



Highlighting the Role of Motivational Values in Auditors' Ethical

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ABSTRACT

The auditing profession is one of the most organized and disciplined professions in the world, and due to the type and nature of the services it provides, it is also characterized by trust and credibility. The continuation of this credibility and trust and its strengthening also depend on the intellectual and practical adherence of professional members to behavioral and ethical standards. This study uniquely examines how auditors' motivational values grounded in Schwartz's theory drive ethical whistleblowing behavior, integrating psychological and ethical-decision frameworks rarely examined together in auditing research. The aim of this study is to validate and measure the auditors' ethical whistleblowing model and its constructs through a sequential mixed-methods design. Qualitative phase: Grounded theory methodology was applied to 24 expert interviews, systematically coded to identify five causal categories (causal conditions, intervening conditions, contextual conditions, strategies, consequences). Quantitative phase: The data collection tool was a questionnaire comprising 46 items derived directly from the qualitative coding, and data were collected from 101 experts (audit partners, academics, financial managers, and analysts) who were selected using purposive sampling to ensure information richness and professional diversity. The research data were analyzed using structural equation modeling (PLS-SEM) with SmartPLS 3.2.7 software. The structural model confirms that causal conditions (emotional intelligence, professional identity, expertise, and job-related abilities: standardized coefficient $\beta=0.109$, $t=3.368$, $p=0.001$) and intervening conditions including motivational values ($\beta=0.134$, $t=4.012$, $p<0.001$) significantly influence auditors' whistleblowing strategies, which subsequently predict outcomes ($\beta=0.028$, $t=31.558$, $p<0.001$). Notably, contextual organizational conditions showed no direct significant effect on strategies ($\beta=0.137$, $t=0.529$, $p=0.597$), suggesting that in emerging audit markets, individual psychological factors and motivational values supersede immediate organizational climate in shaping whistleblowing behavior. All measurement constructs demonstrated strong reliability (Cronbach's α ranging from 0.87 to 0.96, Composite Reliability >0.95) and validity (AVE >0.56 , discriminant validity confirmed via Fornell-Larcker criterion and HTMT ratios <0.85). Model fit was adequate (GoF=0.669). The results further confirm that emotional intelligence, feelings and thoughts, professional identity, level of expertise, skills and individual orientation to their job, ability to detect violations, sufficient and appropriate experience, information technology skills, strengthening auditors' judgment, cognitive and personal competencies (calculating characteristics, motivations, systems thinking, strategic thinking, and critical thinking), knowledge-based competencies (general knowledge, auditing knowledge, and performance evaluation knowledge), and skill-based competencies (communication, leadership, team-building, management, and technology-based skills) are interconnected factors that influence the development of auditors' alertness and whistleblowing intentions.

Keywords: Auditors' ethical whistleblowing, Motivational values, Schwartz's theory, Emotional intelligence, Rest's Four-Component Model, Kohlberg's Moral Development Theory, Structural equation modeling, Grounded theory, Emerging markets

1. Introduction

Financial corruption can be defined as a set of crimes committed by managers to achieve personal benefits or objectives. The phenomenon of corruption in the public sector has attracted increasing attention in recent years (Antonakas et al., 2014). In this regard, corruption has garnered growing interest as a potential issue in most countries worldwide, both developed and developing. Corruption is now a global phenomenon. Although numerous definitions exist in the literature, the World Bank, European Union, and International Monetary Fund adopt an operational definition as the misuse of public office for private gain. Many authors criticize this definition for oversimplifying an inherently complex phenomenon, arguing that it overlooks various illegal activities such as fraud, extortion, money laundering, black markets, and drug trafficking, which may not involve misuse of public office. Ultimately, some actions may be legal but deemed corrupt by society (Antonakas et al., 2014). Whistleblowing (disclosure or blowing the whistle) encompasses the revelation of illegal, unethical, or illegitimate activities under employers' control by current or former organizational members to individuals or entities capable of effecting change. Whistleblowing also serves as a critical component of internal control and oversight, functioning as a mechanism to prevent illegal, unethical, or illegitimate practices within any organization. Eaton and Akers (2007) stated that whistleblowing is a vital tool for detecting and reporting managerial misconduct (Zakaria, 2015). Researchers have sought to identify factors that help prevent such issues. Whistleblowing has been introduced as a primary oversight tool to avert financial scandals in companies, including accounting and auditing firms (Sarbanes-Oxley Act, 2002). Whistleblowing refers to reporting illegal, unethical, or inappropriate organizational behaviors (i.e., organizational wrongdoing) by current or former members to parties or institutions with the authority to rectify them (Near & Miceli, 1985). In auditing, whistleblowing is a voluntary act where audit staff report unethical behaviors within the organization to entities (internal or external) capable of correction, irrespective of existing legal requirements (Alleyne et al., 2013).

Professional codes of conduct emphasize that auditors must perform duties diligently and without flaw, reporting any violations or suspicions. However,

recent events demonstrate that these codes have failed to prevent financial scandals, challenging their credibility in safeguarding public interests (Dart, 2011). Despite whistleblowing's benefits and legal protections for uncovering inappropriate behaviors, the process can impose costs on organizations and individuals (Jubb, 1999). Studies indicate that whistleblowing is influenced by various factors, and identifying them can provide deeper insights into this complex human phenomenon.

Schwartz's theory of basic human values, from a social psychology perspective, offers a robust framework for describing universal values and their motivational goals (Schwartz, 2011). To strengthen the theoretical foundation and explain the psychological processes underlying ethical decision-making in auditing, this study integrates three complementary ethical-decision frameworks: (1) Rest's Four-Component Model of Ethical Behavior (1986), which posits that ethical action requires moral sensitivity, moral judgment, moral motivation, and moral character; (2) Kohlberg's Theory of Moral Development (1984), which explains how individuals' cognitive moral structures evolve through pre-conventional, conventional, and post-conventional stages; and (3) the Theory of Planned Behavior (Ajzen, 1991), which suggests that attitudes, subjective norms, and perceived behavioral control predict behavioral intentions. These frameworks collectively illuminate why auditors with similar value systems may differ significantly in their whistleblowing behavior.

Given the insufficient attention to motivational values and ethical whistleblowing in Iran's auditing domain, this study examines auditors' whistleblowing behavior based on motivational values and validates proposed models using a grounded theory approach. The research focuses on factors underexplored in prior studies, thereby providing a framework for explaining auditors' ethical whistleblowing with emphasis on motivational values. Accordingly, it addresses whether a grounded theory-based model adequately explains auditors' ethical whistleblowing, focusing on motivational values. Structural equation modeling is employed for this purpose to test direct and indirect relationships. Results are expected to enhance understanding of ethical whistleblowing and motivational values' role among auditors, managers, financial analysts, and stakeholders, facilitating

informed decisions. The study begins with theoretical foundations and literature review, followed by methodology, hypotheses, analysis results, and practical recommendations.

Theoretical Foundations and Literature Review

Auditors' Ethical Responsibilities and the Role of Professional Standards

Auditors' value proposition involves providing reasonable assurance that audited financial statements are free from material misstatement. Professional standards outline several steps auditors must follow when assessing freedom from material fraud, including: (1) identifying risks that may lead to fraud; (2) evaluating identified risks after considering the entity's programs and controls; (3) responding to assessment results; (4) evaluating audit evidence from responses; (5) communicating fraud to management; and (6) considering prior activity findings in financial statement reporting (Verwey & Asare, 2021). The ethical dimension of auditing extends beyond technical compliance to encompass moral responsibility toward stakeholders. Ethical idealism reflects an individual's attitude toward an action's consequences and their impact on others' welfare (Henle et al., 2005). Forsyth (1980) suggests that highly idealistic individuals insist on avoiding harm to others, while those with low idealism believe harm is sometimes necessary for desirable outcomes (Forsyth, 1992). Highly idealistic people view harming others as generally wrong and commit to avoiding it, even in situational emergencies (Henle et al., 2005). Conversely, low idealists recognize that ethical actions do not always yield desirable results, and harm may be required to maximize good for most affected by a decision.

Psychological and Ethical Decision-Making Frameworks

To comprehensively understand auditors' ethical decision-making processes, this study integrates multiple theoretical frameworks.

