, and leads to change, maintenance, and survival (Ismail & Johannes, 2018). Ethical conduct and social identity have an impact on the attitudes, personalities, and abilities of auditors and thereby improve their performance. Previous studies show other factors that might impact auditor performances include role conflict in auditor performance, professional duties, self-efficacy, and auditor sensitivity to professional ethics and their awareness of said factors". Furthermore, the impact of said factors on auditor performance will be vital for conducting studies (Afifah, Sari, Anugrah, & Sanusi, 2015). Should auditors comply with ethical conduct and professional ethical sensitivities and possess appropriate self-efficacy, fraud and misconduct would not occur. Additionally, the impact of ethical culture on reducing audit quality and reporting shorter audit times shows that a relationship exists between ethics, environment, commitment, and auditor conduct (Sweeney, Arnold, & Pierce, 2010).

Given the existing ethical issues and role conflicts among auditors, the importance of self-efficacy and ethical sensitivity between them, and the need for helping auditing organization managers gain a better understanding of the impact of ethics and social identity on auditing, there exists an increasingly apparent need for a comprehensive study which covers all the matters stated above. Additionally, considering the particular importance of "auditor performance" as a crucial and influential factor in audit quality, conducting a study on the impact of said variables on auditor performance seems necessary. Understanding whether auditor performance is influenced by factors

such as role conflict, self-efficacy, and professional ethics sensitivities allows auditors to identify and interpret the areas impacting auditing performance.

Researchers have also come to the realization that religious orientation has an impact on ethical values (Vitell, 2009). Faith and benevolence (Longenecker et al., 2004), fairness and justice (Parboteeah et al., 2008), and sincerity and patience (Weaver and Agle, 2002) are aspects of Iranian-Islamic culture. We use the insights from this religious-behavioral connection to incorporate philosophical and religious orientation into the ethical values model in auditors. The accountant culture, which includes various dimensions, including Islamic culture, bazaar culture, and development-oriented culture, has an impact on ethical values (Dinah, 2020). We use the insights from this connection of accountant culture to incorporate the orientation of accountant culture into the ethical values model in auditors. The professional knowledge variable includes dimensions of academic qualifications, professional competence, and compliance with technical and professional standards, as well as ethical decision-making, which includes dimensions of moral maturity, personal values, religious orientation, and service quality. Additionally, professional conduct includes aspects of individual attitudes, perceived behavioral control, personal conduct, and professional behavior, while developed sustainable accounting includes dimensions of individual, social, economic, and environmental factors.

Kohlberg (1969) found that improvement in moral decision-making is a function of the moral maturity of the decision-maker. Researchers have studied the impact of the maturity of ethical values on decision-making among auditors (Jones et al., 2003). Birnberg (2011) noted the importance of culture and ethics in decision-making within auditing scenarios in a behavioral study. He realized that existing research has investigated how differences in culture, moral reasoning, and ethical value development lead to variations in the behaviors and decisions of auditors. Researchers have produced different results regarding cross-national variations in ethical value decision-making using Hofstede's framework (1980) (Birnberg, 2011). These inconsistencies may partly stem from the implicit assumption in these studies that nation equals culture. Holtbrügge and Mohr (2010) found that cultural differences impact decision-making, but these

differences occur at the individual rather than the national level. Consequently, our model incorporates both culturally derived values and the maturity of ethical values as factors influencing the decision-making of auditors.

The research outlined above addresses the provision of a model for mixed content analysis of the ethical values in auditing. Sadly, despite the aforementioned efforts, there has been no significant and impactful practical activity regarding the vital area of auditing ethical values in Iran. This lack of attention also includes ethical charters and professional codes of ethics, for which a comprehensive, professional native ethical charter compatible with Islamic and Iranian culture has not yet been drafted. Additionally, most ethical codes, such as the ethical code of the Iranian Association of Certified Auditors, have been adopted from foreign examples. Although these codes are beneficial and effective, they are not free of flaws. Therefore, their implementation without adaptation to the Islamic, cultural, social, and national conditions of our country can give rise to issues. It is appropriate to strive to identify effective ethical dimensions within this profession, which would allow for the development of codes aligned with the Islamic, cultural, and social conditions of the country. The significant impact of such an achievement would be undeniable.

We develop an ethical values model for auditors based on six factors: Iranian-Islamic culture, ethical decision-making, professional conduct, professional knowledge, accountant culture, and developed sustainable accounting. This model explicitly identifies the crucial factors during the encounters of professional auditors with ethical dilemmas. Auditors must incorporate these elements in their ethical decision-making, regardless of their position in the profession or industry.

