

To Present a Model of Critical Realism of Accounting Ethics and Culture with an Emphasis on the Role of Agency Theory

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Abstract

Purpose: A model of critical realism in accounting ethics and culture was presented, emphasizing the role of agency theory.

Method: This study was conducted in two ways: qualitative and quantitative in terms of its purpose, which was fundamental and exploratory in nature. In the qualitative part, based on the Grand Theory method, data were collected from experts through in-depth and semi-structured non-probability and targeted interviews, in the form of snowballs, and the categories obtained were coded using the Stroudus and Corbin method. In the quantitative part, a questionnaire was used through a 7-point Likert scale, and in the data analysis part, it was measured using confirmatory factor analysis and T-statistics.

Findings: The final findings were compiled and presented in the form of 6 constructs and 19 components.

Conclusion: The use of critical realistic ideas can be fruitful in presenting new accounting approaches and comparing them with positive approaches and formulating standards, financial and accounting laws.

Contribution: Using realistic critical ideas can be fruitful in presenting new accounting approaches and comparing them with positive approaches and formulating standards, financial and accounting laws.

Keywords: Accounting Ethics and Culture, Agency Theory, Critical Realism.

Research Article

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Introduction

Since the emergence of critical realism in the late 1970s, critical accounting research has become a vibrant field that benefits significantly from the combination of many philosophical and theoretical approaches. Given that the accounting profession is a regulated and organized profession, the nature of accounting work requires adherence to high levels of ethics, and accountants consider ethical issues to maintain and enhance the status of the profession and increase shareholder wealth (Mohammad Beigi et al., 1402: 7). Today, ethics in accounting is a subject worth studying because the accounting profession is no stranger to ethical crises. On the other hand, organizational culture is one of the most influential factors that can positively or negatively affect the performance of an institution and plays a fundamental role in the success of today's organizations (Hadib and Mert, 2021: 518). Also, the criticism of past paradigms led to the emergence of a new paradigm, critical realism, an approach first proposed by Roy Bhaskar in 1944. Critical theory is an intellectual-philosophical movement that deals with the criticism of society and culture across the social sciences and social sciences. Humanities this theory has two completely different meanings with different roots, one rooted in sociology and the other rooted in literary criticism. On the other hand, agency theory is presented with the relationship between the agent and the manager, which includes assumptions such as risk-taking. Mahmoud Rad et al. (2023) conducted a study titled "Presenting a Management Accounting Model Based on Critical Thinking Using Data-Based Theory". The results of the study identified three categories of causal conditions in the presented model, which include socialization, leadership and system thinking, culture-building as background conditions, environmental conditions as intervening conditions, and the formulation of requirements and strengthening of management factors. . As strategies and consequences. In order to promote knowledge, it can be said that realistic critical ideas can be achieved in presenting new approaches as well as in formulating standards, financial and accounting laws in line with needs and responses. This research aims to answer the question of what variables and components explain critical realism, ethics, and accounting culture, considering the role of agency theory?

Materials and Methods

The basis of the present study is the use of grounded theory based on the guidelines proposed by Strauss and Corbin (1989) and from the perspective of the implementation process (type of data) it is of the mixed type (qualitative-quantitative). From the perspective of the implementation result, this research is fundamental with the aim of discovering the nature of phenomena and expanding existing knowledge. It is also exploratory in nature and inductive in terms of the implementation logic (type of reasoning). The statistical population consists of members of the Certified Public Accountants Association, university faculty members, etc., who have at least one reputable scientific article on the research