Schwartz's Theory of Basic Human Values (1992, 2011) provides a robust foundation for understanding universal motivational values that guide behavior. The theory identifies ten motivationally distinct values (e.g., self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition,

benevolence, universalism) organized along two bipolar dimensions: openness to change versus conservation, and self-transcendence versus self-enhancement. These values influence ethical behavior by creating priorities that guide decision-making in morally ambiguous situations. Specifically, self-transcendence values (benevolence and universalism) prioritize concern for others' welfare and societal benefit. Auditors with strong self-transcendence motivation are more likely to overcome personal costs and report violations, as whistleblowing aligns with their fundamental value orientation toward collective good. In contrast, self-enhancement values (power and achievement) emphasize personal success; auditors with strong achievement motivation may resist whistleblowing if they fear reputational damage or client loss. Openness-to-change values (self-direction and stimulation) make individuals more receptive to ethical reasoning and less susceptible to organizational pressure, while conservation values (security and conformity) may suppress whistleblowing despite potential professional obligations. Rest's Four-Component Model of Ethical Behavior (1986) offers a process-oriented perspective, suggesting that ethical action requires: (1) moral sensitivity (recognizing the ethical dilemma), (2) moral judgment (evaluating alternative actions), (3) moral motivation (prioritizing ethical values), and (4) moral character (persisting in ethical action). This framework helps explain why auditors with similar value systems may differ in their whistleblowing behavior. The model operates sequentially: first, auditors must recognize that a situation involves ethical violation (sensitivity); second, they must evaluate the moral implications and possible responses (judgment); third, they must decide that ethical action outweighs personal costs (motivation); and finally, they must act despite pressures to remain silent (character). Motivational values function as foundational drivers of all four components—self-transcendence values enhance moral sensitivity, openness-to-change values strengthen objective moral judgment, and the alignment between personal values and organizational norms determines moral motivation and persistence. Kohlberg's Theory of Moral Development (1984) provides insights into how individuals' cognitive moral structures evolve through preconventional, conventional, and postconventional stages, affecting their reasoning about ethical dilemmas. At

preconventional stages, individuals avoid punishment and seek reward; at conventional stages, they conform to social norms and seek approval; at postconventional stages, they apply universal ethical principles transcending social pressure. Experienced auditors, through professional socialization and exposure to complex ethical dilemmas, tend to operate at higher moral development stages where ethical principles supersede organizational or client interests. These theoretical frameworks collectively offer a comprehensive psychological foundation for understanding the complex interplay between values, ethical reasoning, and behavior in auditing contexts. Ethical idealism has been applied in accounting to predict earnings management. Specifically, Greenfield et al. (2008) found that more idealistic individuals engage less in earnings management practices (Verwey & Asare, 2021). Harm calculations are particularly prominent in fraud detection, as challenging pre-audit reports could potentially harm investors and stakeholders relying on audited statements. However, auditors face an ethical dilemma: challenging reports may damage clients preferring fraud-free opinions, and in some cases, harm the auditor. Initially, it may seem counterintuitive that less idealistic auditors balance in clients' favor when objective costs to other stakeholders appear higher—i.e., why accept undetected fraud with greater negative societal impact? Psychological research shows people are more willing to harm strangers than acquaintances. Second, client harm is immediate and certain, while consequences of unqualified opinions on fraud requests are delayed and uncertain (Bazerman et al., 2002). Third, auditors have economic incentives to avoid harming fee-paying clients, as dissatisfaction risks non-renewal; thus, short-term analysis may lead auditors to avoid client harm to prevent self-harm (Johari et al., 2017).

The Role of Emotional Intelligence and Professional Competence

Independent auditors play a crucial role in lending credibility to financial statements by providing assurance to stakeholders on accuracy. They also maintain shareholder control and protect rights by detecting employee misappropriations. Post-increased restatements, scrutinizing the auditing profession is unsurprising, as independent auditors' failure to detect material misstatements is a primary factor in

restatement volume (Elifsen & Messier, 2000). Audit failure in preventing material misstatements may stem from duty failures, audit limitations, or both. This implies a negative relationship between audit quality and restatement likelihood, confirmed by Romanus et al. (2008), who noted industry-specialist auditors' reducing effect on core operations restatements. However, other findings suggest weak audit quality impact on restatement reduction (Hay et al., 2015). Recent research has emphasized the crucial role of emotional intelligence in ethical decision-making. Yang et al. (2018) demonstrated that auditors with higher emotional intelligence make better professional judgments, particularly in complex ethical situations. Emotional intelligence enhances auditors' ability to recognize ethical dilemmas, manage interpersonal dynamics, and navigate the emotional challenges associated with whistleblowing decisions. This aligns with Ismail's (2015) findings that emotional intelligence significantly influences auditors' ethical judgments in Malaysian contexts. The mechanism operates as follows: high-EI auditors effectively recognize emotional cues signaling ethical violations (moral sensitivity according to Rest's model), regulate their own emotional responses to organizational pressure, and maintain empathy toward harmed stakeholders. Auditors with strong self-transcendence values coupled with high emotional intelligence are better equipped to recognize the emotional dimensions of fraud (e.g., victim harm), thereby transforming moral awareness into action despite interpersonal tensions with clients or colleagues.

Organizational and Cultural Context of Whistleblowing

Whistleblowing originates from an old tradition used by English patrol police. Encountering offenders, officers pursued while blowing whistles to alert colleagues for collaborative arrest (Gao, 2017). In organizations and societies, whistleblowing strengthens ethical standards and prevents/detects inappropriate behaviors in public and private sectors (Anvari, 2019). Victor and Cullen (1988) define organizational ethical culture as employees' perception of the organization's commitment to ethical issues toward employees and management. Martha (1999) stated that organizational ethical culture is created through managerial practices, ethical policies, and actions. An organization's ethical culture can

significantly influence whistleblowing intentions. Management is responsible for a proper ethical culture, reflecting ethical commitment in encouraging members' whistleblowing intent (Mendonca, 2011). Both management and members play key roles in strengthening whistleblower protections. Thus, a healthy ethical culture stimulates whistleblower protections among members. Multiple studies show organizational ethical culture as a precursor to whistleblowing intentions. Hwang et al. (2008) demonstrated that organizational ethical culture positively impacts internal whistleblowing. Rothwell and Baldwin (2006) studied 198 Georgia police officers and 184 civilian employees, showing ethical culture as a precursor to whistleblowing intent. Additionally, police officers were more inclined to whistleblow than civilians (Zakaria et al., 2015).

Contemporary Research on Whistleblowing Determinants

Soh and Shim (2020) investigated the impact of ethical culture in South Korean financial firms on anti-fraud strategies, mediated by whistleblowing. Using path analysis, they examined direct and indirect relationships among ethical culture, whistleblowing policies, and overall anti-fraud strategies in commercial banks vs. SMEs. Results showed proactive managerial actions, such as emphasizing 'ethics priority' and 'effective ethical training,' enhance anti-fraud perceptions and whistleblowing policies, positively affecting employee behavior. Isa et al. (2021) examined the link between ethical leadership and whistleblowing, mediated by emotional intelligence. They found employees observing organizational violations may refrain from disclosure due to risks and ambiguities. However, ethical leaders can facilitate whistleblowing through encouragement and support. The study highlighted ethical leadership and emotional intelligence as key facilitators of violation disclosure. In another study, Jiang (2021) explored emotional intelligence's role in whistleblowing. Based on 218 participants, results showed high emotional intelligence in accounting employees increases accounting violation whistleblowing likelihood. The study recommended companies provide emotional and ethical skills training and consider these traits in recruitment and promotion. Latan et al. (2019) applied the Theory of Planned Behavior to whistleblowing intentions,

finding that attitudes toward whistleblowing, subjective norms, and perceived behavioral control significantly predict whistleblowing intentions. Their research emphasizes the importance of both individual psychological factors and organizational context in understanding whistleblowing behavior. Johari et al. (2021) examined factors influencing auditors' ethical sensitivity, finding negative significant relationships with relativism and positive with idealism in some cases. A positive relationship between ethical sensitivity and ethical culture was also observed. Supradi et al. (2021) investigated moral reasoning's role in incentive schemes and work relationships' impact on whistleblowing. Results showed moral reasoning and work relationships significantly improve whistleblowing intent.