Theoretical Foundations and Research Background

Ethics is the most fundamental virtue sought by all and is the first perception one holds of a good life. Studies conducted on the unethical conduct of individuals, such as political scandals or commercial frauds, have increased public concern regarding societies and companies (Bebbington, 2021). Most studies either disregard all definitions or argue that the definition of

ethical conduct from the perspective of their developed model is insufficient. Tenbrunsel and Smith-Crowe (2008) state that if we do not believe that defining an ethical decision is important or do not believe that our position matters, we face a meaningless definition of ethical conduct. If we believe that such a definition is necessary, we have no choice but to motivate ourselves to understand the normative basis of said values and understand how "ethics" should be measured. Consequently, we must have a comprehensive definition of ethical conduct before attempting to examine and measure it. According to Morales-Sánchez, Orta-Pérez, and Rodríguez-Serrano (2019), ethical conduct is defined as individual conduct subject to moral behavioral norms, which is generally accepted or judged. This definition is quite comprehensive. As a matter of fact, there exists a gap in the scientific literature regarding standardizing the concept of ethical conduct. Lussier (2012) believes ethical conduct is a public issue. Organizations seek honest employees and are judged ethically and socially responsible. He considers ethical conduct as numerous principles established worldwide and a type of responsibility that occasionally changes. When an individual behaves ethically, they create trust in their immediate environment. Therefore, organizational costs are reduced when employees gain trust through consistent ethical conduct (El-Akremiti, 2018).

1. Each individual in any job or position is obligated to observe ethical principles. Auditors are not exempt from this rule and are required to adhere to professional ethics and conduct in the performance of their duties (Dewi & Dwiyaniti, 2018). Unprofessional and unethical conduct by auditors can reduce audit quality and diminish public trust in professional auditing. The financial instability in recent years demands adherence to professional ethics among auditors. Trust and public credibility can be restored to auditing by strengthening ethics. Governments, professional associations, and other institutions can play a significant role in reinforcing the ethical foundations of professional auditing. Thus, observing ethical principles in accounting is crucial in light of recent financial scandals. Auditors must uphold ethical standards and support the objectives of professional norms, which are aspects of professional commitment (Asry & Ginting, 2020). The performance of

auditors and accountants is intertwined with ethics, social responsibility, and ethical leadership in various ways. The daily decisions of auditors in areas such as judgment, opinion, work division, organization, and auditing services can be impacted by their personality, thoughts, conduct, and ethics. Independent auditors are individuals who make decisions based on actual, value-based, and ethical judgments. Methods are selected with respect to momentary pressures, previous decisions, religious and ethical values, traditions, and socio-economic factors. Moreover, ethical leadership can lead to improvements in the conduct and performance of independent auditors by developing ethical standards. Social identity is noted as a significant factor in enhancing auditor performance in accounting and financial literature. The first classical definition of social identity was presented by Tajfel et al. (1979). Tajfel defined social identity as an individual's understanding of belonging to specific social groups and the emotional value and importance induced by membership in said groups (Tajfel, Turner, Austin, and Worchel, 1979).

Professionalism has no clear definition. The functionalist approach focuses on the ability of specialized individuals to utilize specialized knowledge for public benefit. This profession (auditing) is allowed to self-regulate, controls entry through education and certification, and can punish the members for being non-compliant with ethical rules (Islam and Dellaportas, 2011).

Qualified professional auditors are trained in professional ethics during their certification process. "Proper adherence to ethical values of competence, integrity, honesty, and objectivity is fundamentally, if not primarily, dependent on the ethical values of the professional accountant" (Brooks and Dunn, 2018). Most professional failures stem from judgment errors rather than methodological mistakes when applying auditing or accounting techniques. These failures represent deficiencies in applying ethical values in decision-making. Additionally, trained professional auditors could face disciplinary actions like fines or membership revocation for committing professional violations. This additional layer of external oversight could influence the ethical decision-making of trained professional auditors.

Auditors develop and learn an ethical framework through official training, moral maturity, and the reinforcement of professional conduct rules. These codes provide guidelines regarding appropriate and inappropriate business behaviors. The International Federation of Accountant's International Code of Ethics for Professional Accountants outlines the ethical and professional commitments of auditors. Member organizations must agree to align their professional codes with these guidelines.