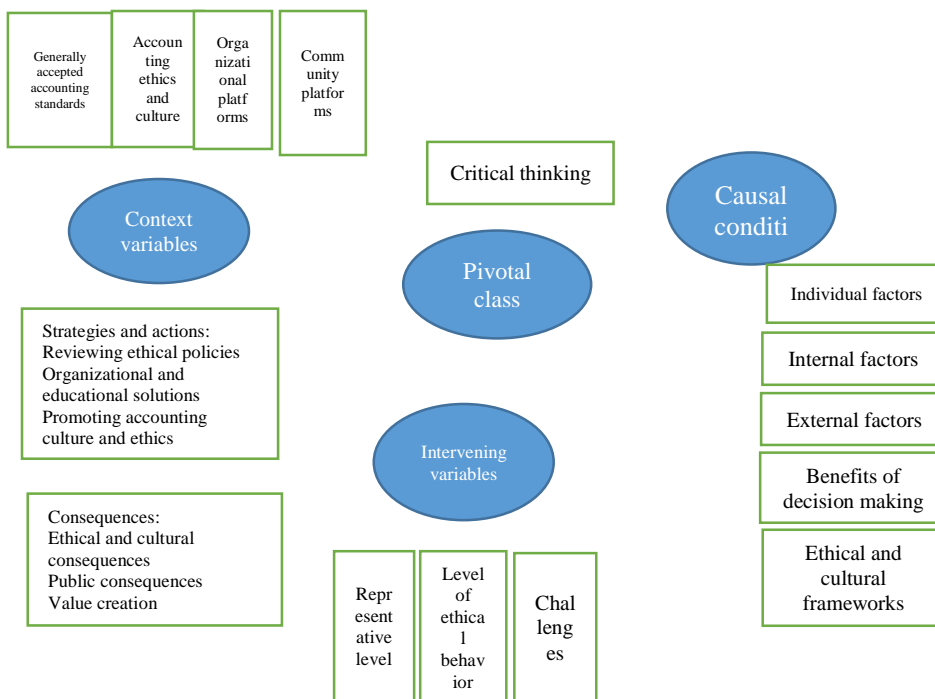
topic. In the qualitative part, the research data was collected through in-depth and semi-structured interviews in a targeted manner, using the snowball method, and in the quantitative part, through a questionnaire. In the qualitative part, the research data was collected through in-depth and semi-structured interviews in a targeted manner using the snowball method, and in the quantitative part, through a questionnaire. In the qualitative stage, after identifying the concepts and forming the components, coding was done in three categories: open, axial, and selective coding using the Stravados and Corbin method, and then in the form of a 7-point Likert scale. The fuzzy Delphi method was used to remove outliers and irrelevant data, and the confirmatory factor method was used to verify and measure the selected components and indicators. Cronbach's alpha was used for the validity and reliability of the research in the quantitative part.

Results and Discussion

The statistical population of this study included 15 experts who were selected using purposive sampling (snowball technique) and continued until theoretical saturation was reached. The process of analyzing the data obtained from the interviews in this study was identified and selected based on Amos software and then coded based on the Strauss and Corbin method, including three stages of open coding, axial coding, and selective coding. Thus, at the beginning of coding, an attempt was made to identify categories through open coding and to relate the categories to each other through axial coding. After the relationships between the categories were identified through open and axial coding, the categories, subcategories, and their relationships were integrated through selective coding to develop a theoretical model. The working method in the open coding stage was a comparative analysis in which the content of each interview was compared with subsequent interviews and common points were extracted. This process was carried out until the saturation stage, which was finally identified as 197 primary codes. After reviewing and re-monitoring the primary codes by removing common codes in 172 secondary codes, 122 appropriate categories were extracted and categorized in the form of 19 basic concepts. Finally, the model is shown as follows:

Causal conditions included 5 concepts (individual factors, intra-organizational factors, external factors, accountants' decision-making interests, and ethical and cultural frameworks) and 25 final codes, contextual conditions included 4 concepts (accepted accounting standards, accounting ethics and culture, organizational contexts, and social contexts) and 22 final codes, intervention conditions included 3 concepts (level of representation, level of ethical behavior, and challenges) and 16 final codes, the central category included one concept (critical thinking) and 7 final codes, strategies and actions included 3 concepts (review of ethical policies, organizational and educational strategies, and

promotion of accounting culture and ethics) and 17 final codes, and consequences included 3 concepts (ethical and cultural consequences, public consequences, and value creation) and 17 final codes. Also, each component of the paradigm model was examined and used with confirmatory factor analysis. The results of confirmatory factor analysis of causal, contextual, intervening, pivotal, strategic, and consequential conditions of the model showed that all factor loadings were greater than 0.3 and critical ratios were greater than 1.96. The value of chi-square and (ratio of chi-square to degree of freedom) were respectively equal to 615.641 and (2.421), 125.498 and (2.454), 694.245 and (2.433), 871.13 and (0.991), 457.298 and (2.573), 542.556 and (2.99).



The final model of critical realism of accounting ethics and culture with an emphasis on the role of agency theory

Conclusions

This research aimed to model critical realism in accounting ethics and culture, emphasizing the role of agency theory. A model was presented using grounded theory, which is useful for developing indigenous theories, and using data from in-depth interviews with experts and scholars in this field. Causal conditions included 5 concepts (individual factors, intra-organizational factors, external factors, accountants' decision-making interests, and ethical and cultural frameworks) and 25 final codes, contextual conditions included 4 concepts

(accepted accounting standards, accounting ethics and culture, organizational contexts, and social contexts) and 22 final codes, intervention conditions included 3 concepts (level of representation, level of ethical behavior, and challenges) and 16 final codes, the central category included one concept (critical thinking) and 7 final codes, strategies and actions included 3 concepts (review of ethical policies, organizational and educational strategies, and promotion of accounting culture and ethics) and 17 final codes, and consequences included 3 concepts (ethical and cultural consequences, public consequences, and value creation) and 17 final codes. According to the results obtained, it is suggested that by updating accounting practices with the help of the presented model, necessary measures should be taken to promote accounting ethics and culture so that accountants become subject to ethical charters and comply with accounting standards.

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