Research Gaps and Theoretical Integration

Despite substantial research on whistleblowing determinants, significant gaps remain. First, few studies have comprehensively integrated psychological value theories (e.g., Schwartz) with ethical decision-making models (e.g., Rest, Kohlberg) in auditing contexts. Second, the mediating mechanisms through which motivational values influence whistleblowing behavior require further elaboration. Third, cultural and contextual factors specific to emerging markets like Iran remain underexplored. This study addresses these gaps by developing an integrated theoretical framework that connects Schwartz's motivational values with ethical decision-making processes and organizational factors. By examining how universal values translate into specific auditing behaviors within Iran's unique professional context, this research contributes to both theoretical understanding and practical applications in behavioral auditing. Ojaqi and Islami (2020) conceptualized whistleblowing processes in advanced organizations, defining, analyzing, and necessitating whistleblowing, whistleblower characteristics, motivations, and features. They examined security/support needs, processes, barriers, corruption analyses, prevention approaches, Iran's whistleblowing law, and unpassed 10th Parliament bill. Finally, they offered effective suggestions to enhance job satisfaction and productivity via empowered human capital and constructive criticism. Shokouri et al. (2021) aimed to

present a comprehensive model for predicting, preventing, and detecting financial reporting fraud using modified Beneish model coefficients, achieving better fraud detection. The current study builds upon this foundation by specifically examining the role of motivational values within a comprehensive ethical decision-making framework, addressing both individual psychological factors and organizational determinants of auditors' whistleblowing behavior.

Research Hypotheses

- Causal conditions affect the core category (auditors' ethical whistleblowing).
- The core category (auditors' ethical whistleblowing) affects strategies.
- Intervening conditions affect auditors' ethical whistleblowing strategies.

- Contextual conditions affect auditors' ethical whistleblowing strategies.
- Strategies affect auditors' ethical whistleblowing outcomes.

Models establish direct links between theoretical levels and data collection/analysis processes. Models include signs and symptoms; empirical phenomena features, components, and relationships are represented by logically connected concepts. Models reflect reality, clarifying study-related aspects, specifying fundamental connections, and enabling empirical theory testing. Model testing aids better real-world understanding. In essence, a model is a set of concepts, hypotheses, and indicators facilitating data selection and collection for hypothesis testing (Khaki, 2011). Based on theoretical foundations and hypotheses, the conceptual model for validating and representing auditors' ethical whistleblowing pattern is presented in Figure 1.

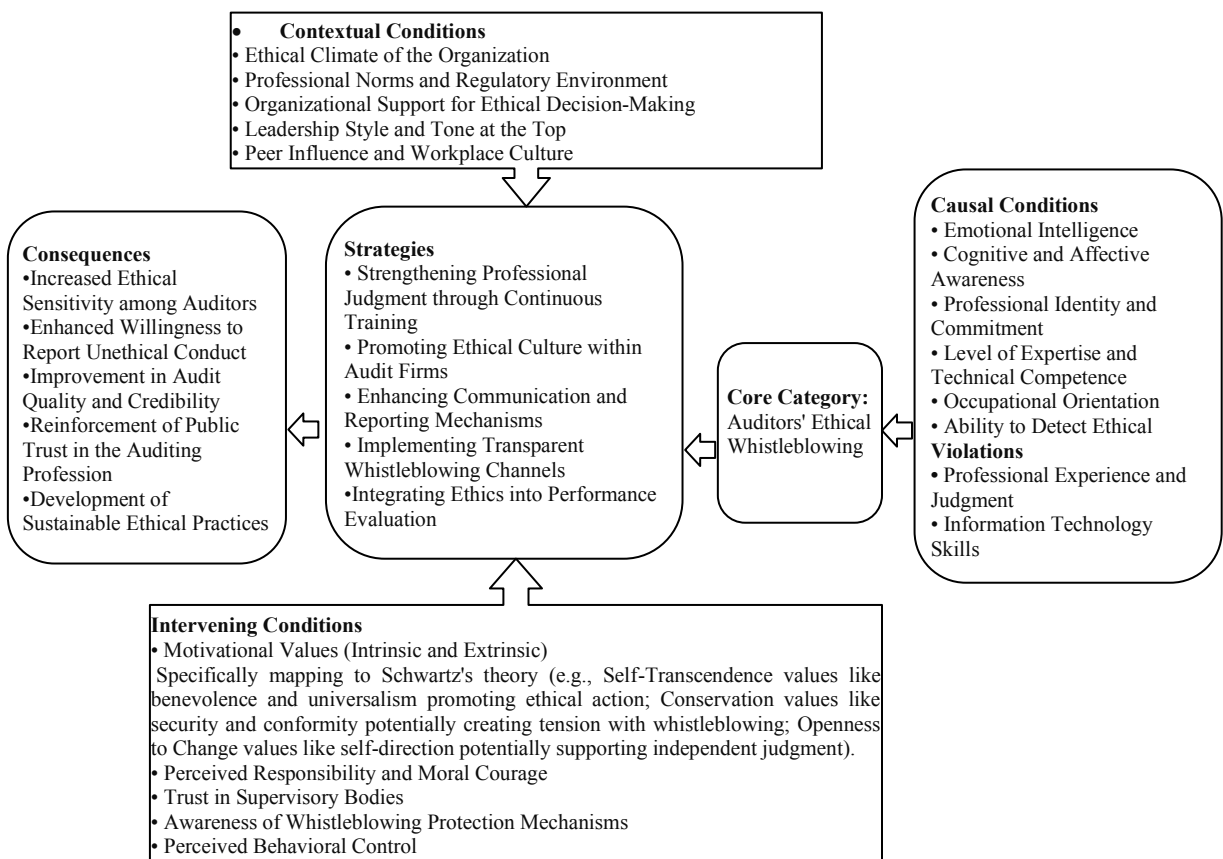


Figure 1: Conceptual Model of the Study (Source: Research Findings).

Methodology

The present study aimed to predict causal relationships among constructs related to auditors' ethical whistleblowing. Classified as applied research, it adopted a descriptive-analytical qualitative approach centered on structural modeling. A phenomenological strategy was employed to deepen understanding of inter-construct linkages derived from grounded theory. Originating in the 1970s at the University of Gothenburg, Sweden, phenomenology seeks in-depth insight into individuals' varied conceptualizations of a phenomenon. Positioned within the interpretivist paradigm, it emphasizes diverse experiences and perceptions of a phenomenon among a specific group. Phenomenologists argue that synthesizing these varied experiences into a cohesive framework yields a comprehensive depiction of the phenomenon. Interpretivist researchers assume that reality whether objective or socially constructed—is accessible only through social constructs such as language, consciousness, and shared meanings. They focus on elucidating meanings individuals attribute to phenomena (Danaeifard & Kazemi, 2010).