Kish-Gephart et al. (2010) discovered that implementing codes of conduct is negatively associated with unethical intentions and conduct during their meta-analysis of factors influencing ethical decision-making. Researchers seek to find a positive relationship between ethical decision-making and professional codes of conduct in accounting. Fatemi et al. (2014) discovered that accounting students who read the code of conduct with considerations of support and integrity demonstrate a more neutral and less biased evaluation of suspicious business behavior compared to students not exposed to the code of conduct. Pflugrath et al. (2007) found that reminding auditors of professional behavioral norms in an experimental environment influences their audit judgment regarding reducing suspicious inventory. In other words, a professional code of conduct is positively associated with higher-quality judgments by professional auditors. However, the existence of the code had no impact on the judgment of accounting students. Similarly, Ghazali and Ismail (2013) discovered a positive correlation between accurate evaluations of ethical situations and understanding of professional responsibilities in auditors. Overall, this study indicates that auditors who understand their professional responsibilities are likely to act in a professional and ethical manner.

Additionally, professional codes of conduct apply to professional auditors employed in the industry sector. These professional auditors can also be governed by corporate rules of conduct. Corporate codes of conduct provide guidelines, increase ethical awareness (McKinnon et al., 2010), and act as an ethical anchor (Chua and Rahman, 2011). Goddard (1995, 1997) discovered a difference between what he called organizations with professional cultures and those with a hierarchical one. The former adheres to professional codes, while the latter adheres to organizational codes. This can create issues when said

two aspects are incompatible (Schafer and Wang, 2010).

Professional auditors must comply with the professional conduct rules prescribed by their profession. Other factors influence the decision-making of professional auditors as well. Empirical studies have identified several of said factors (see Kraft, 2013; Kish-Gephart et al., 2010 for a review of the literature). It is believed that four characteristics influence the ethical decision-making of professional auditors: religious orientation, philosophical orientation, moral maturity, and culture-derived values.

The philosophy of ethics develops approaches for evaluating ethical behavior and selecting appropriate courses of action. In accordance with contributions from Aristotle, Ross, Bentham, and Kant, ethical philosophy is often divided into three schools of thought: teleological, deontological, and virtue ethics. Teleological ethics evaluates the morality of an action based on its consequences, which amounts to a utilitarian perspective. The philosophy of ethics evaluates decision-making based on abstract principles or moral duties, such as justice theory or rights theory, a view often known as idealism, while virtue ethics focuses on the decision-maker's character. All these philosophical approaches have been accepted in the literature of business ethics and decision-making (Dunn, 2018).

Most studies either disregard all definitions or argue that the definition of ethical conduct from the perspective of their developed model is insufficient. Tenbrunsel and Smith-Crowe (2008) state that if we do not believe that defining an ethical decision is important or do not believe that our position matters, we face a meaningless definition of ethical conduct. If we believe that such a definition is necessary, we have no choice but to motivate ourselves to understand the normative basis of said values and understand how "ethics" should be measured. Consequently, we must have a comprehensive definition of ethical conduct before attempting to examine and measure it. According to Morales-Sánchez, Orta-Pérez, and Rodríguez-Serrano (2019), ethical conduct is defined as individual conduct subject to moral behavioral norms, which is generally accepted or judged. This definition is quite comprehensive. As a matter of fact, there exists a gap in the scientific literature regarding standardizing the concept of ethical conduct. Lussier

(2012) believes ethical conduct is a public issue. Organizations seek honest employees and are judged ethically and socially responsible. He considers ethical conduct as numerous principles established worldwide and a type of responsibility that occasionally changes. When an individual behaves ethically, they create trust in their immediate environment. Therefore, organizational costs are reduced when employees gain trust through consistent ethical conduct (Cohen, 2022).

In their meta-analysis of the literature, Kish-Gephart et al. (2010) concluded that philosophical orientation impacts ethical decision-making, while Forsyth (1992) argues ethical decision-making is influenced by the ethical philosophy of an individual. Hunt and Vitell (2006) hypothesize that marketing managers employ both deontological and utilitarian (teleological) approaches and could support one philosophical approach more strongly, depending on the situation. Others discovered that business managers tend to follow a utilitarian approach (Groves et al., 2007). Similarly, Premeaux and Wayne (1993) discovered that since the mid-1980s, marketing managers have used a utilitarian philosophy in ethical business decisions. Overall, it appears that business managers tend to maintain a utilitarian perspective to resolve ethical dilemmas rather than a deontological or idealistic philosophy.

Márquez and Azevedo-Pereira (2009) discovered that philosophical orientations of idealism and relativism do not impact ethical decision-making by certified accountants. This finding raises a compelling question: Why do accountants differ in ethical decision-making from business managers based on their philosophical inclinations?

Instead of the decision consequences, known as the utilitarian approach, and the motivations of decision-making, known as the deontological approach, virtue ethics tends to focus on the decision-maker personality. Virtue ethics maintains a more holistic view, acknowledging the multifaceted nature of the decision-maker personality. The decision-maker possesses diverse personality traits that are utilized to different degrees when evaluating ethical situations. These virtues are learned and developed over time, becoming part of the personality decision-maker personality as a result of practical life experiences (Toner 2010).

Psychological literature shows that religious orientation impacts ethical decision-making. In his

review of the relevant literature, Vitell (2009) concluded that researchers have reached a consensus that religious belief is multidimensional and encompasses internal, external, and searching dimensions (Namazi, 2019).

Allport (1954, 1967) believes intrinsic individuals live by their religion. These individuals not only adopt a religious belief but internalize it, allowing them to live their faith. Praxis is a combination of practice and theory. "This is a practice-reflection and reflection in action." This is a dialectical faith in action, which is simultaneously a critical reflection on actions taken before and after critical reflection (McBrien, 1980). Praxis takes place when a manager contemplates the consequences of an action and evaluates them in light of the religious orientation. Moreover, the strength of an individual's religious beliefs is associated with ethical judgments regarding suspicious business activities (Longenecker et al., 2004).

Extroverted individuals tend to use religion as an instrument. Religious beliefs are regulated and shaped in accordance with the primary personal and social needs of individuals. Religion is helpful for providing security, peace, status, companionship, and self-justification. Weibe and Fleck (1980) found that individuals with an external orientation tend to be more self-reliant, self-centered, and action-oriented. Allport and Ross (1967) state "An externally motivated individual uses their religion, while an internally motivated individual lives their religion." Researchers tend to find a negative relationship between internal religious orientation and acceptance of unethical activities (Arli and Pekerti, 2015).

Auditing and accounting studies often measure culture using Hofstede's five dimensions, arriving at contradictory differences regarding ethical decision-making across various cultures. Krakauer et al. (2009) found no difference between Turkish and Pakistani auditors regarding the acceptance in the face of aggressive financial reports. In contrast, cultural differences have been found among Latin American, American, and Japanese auditors (Cohen et al., 1995), American, Irish, and British accounting partners (Arnold et al., 1999), as well as Canadian and Chinese accountants.

Kohlberg (1969) developed a six-stage model of moral growth, ranging from initial obedience to authority and law at the lowest level to internationalizing and understanding universal ethical

principles at the highest level of cognitive moral development. The focus is on the self at the pre-conventional level, where people act as they are told through obedience. The next stage involves using initial cost-benefit analysis when people calculate what is in their interest. At the conventional level, the focus is on relationships, where people act ethically as that is what is expected and is a way to gain companionship. At the next level, people realize they have responsibilities towards society and other individuals, leading them to comply with ethical laws and directives. At the post-conventional level, the focus is on universal principles. People are interested in values, rights, laws, and procedures contributing to societal well-being at this level. At the highest level of cognitive moral development, individuals are ethical as they have internalized universal ethical principles that guide society. Not everyone will reach Kohlberg's sixth stage. However, individuals develop broader perspectives regarding their roles within society and themselves at each stage of moral growth (Dinah & Corey, 2020).

Study Methodology

This research employs an applied approach in terms of its objective, presenting results that can be utilized by auditors, researchers, and policymakers. This study is descriptive-survey in nature with a statistical population consisting of auditors working in auditing institutions. The Cronbach's alpha test was employed in SPSS26 software to evaluate questionnaire reliability. Additionally, SMARTPLS3 software was utilized to analyze the collected data. This study used The non-probability snowball sampling method as the population size is limited and cannot be precisely determined in advance, making random sampling inappropriate. Assuming an average of 10 auditors in each auditing firm, the total population is 3,440. According to Slovin's formula, with a 95% confidence level, the desired sample size was equal to 360 participants. However, 380 questionnaires were distributed randomly among participants to increase research validity. Ultimately, 361 questionnaires were returned, of which 358 were suitable for analysis.