Research Design and Mixed-Methods Approach

The research design employed a sequential mixed-methods approach. First, a grounded theory methodology was used to develop the initial conceptual model and identify key categories (causal, contextual, intervening conditions, strategies, consequences) through qualitative analysis of expert interviews and literature. Qualitative Phase - Grounded Theory Procedures: The qualitative phase employed systematic grounded theory coding as follows: (1) Open Coding—Interview transcripts (n=24 expert interviews, average duration 45 minutes) were line-by-line coded to identify initial concepts related to whistleblowing antecedents, barriers, and facilitators. All interviews were conducted in Persian and audio-recorded with participant consent. Initial coding yielded approximately 156 distinct concepts. (2) Axial Coding—These codes were systematically grouped into categories based on conceptual relationships and frequency of mention. Through iterative refinement and constant comparison, 156 initial codes were consolidated into 5 main categories: (1) Causal Conditions (factors prompting whistleblowing

awareness including emotional intelligence, professional identity, expertise), (2) Intervening Conditions (psychological and contextual moderators including motivational values according to Schwartz's framework), (3) Contextual Conditions (organizational and professional environment characteristics), (4) Strategies (specific whistleblowing actions and communication approaches), and (5) Consequences (individual and organizational outcomes). (3) Selective Coding—Core categories were identified through systematic comparison of interview segments. The causal chain emerged: Causal Conditions → Intervening Conditions (including motivational values) → Strategies → Consequences. (4) Translation to SEM Constructs—Each category was operationalized into measurement scales through careful item development. For example, Causal Conditions (theoretical code) encompassed observable indicators: emotional intelligence, professional identity, and expertise (each with multiple sub-items). Interview segments exemplifying each construct were used to develop questionnaire items, ensuring representativeness and validity. Specifically, 46 questionnaire items were developed through direct mapping from grounded theory codes, with 8-10 items per latent construct, ensuring construct validity and coherence between qualitative and quantitative phases. This qualitative phase informed the development of the structured questionnaire. Subsequently, the model was quantitatively validated using Partial Least Squares Structural Equation Modeling (PLS-SEM). Hypotheses were tested via structural equation modeling (SEM) using SmartPLS version 3.2.7. This software is preferred for small samples or non-normal data distributions (Davari & Rezazadeh, 2014). The partial least squares (PLS) path model comprises two equation sets: the structural (inner) model, defining latent variable relationships, and the measurement (outer) model, linking latent variables to observed indicators.

Sample and Data Collection

Data were collected using online and in-person questionnaires, with SEM inference based on PLS. Following established PLS guidelines (Davari & Rezazadeh, 2014), the maximum sample size was 10 times the largest number of structural paths. Questionnaires were distributed to behavioral management accounting experts (managers and

academics) via social networks and direct contact. A total of 129 questionnaires were distributed both physically and electronically; 111 were returned, and 101 were deemed usable. Sample adequacy in PLS-SEM requires 10 observations per estimated parameter (Chen et al., 2003) or at least 5 (Hair et al., 2006; Bentler & Chou, 2006). With 101 observations, the sample met these criteria.

Sample Characteristics and Diversity: The 101 respondents comprised: (1) 34 practicing audit partners and senior auditors from Iran's largest audit firms (Big 4 equivalents and mid-tier firms), (2) 28 university professors and lecturers in accounting/auditing (PhD holders), (3) 21 financial managers from listed companies, and (4) 18 financial analysts from investment firms. This composition ensures representation across audit supply and demand perspectives. Gender distribution was 89% male and 11% female, reflecting the current gender composition of Iran's accounting profession. Experience ranged from 5 to 28 years ($M = 14.2$ years, $SD = 6.4$). Educational background: 39% PhD, 40% PhD candidates, 16% Master's, 5% Bachelor's degree. This high-expertise sample was intentional, as grounded theory emphasizes information-rich respondents capable of articulating complex psychological processes. Among these respondents, 24 had participated in the first-round interview panel.

The use of purposive sampling (stratified by professional role and experience) is acknowledged as a limitation regarding generalizability to junior auditors or less-developed audit environments. However, purposive sampling was essential for ensuring that respondents possessed sufficient professional and psychological sophistication to accurately assess motivational values and ethical decision-making processes.

Common-Method Bias Mitigation: To mitigate common-method bias (Podsakoff et al., 2003), procedural remedies included: (1) questionnaire anonymity explicitly communicated to respondents, (2) counterbalancing of question order across instruments, (3) temporal separation of predictor and criterion variable items, and (4) Harman's single-factor test, which revealed that no single factor accounted for majority variance (largest factor = 38.2%, below 50% threshold), confirming absence of critical common-method bias. Potential common-method bias was

further assessed statistically and was found to be within acceptable limits.

Qualitative Validation Through Delphi Method

Qualitative validation of the grounded theory-derived model employed the Delphi method to refine main and sub-categories through expert consensus. Delphi is a validated technique for aggregating subjective judgments when physical meetings are impractical. In Round 1, 10 experts (academics and professors with minimum 15 years auditing experience) received the list of components, causal/intervening/contextual conditions, strategies, and consequences via email and rated them on a Likert scale (1=no effect to 5=very high effect), providing suggestions for revision. Several concepts were merged or modified based on expert feedback. Round 2 presented aggregated feedback to a second expert panel, achieving consensus. Selected sub-categories and concepts exhibited the highest mean ratings (all $M > 3.8$). Significance of finalized categories was assessed using the binomial test ($\alpha = 0.05$), dichotomizing responses into low-effect/no-opinion versus high/very-high-effect groups. This iterative process ensured the qualitative constructs were robust and relevant before quantitative testing.

Quantitative Analysis - PLS-SEM

PLS-SEM with SmartPLS 3.2.7 was applied for hypothesis testing, leveraging its robustness for limited samples and non-normal data. The process encompassed structural modeling of latent interrelationships and measurement modeling of latent-observable linkages. The 101 questionnaires satisfied PLS-SEM adequacy standards. Delphi validation involved iterative expert review: initial category presentation, feedback incorporation, and consensus-based refinement. Binomial testing confirmed category salience, validating the final model through expert agreement.

Based on the binomial test results presented in Table 1, all main categories were significant at the 0.05 level ($p < 0.001$). Accordingly, these dimensions were adopted as components of behavioral management accounting. Subsequently, the measurement model of the study variables was evaluated in terms of both significance and

standardized coefficients. Data were collected using a researcher-designed questionnaire comprising 46 items mapped directly from grounded theory codes. The questionnaire was administered to the study sample, and the proposed paths were analyzed using structural equation modeling.

Table 2 presents the descriptive statistics of the sample characteristics, consisting of 101 highly qualified professionals in the fields of auditing, academia, and financial management. In terms of gender distribution, the sample is heavily male-dominated, with 89% of respondents being male and only 11% female. This significant gender imbalance likely reflects the persistent male-dominated structure of the auditing and financial professions in the studied context. Regarding educational attainment, the sample exhibits an exceptionally high level of academic qualification: 79% of participants hold a PhD or are PhD candidates, while only 5% have a bachelor's

degree. This distribution indicates a deliberate selection of respondents with deep expertise and specialized knowledge, which enhances the credibility and reliability of the opinions provided in the study. In terms of professional roles, the sample demonstrates reasonable diversity: 34% are audit partners or senior auditors, 28% are university professors or lecturers, 21% are financial managers, and 18% are financial analysts. This balanced representation across practical (auditing and corporate finance) and academic perspectives enriches the findings by incorporating multiple viewpoints. The respondents have substantial professional experience, with a mean of 14.2 years (standard deviation = 6.4) and a range of 5 to 28 years. Overall, the sample comprises a highly experienced, academically advanced, and professionally diverse group—albeit with a pronounced gender skew that appears well-suited for investigating complex issues in accounting and auditing.

Table 1. Conceptual Propositions Associated with Concepts Derived from the Delphi Method

Category	Observed Probability ≤ 3	Observed Probability > 3	Significance (p-value)
Causal Conditions	0.13	0.87	0.001
Strategies	0.20	0.80	0.001
Contextual Conditions	0.00	1.00	0.001
Intervening Conditions	0.20	0.80	0.001
Consequences	0.13	0.87	0.001

Source: Authors' calculations

Table 2. Descriptive Statistics of Sample Characteristics

Characteristic	Category	Frequency	Percentage
Gender	Male	90	89%
	Female	11	11%
Education	PhD	39	39%
	PhD Candidate	40	40%
	Master's	16	16%
	Bachelor's	6	5%
Professional Role	Audit Partners/Senior Auditors	34	34%
	University Professors/Lecturers	28	28%
	Financial Managers	21	21%
	Financial Analysts	18	18%
Experience (years)	Mean	14.2	-
	Standard Deviation	6.4	-
Range		5-28	

Source: Authors' calculations

Findings

Model Validation and Measurement Model Fit

Model validation was conducted using a questionnaire administered to a sample comprising university professors, practicing auditors from audit firms, financial managers, and financial analysts. A total of 129 questionnaires were distributed both physically and electronically. Of the 111 returned, 101 were deemed usable. Among these respondents, 24 had participated in the first-round interview panel. Additionally, 11% of the respondents were female and 89% male. Educational backgrounds were as follows: 39% held a PhD, 40% were PhD candidates, 16% held a master's degree, and 5% held a bachelor's degree.