The questionnaires were answered both in-person and online by visiting the Auditing Organization and several auditing institutions located in Tehran. Additionally, the online questionnaire link was shared in auditing virtual groups. This process continued until

the required number of questionnaires was reached. Questions regarding ethical value dimensions were derived from standard questionnaires (Nguyen, 2021), (Namazi, 2019), (Dunn & Sainty, 2018), and (Dina & Corey, 2020), comprising 60 questions across different sections. Professional Knowledge (Questions 1-14) includes educational qualifications, professional competence, and technical/professional standard compliance. Ethical Decision-Making (Questions 15-26) includes personal values, moral maturity, service quality, and religious orientation. Professional Behavior (Questions 27-34) includes individual attitude, perceived behavioral control, personal behavior, and professional behavior. Iranian-Islamic Culture (Questions 35-40) includes faith and benevolence, justice and fairness, patience and sincerity. Developed Sustainable Accounting (Questions 41-47) includes individual, social, economic, and environmental factors. Accountant Culture (Questions 48-60) includes Islamic culture, market culture, and development-oriented culture. Based on theoretical foundations, the following hypotheses were developed:

Hypothesis 1: Accountant culture has a direct impact on ethical values.

Hypothesis 2: Ethical decision-making has a direct impact on ethical values.

Hypothesis 3: Professional conduct has a direct impact on ethical values.

Hypothesis 4: Iranian-Islamic culture has a direct impact on ethical values.

Hypothesis 5: Developed sustainable accounting has a direct impact on ethical values.

Hypothesis 6: Professional knowledge has a direct impact on ethical values.

The model adapted from (Nguyen, 2021), (Namazi, 2019), (Dunn and Sainty, 2018), and (Dinah and Corey, 2020) is utilized to estimate the dimensions of ethical values, as shown in Figure 1.



Figure 1. Conceptual Model of Ethical Value Dimensions (Nguyen, 2021), (Namazi, 2019), (Dunn and Sainty, 2018), and (Dinah and Corey, 2020)

Cronbach's alpha coefficient is utilized to measure the reliability of the questionnaire. As the coefficient value for all variables is above 0.7, the reliability is considered suitable. Therefore, other questionnaires were distributed to the studied population.

Additionally, structural validity and the Lawshe coefficient were employed to estimate and ensure the validity of the research tool. Expert opinions from professors and auditing professionals were solicited regarding the questionnaire, and potential modifications were implemented.

Research Findings Descriptive Statistics

The demographic characteristics of the statistical sample are depicted in Table 4 within this section. The findings show 60 percent of responders were male and 40 percent were female. Most responders, equal to 37 percent, were senior auditors. In terms of educational level, 54 percent of respondents held a master's degree. Regarding professional experience, the highest percentage corresponded to the 20 years and beyond category, which comprised 29 percent of individuals. Furthermore, 46 percent had studied auditing. In terms of auditor type, 45 percent of the responders were independent auditors, while 80 percent were members of official accountants.

The descriptive statistics table concerning research variables is depicted below, with results demonstrating that all variables exceeded the medium level of 3 and obtained high values.

Table 1. Questionnaire Reliability

Questionnaire	Variable	Cronbach's Alpha Coefficient	Reliability	Lawshe Coefficient	Validity
Ethical Values	Professional Knowledge	0.788	Suitable	1	Suitable
	Ethical Decision-Making	0.882	Suitable	0.8	Suitable
	Professional Conduct	0.821	Suitable	0.8	Suitable
	Iranian-Islamic Culture	0.859	Suitable	1	Suitable
	Developed Sustainable Accounting	0.884	Suitable	0.8	Suitable
	Accountant Culture	0.922	Suitable	0.8	Suitable

Table 2. Demographic Characteristics of the Study Sample

Gender	Frequency	Frequency Percentage
Male	215	60
Female	143	40
Position	Frequency	Frequency Percentage
Auditor	64	18
Senior Auditor	132	37
Senior Audit Supervisor	7	2
Audit Supervisor	22	6
Audit Partner	29	8
Assistant Auditor	82	23
Audit Manager	22	6
Education	Frequency	Frequency Percentage
Associate Degree	14	4

Bachelor's Degree	82	23
Master's Degree	194	54
Ph.D.	68	19
Work Experience	Frequency	Frequency Percentage
Less than 5 Years	36	10
Between 5 to 10 Years	57	16
Between 10 to 15 Years	75	20
Between 15 to 20 Years	90	25
More than 20 Years	103	29
Field of Study	Frequency	Frequency Percentage
Management	29	8
Accounting	118	33
Auditing	165	46
Other Disciplines	46	13
Auditing Activity Type	Frequency	Frequency Percentage
Internal Auditing	68	19
Operational Auditing	118	33
Independent Auditing	161	45
Government Organizations Auditing	8	2
Other	3	1
Association of Certified Auditors Member	Frequency	Frequency Percentage
Yes	286	80
No	72	20
Total	358	100

Table 3. Descriptive Statistics of Research Variables

Variable	Mean	Median	Maximum	Minimum
Professional Knowledge	4.224	4.214	5	2.71
Ethical Decision-Making	4.290	4.416	5	2.83
Professional Conduct	4.220	4.125	5	3
Iranian-Islamic Culture	4.255	4.333	5	2.5
Developed Sustainable Accounting	4.195	4.285	5	2.70
Accountant Culture	4.294	4.384	5	3.23

Hypothesis Testing

The most critical action before any step is taken in implementing statistical methods and calculating appropriate test statistics and logical inference regarding research hypotheses is selecting an appropriate statistical method for the study. To this end, awareness of data distribution is of the highest priority. The Kolmogorov-Smirnov test was used to examine the normality of data distribution, where a significance level (sig) larger than $\alpha = 0.05$ indicates a normal data distribution for all independent and dependent variables (Table 4).

As illustrated in Table 4, the significance level (sig) of the Kolmogorov-Smirnov test for all study variables is lower than $\alpha = 0.05$. Consequently, all variables examined in the current study do not have a normal distribution, and therefore, non-parametric tests will be employed for hypothesis examinations.

Structural equation modeling was used to examine the Study hypotheses. Given that the research data were collected using an ordinal Likert scale questionnaire, they demonstrate a non-normal distribution. Initially, the structural equation model output for estimating ethical value dimensions is calculated, with Figure 2 depicting the model in significance mode and Figure 3 depicting the model in standard mode.

The hypothesis testing in this study uses structural equation analysis in SMARTPLS 4 software. Table 4 shows the research hypothesis results (Table 5).

Statistical results confirm the impact of accountant culture on strengthening ethical values ($\beta = 0.125$, t-value = 7.135, $p < .000$). These findings indicate that accountant culture aids in strengthening ethical values. Statistical results confirm the impact of ethical decision-making on strengthening ethical values ($\beta = 0.156$, t-value = 11.087, $p < .000$). These findings indicate that ethical decision-making aids in strengthening ethical values.

Table 4. Examining the Normality of Study Variables Distribution

Variable	Number	Significance Level (sig)	Result
Professional Knowledge	358	0.000	Non-normal distribution
Ethical Decision-Making	358	0.000	Non-normal distribution
Professional Conduct	358	0.000	Non-normal distribution
Iranian-Islamic Culture	358	0.000	Non-normal distribution
Developed Sustainable Accounting	358	0.000	Non-normal distribution
Accountant Culture	358	0.000	Non-normal distribution