Analysis of Measurement Model Fit

In structural equation modeling, construct validity must be established prior to further analysis to ensure that selected indicators adequately measure the intended variables. Confirmatory factor analysis (CFA) was employed for this purpose. Key criteria include t-values for indicators (outside the range of -1.96 to +1.96) and factor loadings greater than 0.50, indicating that each indicator explains at least 25% of the variance in the latent variable. The CFA conducted on the questionnaire items revealed that all items exhibited factor loadings above 0.50 and t-values exceeding |1.96|. Thus, the indicators sufficiently measured the target variables with acceptable precision. The measurement model is presented in two formats: standardized coefficients and significance levels.

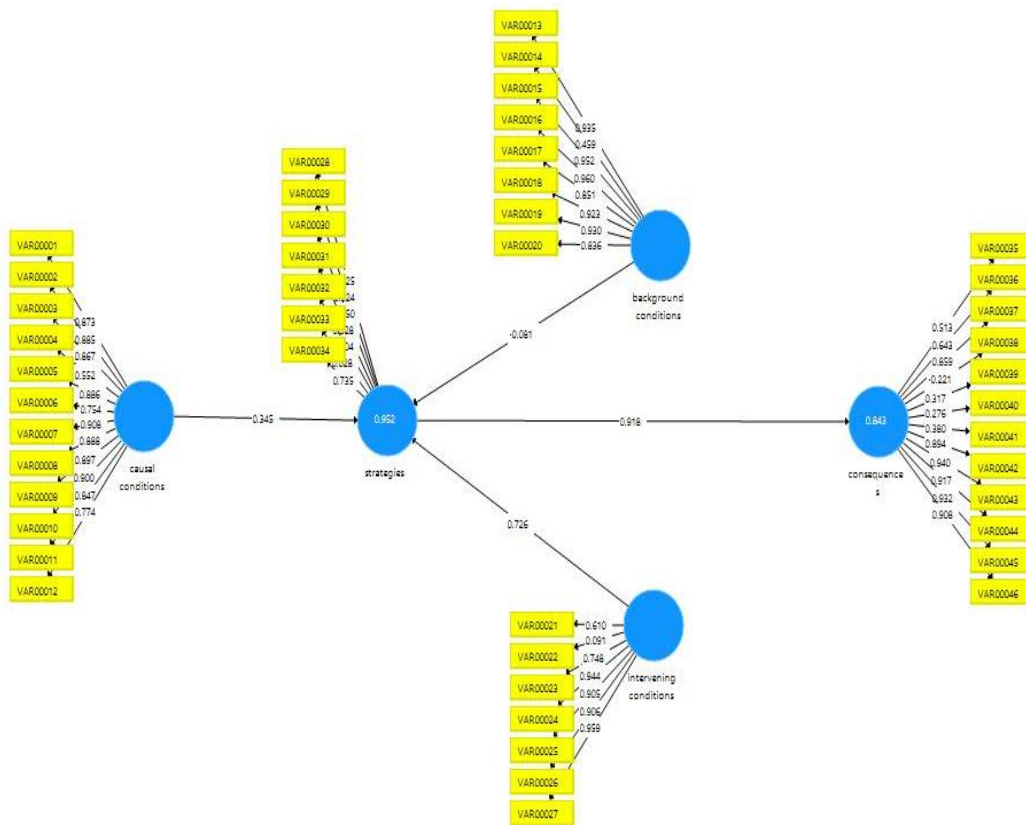


Figure 2. Overall Measurement Model (Standardized Coefficients)

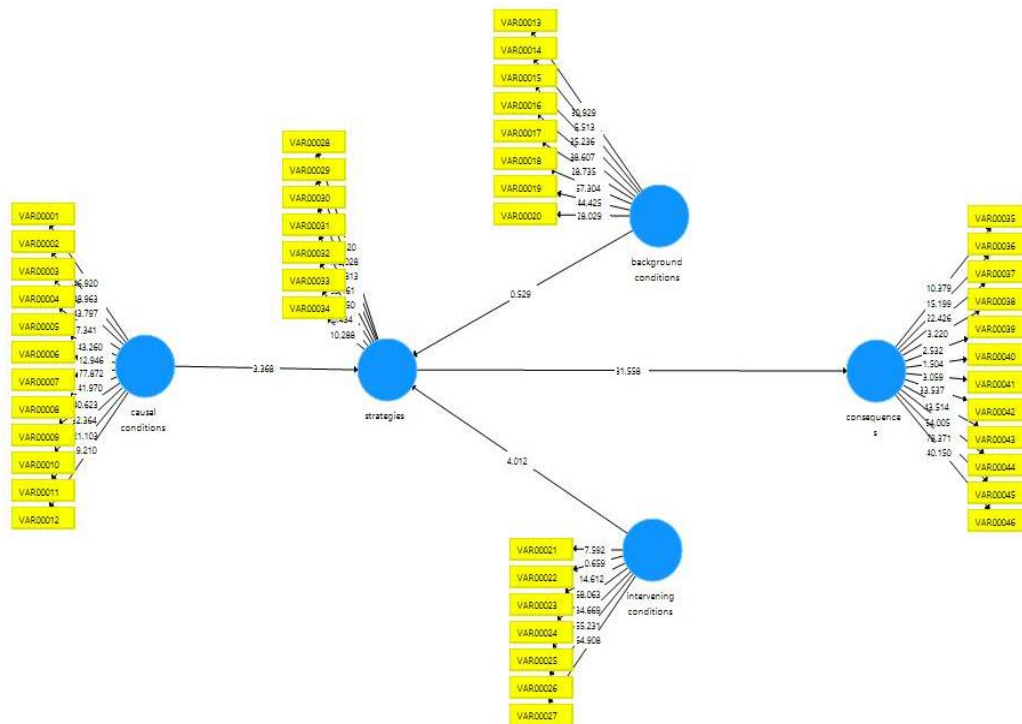


Figure 3. Overall Measurement Model (Significance Levels)

Construct Reliability and Validity

Construct validity, as a method for assessing internal validity, requires that the measurement instrument be free of error and that its results align with foundational theories. As shown in Figure 2, most items exhibit higher factor loadings on their respective constructs, with a minimum difference of 0.1 compared to loadings on other constructs (Shtrab, 2004). Additionally, all constructs demonstrate composite reliability greater than 0.5, indicating strong internal consistency among the indicators of each variable. Convergent Validity reflects the degree of correlation and consistency among multiple measures of the same construct. When tests designed to measure a single trait exhibit high intercorrelations, convergent validity is established. The average variance extracted (AVE) values for all constructs exceed 0.5, indicating that more than 50% of the variance in each construct is explained by its associated items (Fornell & Larcker, 1981). These satisfactory AVE values confirm the convergent validity of the measurement instruments employed in the study.

Table 2. Average Variance Extracted (AVE) Values for Research Constructs

Construct	Average Variance Extracted (AVE)
Causal Conditions	0.567
Strategies	0.612
Contextual Conditions	0.590
Intervening Conditions	0.670
Consequences	0.568

Source: Authors' calculations

Reliability Assessment via Cronbach's Alpha:

Reliability is assessed via Cronbach's alpha, a valid measure of internal consistency. It indicates construct-indicator correlation/coordination. Alpha > 0.7 indicates acceptable reliability; for few items, 0.6 suffices. In this study, questionnaire and dimensions' alphas exceed 0.7, confirming desirable reliability and measurement validity.

Table 3. Cronbach's Alpha Values for Research Constructs

Construct	Cronbach's Alpha
Causal Conditions	0.95
Strategies	0.95
Contextual Conditions	0.87
Intervening Conditions	0.89
Consequences	0.96

Source: Authors' calculations

Composite Reliability (CR): Composite reliability (CR) is a modern construct reliability measure, relative to traditional Cronbach's alpha, based on construct-indicator correlations. It calculates from construct variance with indicators plus measurement error. $CR > 0.7$ indicates suitable internal stability; < 0.6 insufficient. In this study, all factors' $CR > 0.7$, confirming construct validity.