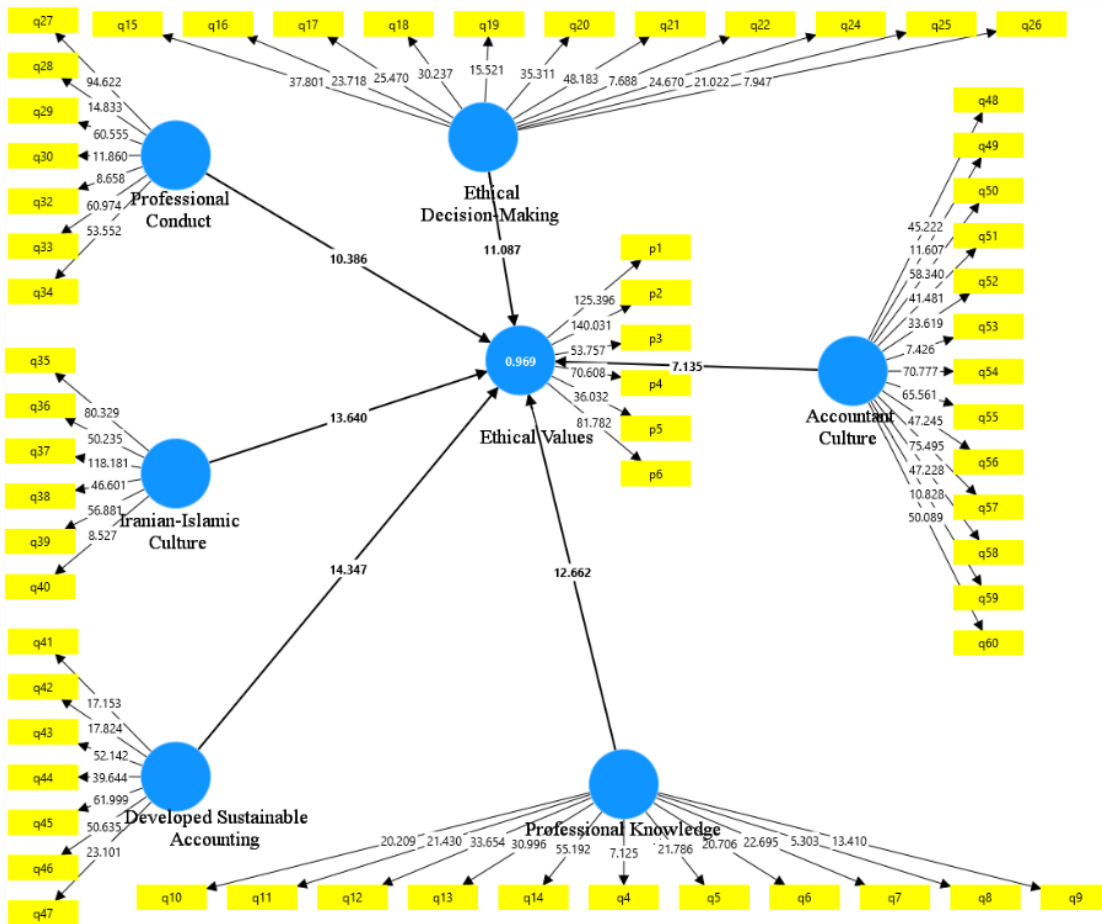


Figure 2. Model in Significance Mode

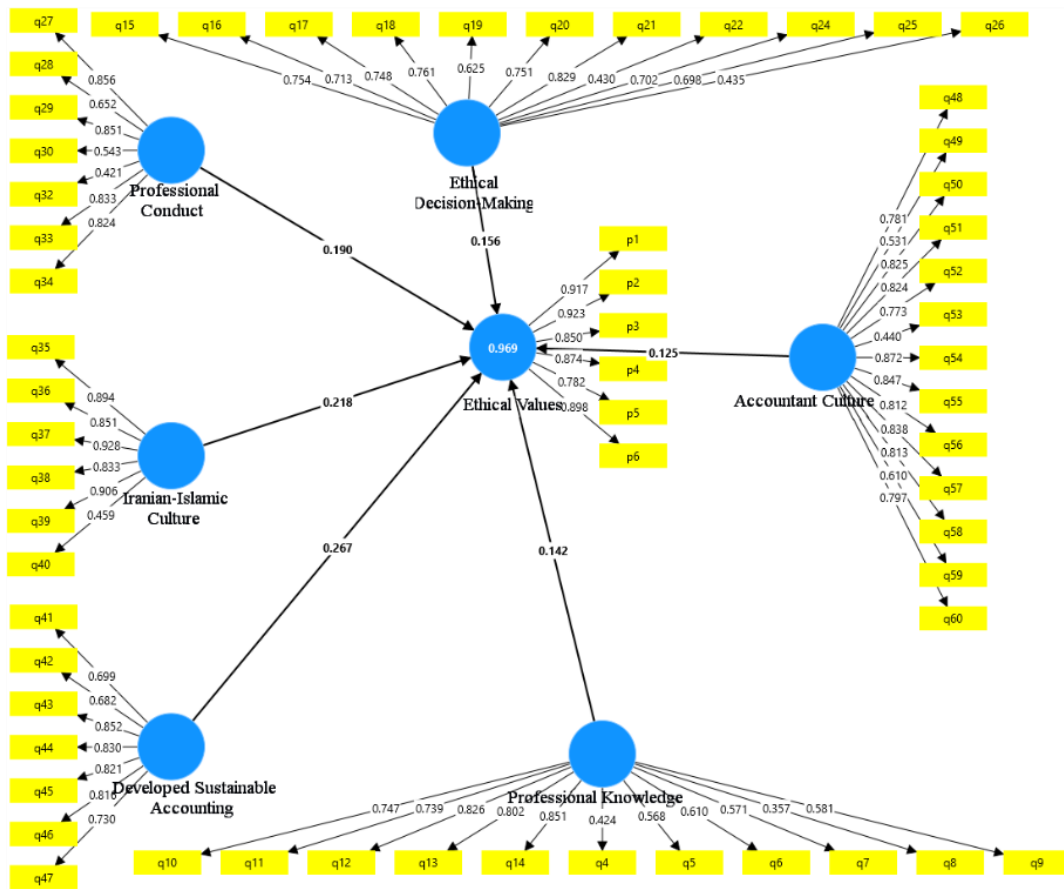


Figure 3. Model in Standard Mode

Statistical results confirm the impact of professional behavior on strengthening ethical values ($\beta = 0.190$, t -value = 10.386, $p < .000$). These findings indicate that professional behavior aids in strengthening ethical values.