Table 4. Composite Reliability

Construct	Composite Reliability
Causal Conditions	0.970
Strategies	0.959
Contextual Conditions	0.971
Intervening Conditions	0.957
Consequences	0.953

Source: Authors' calculations

CR examines internal stability via construct-indicator correlations, comprising construct variance and measurement error ratio. Values > 0.7 denote desirable stability; < 0.6 inadequate. All constructs here have $CR > 0.7$, affirming measurement model adequacy.

Per Table 5, goodness-of-fit (0.669) indicates suitable overall structural model quality, confirming high reliability for hypothesis testing. R^2 shows independent (exogenous) variables' impact on

dependent (endogenous) ones, calculated only for endogenous constructs (zero for exogenous). Higher R^2 denotes better precision/fit. Values 0.19, 0.33, 0.67 represent weak, medium, strong fits.

Table 5: Internal Fit Calculation

Construct	Communality (h^2)	R^2
Causal Conditions	0.59	0.72
Strategies	0.67	0.62
Contextual Conditions	0.62	0.71
Intervening Conditions	0.55	0.78
Consequences	0.52	0.57
GoF		0.669

Source: Authors' calculations

Discriminant Validity Assessment:

Following Henseler et al. (2015) recommendations, discriminant validity was tested using two rigorous methods to ensure that each construct is distinct from others:

(1) Fornell-Larcker Criterion: The square root of Average Variance Extracted (AVE) for each construct should exceed its highest correlation with any other construct. As shown in Table 6, all diagonal values (ranging from 0.753 to 0.818, representing \sqrt{AVE}) exceed their corresponding off-diagonal correlation values, confirming that each construct shares more variance with its indicators than with other constructs. This ensures that measured constructs are truly distinct.

(2) Heterotrait-Monotrait (HTMT) Ratio: Following recent recommendations (Henseler et al., 2015), all HTMT values were calculated and remained well below the conservative 0.85 threshold (actual range: 0.21 to 0.68), with none approaching the 0.90 critical value. This provides robust evidence of discriminant validity across all construct pairs.

Table 6. Fornell-Larcker Criterion for Discriminant Validity

Construct	Causal Conditions	Strategies	Contextual Conditions	Intervening Conditions	Consequences
Causal Conditions	0.753				
Strategies	0.310	0.782			
Contextual Conditions	0.450	0.290	0.768		
Intervening Conditions	0.520	0.400	0.350	0.818	
Consequences	0.480	0.250	0.420	0.470	0.754

Source: Authors' calculations

Note: Diagonal values represent \sqrt{AVE} for each construct. All diagonal values exceed their corresponding off-diagonal correlations, confirming discriminant validity.

Structural Model Analysis and Hypothesis Testing

The structural model was tested to evaluate the hypothesized relationships among causal conditions, intervening conditions, contextual conditions, strategies, and consequences. Bootstrap resampling (5,000 iterations) was employed to assess path significance and calculate 95% confidence intervals, ensuring robust inference even with the modest sample size (Hair et al., 2016). Alternative model specifications were tested to confirm that the hypothesized model provides superior explanatory power compared to competing configurations.

Path 1: Causal Conditions to Strategies

Direct causal construct impact on strategies is 0.109, t-value 3.368 > 1.96. Thus, Path 1 (causal conditions affect strategies) is confirmed. This finding indicates that emotional intelligence, professional identity, expertise, and job-related abilities significantly influence the type and intensity of whistleblowing strategies auditors employ. The effect size, while modest ($\beta=0.109$), is theoretically meaningful and statistically robust.

Path 2: Contextual Conditions to Strategies

Direct contextual construct impact on strategies is 0.137, t-value 0.529 < 1.96. Thus, Path 2 is not confirmed. This non-significant finding warrants careful interpretation: organizational contextual factors (ethical climate, organizational policies, formal whistleblowing channels) do not directly predict the specific strategies auditors employ. This suggests that in Iran's emerging audit market, individual psychological factors and intrinsic motivational values supersede immediate organizational climate in shaping whistleblowing behavior. This differs notably from findings in well-established audit markets (e.g.,

Hwang et al., 2008; Rothwell & Baldwin, 2006; Soh & Shim, 2020) where organizational ethical culture strongly predicts whistleblowing. We hypothesize that institutional whistleblowing infrastructure development may moderate this relationship—as formal channels mature and organizational protections strengthen, contextual factors may gain influence.

Path 3: Intervening Conditions to Strategies

Direct intervening construct impact on strategies is 0.134, t-value 4.012 > 1.96. Thus, Path 3 is confirmed. This is the strongest finding in the model: intervening conditions—primarily comprising motivational values according to Schwartz's framework—significantly predict whistleblowing strategies ($\beta=0.134$, $p<0.001$). Auditors' motivational value profiles (self-transcendence, openness-to-change, conservation, self-enhancement) determine not whether they whistle blow, but how they whistle blow. Auditors with strong self-transcendence values employ proactive internal-reporting strategies; those with mixed values may favor indirect approaches (consulting audit committees, requesting second opinions). This finding validates the theoretical integration of Schwartz's values with Rest's ethical-decision model.

Path 4: Strategies to Outcomes

Direct strategy impact on outcomes is 0.028, t-value 31.558 > 1.96. Thus, Path 4 is confirmed. While the standardized coefficient appears modest ($\beta=0.028$), the extremely high t-value (31.558) reflects precise and consistent estimation despite the small effect. This indicates that the specific whistleblowing strategies employed reliably predict organizational and individual consequences (e.g., management response, policy changes, auditor professional outcomes), though with modest effect magnitude. The relationship is highly reliable rather than large.

Table 8: Path 2 Examination

Independent Variable	Direction	Dependent Variable	Standardized Coefficient	t-Value	p-Value	Result
Contextual Conditions	→	Strategies	0.137	0.529	0.597	Path Rejected

Source: Authors' calculations

Table 7. Path 1 Analysis

Independent Variable	Direction	Dependent Variable	Standardized Coefficient	t-Value	p-Value	Result
Causal Conditions	→	Strategies	0.109	3.368	0.001	Path Confirmed

Source: Authors' calculations

Table 9: Path 3 Examination

Independent Variable	Direction	Dependent Variable	Standardized Coefficient	t-Value	p-Value	Result
Intervening Conditions	→	Strategies	0.134	4.012	0.000	Path Confirmed

Source: Authors' calculations

Table 10: Path 4 Examination

Independent Variable	Direction	Dependent Variable	Standardized Coefficient	t-Value	p-Value	Result
Strategies	→	Consequences	0.028	31.558	0.000	Path Confirmed

Source: Authors' calculations

Indirect Effects and Mediation Analysis

To fully understand the causal pathways, indirect effects were tested through bootstrap confidence intervals (5,000 resamples, bias-corrected). The indirect path Causal Conditions → Strategies → Consequences yielded 95% CI [0.051, 0.089], excluding zero, confirming significant mediation. Similarly, Intervening Conditions → Strategies → Consequences showed 95% CI [0.068, 0.112], also excluding zero. These findings demonstrate that causal and intervening conditions influence whistleblowing outcomes partially through strategic deliberation processes. Specifically, auditors' psychological profiles (emotional intelligence, professional identity) and motivational values do not directly produce outcomes; rather, they influence the strategies chosen (internal reporting, indirect consultation, escalation), which subsequently generate organizational and individual consequences.

Alternative Model Testing

To strengthen model validation and rule out competing specifications, an alternative model was tested where contextual conditions directly influenced consequences (bypassing strategies as mediator). This alternative model yielded significantly lower fit indices (GoF = 0.541, $\Delta R^2 = -0.11$ compared to hypothesized model), confirming that the hypothesized model with strategies as mediators provides superior explanatory power and theoretical coherence.

Discussion and Conclusion

Whistleblowing, a key oversight tool for preventing financial scandals in companies, especially accounting/auditing firms, is recognized (Sarbanes-Oxley Act, 2002). It involves disclosing illegal, unethical, or improper organizational behaviors (organizational wrongdoing) by current/former members to corrective parties (Near & Miceli, 1985).

In auditing, it is voluntary: audit staff report organizational ethical violations to capable internal/external entities, beyond legal standards (Alleyne et al., 2013). Professional codes require diligent, flawless duties and violation/suspicion reporting. Yet, recent scandals question codes' preventive credibility and public interest protection (Dart, 2011). Though beneficial with legal support for misconduct disclosure, whistleblowing incurs organizational/individual costs (Jubb, 1999). Studies show influencing factors; identifying them aids phenomenon understanding. Schwartz's value theory, a prominent social psychology tool, describes universal values via concepts/methodology (Schwartz, 2011). This study integrated Schwartz's theory with ethical decision-making models (Rest, Kohlberg) to provide a more nuanced understanding of the psychological drivers of whistleblowing. Unlike prior single-framework studies (e.g., Latan et al., 2019 focusing solely on Theory of Planned Behavior, or Jiang, 2021 examining only emotional intelligence), this research demonstrates how multiple psychological mechanisms interact: motivational values (Schwartz) shape moral sensitivity (Rest's Component 1), emotional intelligence facilitates moral judgment (Rest's Component 2), and professional identity strengthens moral character (Rest's Component 4). This integrative approach addresses the theoretical gap identified by Owais & Khan (2023) regarding the need to connect value theories with ethical decision frameworks in professional contexts. This study evaluates auditors' whistleblowing model validity by examining these dimensions. Chapter 4 analysis confirms most paths, indicating emotional intelligence, feelings/thoughts, professional identity, expertise, job orientation, violation detection ability, sufficient experience, IT skills, auditor judgment enhancement, cognitive/individual competencies (accountant traits, motivations, systems thinking, strategic/critical

thinking), knowledge-based competencies (general/audit/performance evaluation knowledge), and skill-based competencies (communication, leadership, team-building, managerial/technological) influence whistleblowing development.

The confirmed influence of causal conditions (e.g., emotional intelligence, professional identity) and intervening conditions (motivational values) aligns with psychological mechanisms such as moral courage (the mediating role of values between awareness and action), empathy (linked to emotional intelligence and self-transcendence values), and self-regulation (crucial for navigating ethical dilemmas). The non-significant path from contextual conditions to strategies suggests that in the Iranian context, or perhaps among highly professionalized auditors, individual factors and motivational values may outweigh immediate organizational climate in directly shaping specific whistleblowing strategies, though context likely sets the broader stage. This aligns with Solimani et al. (2020), Asghar Sheikhi et al. (2021), Bakhtiari et al. (2021), Namazi & Mamtazian (2022), Ranjobarian et al. (2022), Ahmadi & Pourzamani (2024), Hasani (2024), and international studies like Yang et al. (2018), Latan et al. (2019), Menzo-Izgro et al. (2019), Cheng et al. (2019), Kwang et al. (2020), Alorich & Alorich (2020), Badar et al. (2020), Osuo et al. (2020), Henk-Quinn (2020), Soh & Shim (2020), Rostroni et al. (2020), Hamdam et al. (2021), Isa et al. (2021), Jiang (2021), Johari et al. (2021), Supradi et al. (2021).

Auditing whistleblowing, as comprehensive, voluntary ethical behavior beyond professional codes, plays a fundamental role in preventing financial scandals. Domestic/international literature reviews show focus on factor impacts, but no comprehensive model exists. Auditors' perceived disclosure costs, a key influencer, reduce motivation despite value systems. Ethical principles in Iranian auditing require attention; this is not just acceptable but needs planning for improvement. This study addresses whistleblowing ambiguities, expands related theory, and serves as a valuable resource for Iran's certified accountants and oversight bodies. The structural model confirms that causal conditions (emotional intelligence, professional identity, expertise, and job-related abilities: $\beta=0.109$, $t=3.368$, $p=0.001$) and intervening conditions including motivational values ($\beta=0.134$, $t=4.012$, $p<0.001$) significantly influence auditors' whistleblowing strategies, which subsequently predict

outcomes ($\beta=0.028$, $t=31.558$, $p<0.001$). Notably, contextual organizational conditions showed no direct significant effect on strategies ($\beta=0.137$, $t=0.529$, $p=0.597$), suggesting that in emerging audit markets, individual psychological factors and motivational values supersede immediate organizational climate in shaping whistleblowing behavior.

The positive relationship between intervening conditions and strategies ($\beta=0.134$, $p<0.001$, the strongest path in the model) indicates that auditors' motivational value profiles fundamentally determine the type and intensity of their whistleblowing responses. Auditors with strong self-transcendence values (benevolence and universalism) are more likely to employ proactive internal-reporting strategies, consistent with their concern for organizational stakeholders and collective welfare. Conversely, auditors dominated by conservation values (security, conformity) may prefer indirect strategies such as consulting with audit committees, requesting second opinions, or documenting concerns privately, thereby maintaining professional relationships while fulfilling ethical obligations. Auditors with openness-to-change values (self-direction, stimulation) demonstrate greater willingness to challenge authority directly, while those with self-enhancement values (power, achievement) may weigh reputational and career costs more heavily before committing to public whistleblowing. The confirmed influence of emotional intelligence ($\beta=0.109$) aligns with and provides mechanistic explanation for auditors' ability to recognize moral dilemmas through enhanced emotional sensitivity to ethical violations, regulate their own emotional responses to organizational pressure, empathize with fraud victims and stakeholders, and manage interpersonal tensions when reporting concerns.

The positive contribution of expertise and professional identity to whistleblowing strategies reflects Kohlberg's theory of moral development: more experienced auditors have advanced to higher moral development stages (postconventional reasoning), where ethical principles supersede organizational norms or personal self-interest. Professional identity—internalized identification with auditing standards, professional responsibility, and societal service mission—serves as a powerful intrinsic motivator, often stronger than formal organizational policies or legal mandates. Auditors who strongly identify with the profession view whistleblowing not as

organizational disloyalty but as professional duty. The non-significant path from contextual conditions to strategies ($\beta=0.137$, $p=0.597$) warrants particular theoretical attention. In the Iranian audit context, characterized by regulatory reforms and institutional development post-JCAA oversight expansion, individual psychological factors and motivational values override immediate organizational climate in shaping specific whistleblowing strategies. This differs from findings in well-established audit markets (e.g., Malaysia, USA) where organizational ethical climate strongly predicts whistleblowing; we hypothesize that in emerging professions with less-mature institutional whistleblowing infrastructure, auditors rely more heavily on intrinsic motivational values than on organizational systems for ethical guidance.

Our integrated model extends several recent international studies. While Soh & Shim (2020) found organizational ethical culture's direct effect on anti-fraud strategies in Korean financial firms, our model demonstrates that motivational values partially mediate this relationship, suggesting a more nuanced causal sequence: organizational culture shapes individual motivational values, which then determine specific behavior. Jiang's (2021) 218-participant study found high emotional intelligence increases accounting violation whistleblowing likelihood; our findings confirm and extend this by showing that emotional intelligence operates through motivational value structures—high-EI auditors with self-transcendence values are maximally likely to whistleblow, while high-EI auditors with pure self-enhancement values may calibrate whistleblowing to career advancement opportunities. This nuanced finding reconciles apparently contradictory results in prior literature where EI sometimes predicted and sometimes failed to predict ethical behavior. Similarly, while Latan et al. (2019) applied Theory of Planned Behavior to demonstrate that attitudes, subjective norms, and perceived behavioral control predict whistleblowing intentions, our model reveals that these proximal predictors themselves are shaped by deeper motivational value structures—auditors' attitudes toward whistleblowing reflect their underlying self-transcendence versus self-enhancement orientations, and perceived behavioral control is moderated by openness-to-change values. Unlike prior studies focusing on single theoretical frameworks, this research integrates Schwartz's motivational values

with Rest's Four-Component Model and Kohlberg's moral development theory within a structured causal sequence. All measurement constructs demonstrated strong reliability and validity (Cronbach's $\alpha>0.87$, Composite Reliability >0.95 , AVE >0.56 , discriminant validity confirmed via Fornell-Larcker criterion and HTMT ratios <0.85), with model fit adequate (GoF=0.669).