Statistical results confirm the impact of Iranian-Islamic culture on strengthening ethical values ($\beta = 0.218$, t -value = 13.640, $p < .000$). These findings indicate that Iranian-Islamic culture aids in strengthening ethical values.

Statistical results confirm the impact of developed sustainable accounting on strengthening ethical values ($\beta = 0.267$, t -value = 14.347, $p < .000$). These findings indicate that developed sustainable accounting aids in strengthening ethical values.

Statistical results confirm the impact of professional knowledge on strengthening ethical values ($\beta = 0.142$, t -value = 12.662, $p < .000$). These findings indicate

that professional knowledge aids in strengthening ethical values.

The value of t represents the significance of variable impacts in SMARTPLS4 software. The t -statistic value is the main criterion for confirmation or rejection of the hypotheses, with values higher than 1.96 indicating the confirmation at 95 percent. The findings demonstrate the significance of all study hypotheses.

According to structural equations, all dimensions, including ethical decision-making, Iranian-Islamic culture, accountant culture, professional conduct, professional knowledge, and developed sustainable accounting, have a positive and significant impact on ethical values. Among the factors, developed sustainable accounting has the highest impact with a coefficient of 0.267, while accountant culture has the lowest impact on the ethical values of auditors with a coefficient of 0.125.

Ultimately, the final model is as follows:

Table 4. Research Hypothesis Results

Hypothesis	Statistic	Statistical Significance	Path Coefficient
Hypothesis 1: Accountant culture has a direct impact on ethical values.	7.135	0.000	0.125
Hypothesis 2: Ethical decision-making has a direct impact on ethical values.	11.087	0.000	0.156
Hypothesis 3: Professional conduct has a direct impact on ethical values.	10.386	0.000	0.190
Hypothesis 4: Iranian-Islamic culture has a direct impact on ethical values.	13.640	0.000	0.218
Hypothesis 5: Developed sustainable accounting has a direct impact on ethical values.	14.347	0.000	0.267
Hypothesis 6: Professional knowledge has a direct impact on ethical values.	12.662	0.000	0.142



Figure 4. Final Model

Discussion and Conclusion

Varying religious, empirical, cultural, and philosophical orientations often lead to different business decisions. Updating knowledge-based approaches could result in improvements in business ethics education at the international level, including discussions surrounding religion, diverse cultures, and both Western and Eastern ethical philosophies. This topic demonstrates the increasing diversity in contemporary auditing and the business environment in which professional auditors work. Achieving a higher understanding of various philosophical, empirical, religious, and cultural differences is critical for audit firms as it provides them with opportunities to gain advantages and allows them to recruit employees with more diverse knowledge and skills.

From the perspective of governing bodies in the auditing profession, our model can be employed to develop optimal practices, as it explicitly recognizes an important element of professional conduct codes acknowledged by many international accounting institutions. Significant criticisms have been leveled against auditors because of their perceived role/s in certain recent business failures. In some cases, this criticism may stem from a lack of understanding regarding auditor actions and their method of execution. Auditors are part of the human workforce whose professional capabilities demonstrate mental alertness and problem-solving skills. Auditors produce information in the form of financial analyses, financial statements, tax declarations, or audit opinions, which are used by numerous shareholders for various

purposes. Given the potentially significant impact auditor actions can have on economic decisions, auditors must accept the concept of non-violation, otherwise known as the ethical principle of non-harm by professionals. It is essential that members of this profession adhere to ethical values. Ethical codes govern "how" professionals, such as the manner auditors perform their duties. Such codes provide guidelines regarding right and wrong. Our model explicitly maps the ethical values process and considers the numerous factors influencing accountants. Thus, the model offers a combination for analyzing the impact of factors on ethical values, combining various elements common in the business environment and those specific to auditors. Much work remains to be done following this analysis, as empirical research must be conducted to determine the importance of each identified construct. While substantial work lies ahead, our model contributes to a richer ethical decision-making theory in a global context, presenting elements that are unique to accounting professionals and consistent with other research.

The findings indicate all dimensions, including ethical decision-making, Iranian-Islamic culture, accountant culture, professional conduct, professional knowledge, and developed sustainable accounting, have a positive and significant impact on ethical values. This fact demonstrates the impact of culture and religion on ethical principles, a matter institutionalized in a societal context that does not exempt auditors. Naturally, up-to-date knowledge and the sustainability of this profession can impact the sustainable development of ethical values. Adherence to ethical standards cements the belief that ethical performance is not situation-dependent among auditors. Thus, organizations must strive to enhance their ethical standards, though the overlooked urgent need for all institutions is meritocracy.

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