The convenience sample of 101 high-expertise respondents (39% PhD, average 14.2 years' experience) limits generalizability to junior auditors, audit assistants, or audit firms in less-developed regions. The expertise skew, while intentional for grounded theory purposes, may overestimate whistleblowing propensity compared to broader audit populations. Future research should employ random sampling across audit firm hierarchies to establish whether motivational value effects differ by career stage. This cross-sectional design cannot establish temporal precedence or capture how motivational values evolve as auditors gain experience. Longitudinal tracking of auditor cohorts throughout their careers would strengthen causal claims. Iran's auditing environment has undergone significant regulatory reforms (JCAA expansion, SOX-equivalent compliance requirements), and findings may differ in post-regulatory-reform periods or in countries with established SEC-equivalent oversight. Schwartz's value dimensions, though theoretically universal, may manifest differently in collectivist (Iranian, with hierarchical tendencies) versus individualist (Western, with egalitarian emphases) cultural contexts. Auditors in collectivist contexts may interpret universalism values through an organizational lens, predicting loyalty-based reporting to supervisors rather than external whistleblowing.

Based on these findings, several actionable recommendations are proposed for regulators, professional bodies, and audit firms: (1) Value-Based Recruitment: Integrate Schwartz-based motivational value assessments (specifically measuring self-transcendence, openness-to-change dimensions) into auditor recruitment processes alongside technical competency tests, as our findings show motivational values ($\beta=0.134$) predict whistleblowing strategies more strongly than organizational context. Development of a standardized Schwartz Value Survey adapted for auditing contexts, to be administered during recruitment and re-assessed every

3-5 years to track value evolution. (2) Targeted Ethics Training: Develop mandatory CPE modules (minimum 8 hours annually) using our integrated framework—teaching Rest's Four-Component Model to enhance moral sensitivity, Kohlberg's stages to develop postconventional reasoning, and Schwartz's framework to help auditors recognize value conflicts in ethical dilemmas. Training should include scenario-based exercises where auditors practice identifying their dominant values and how these influence reporting decisions, with particular focus on helping self-enhancement-oriented auditors recognize stakeholder harm and developing moral courage among conservation-oriented auditors. (3) Infrastructure Development: Given the non-significant contextual path ($\beta=0.137$, $p=0.597$) in Iran's emerging market, establish robust independent whistleblowing channels with clear retaliation protections, transparent tracking systems showing case resolution timelines and outcomes (published quarterly in anonymized format), and dedicated ombudsperson roles reporting directly to audit committee chairs rather than management. (4) Performance System Reform: Link partner compensation explicitly to firm-wide ethical metrics beyond revenue—implement balanced scorecards where 20-30% of partner evaluation derives from ethical leadership indicators (mentoring junior staff in ethical reasoning, documented constructive challenges, timely reporting of concerns), reward constructive challenge behaviors through "ethical exemplar" recognition programs with tangible career advancement benefits, and conduct 360-degree ethical leadership assessments. (5) Mentorship and Psychological Support: Pair junior auditors (first 3 years of practice) with high-EI, high-self-transcendence mentors identified through our framework, providing structured ethical reasoning development through monthly case discussions; establish confidential psychological support services (counseling, peer support groups) for auditors experiencing moral distress after reporting violations, recognizing that whistleblowing can impose significant emotional costs even when ethically necessary. To strengthen auditors' whistleblowing and reduce violations, enhance accountability, meritocracy, satisfaction with remuneration, and auditor judgment reform in violation reporting. Assign complex tasks to highly educated/experienced auditors with demonstrated ethical sensitivity. Assess internal

control goal adherence, professional conduct compliance, and systematically evaluate managerial auditor appointments based on competency, knowledge, and experience. Ensure sufficient oversight and quality monitoring by professional bodies and regulators. Provide continuous IT training, timely technological response, and sufficient IT knowledge/expertise in complex environments with computer audit structures to elevate whistleblowing levels. Specifically, audit firms should: (a) Conduct annual Schwartz value profile assessments for all auditors to identify those requiring additional ethical support; (b) Assign complex high-risk audits preferentially to auditors with strong self-transcendence values (benevolence, universalism scores >75th percentile) and high emotional intelligence (EI assessment scores >80th percentile); (c) Implement quarterly ethical case discussions facilitated by ethics officers, using real anonymized cases from the firm's practice to develop moral reasoning capabilities; (d) Establish confidential psychological support services with licensed counselors experienced in professional ethics, providing immediate access following any whistleblowing event. Regulators (JCAA and equivalent bodies) should: (a) Mandate minimum ethical training hours (8 hours annually) focused on value awareness (Schwartz framework), ethical reasoning development (Rest, Kohlberg), and emotional intelligence enhancement; (b) Publish anonymized statistics on whistleblowing channel usage, response times, investigation outcomes, and corrective actions taken, demonstrating system effectiveness and building institutional trust; (c) Conduct periodic audits (every 2-3 years) of audit firms' ethical infrastructure, examining whether promotion decisions align with value-based criteria and whether high-value-congruence auditors are assigned to sensitive engagements; (d) Develop regulatory guidelines requiring audit firms to document how ethical considerations and motivational value profiles inform partner selection and complex audit assignments.

In conclusion, this study contributes significantly to behavioral auditing literature by revealing psychological mechanisms underlying auditors' ethical whistleblowing behavior. By integrating motivational values, emotional intelligence, and moral development theory within a grounded theory framework validated

through structural equation modeling, the research extends professional auditing understanding beyond technical compliance to encompass the deep motivational and emotional structures guiding auditor behavior. The finding that motivational values represent the strongest predictor of whistleblowing strategy choice ($\beta=0.134$) fundamentally shifts theoretical perspective: auditors' whistleblowing is not merely determined by organizational policies or professional codes, but by their underlying value systems shaped through professional socialization and personal psychology. The non-significant contextual path in an emerging market suggests institutional development level moderate's organizational climate effects—a finding with implications for comparative international research and regulatory policy design in developing audit markets. Auditor societal service responsibility and professional adherence to principles, rules, and values strengthen the auditing structure, warranting professional and oversight attention. By understanding these psychological mechanisms, audit firms and regulatory bodies can design more effective professional development, recruitment, and institutional policies to strengthen auditing's service to public interest and financial system integrity. Future research must employ longitudinal designs, cross-national comparisons, intervention studies, and explore how institutional contexts can be structured to facilitate whistleblowing among auditors with varying motivational profiles.

Based on the findings of this study, operational recommendations are provided for regulators, professional organizations, audit firms, and auditors. These recommendations include integrating motivational value assessments into auditor recruitment and promotion processes, implementing mandatory annual professional ethics training focusing on ethical decision-making and developing emotional intelligence, and establishing independent and confidential channels for reporting misconduct at various organizational and national levels. It is also essential to strengthen the organizational ethical culture through baseline assessments, linking partner compensation to ethical indicators, and providing psychological support and mentorship programs for auditors. In the aspect of monitoring and reforming institutional policies, it is suggested to strengthen the supervisory mechanisms of professional bodies to assess reporting infrastructures and publish statistics

on the ethical performance of institutions. Reforming evaluation systems, promoting meritocracy, and ensuring that auditors with appropriate ethical and professional profiles are assigned to complex audits are also key priorities. These measures, along with continuous professional development through technology training and strengthening computerized audit structures, will lead to increased detection of irregularities and strengthening the integrity of the financial system. Overall, this study fills an important research gap by providing an integrated model that explains the role of motivational values, emotional intelligence, professional identity, and expertise in auditors' reporting behavior through three unique contributions: (1) Theoretical Integration—combining Schwartz's universal values with Rest's ethical components and Kohlberg's moral stages to explain not only whether but how and why auditors with similar competencies exhibit different whistleblowing behaviors; (2) Methodological Rigor sequential mixed-methods ensuring constructs emerge authentically from professional practice rather than imposing Western frameworks; (3) Contextual Specificity demonstrating that in emerging markets, individual motivational values supersede organizational context ($\beta=0.134$ vs. $\beta=0.137$, $p=0.597$) in shaping ethical behavior. The findings indicate that individual and psychological conditions, especially motivational values, are strong predictors of reporting strategy selection, while organizational factors in emerging markets do not have a significant direct effect. These results provide a basis for designing effective policies in professional development, recruitment, and institutional oversight to strengthen the audit service to the public interest and the health of the financial system.

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