



## The Influence of Personal, Professional, Legal, and Cultural Factors on the Application of the Code of Ethics in the Accounting Profession

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### **Abstract**

*This paper examines the factors influencing the ethical conduct of accountants and auditors in Bosnia and Herzegovina (BiH), focusing on four key dimensions: personal interests and motives, work experience and professional competence, legal protection and market factors, and moral attitudes and the cultural environment, including religion and social norms. The research was conducted on a sample of 89 accountants and auditors using a structured questionnaire based on a five-point Likert scale. Respondents expressed their views on various aspects of ethical behaviour within the profession. Parametric statistical methods, the Z-test and Repeated Measures ANOVA, were employed to test the hypotheses.*

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*The results suggest that the cultural environment, including national customs and social norms, exerts a stronger influence on the ethical behaviour of accountants and auditors than religious beliefs. The study provides empirical evidence on the relative importance of different factors shaping ethical behaviour in the accounting and auditing profession, with particular emphasis on the role of culture as opposed to religion.*

**Keywords:** *Code of ethics, Accounting ethics, Factors influencing ethical behaviour.*

## **1. Introduction**

The accounting and auditing profession in the contemporary business environment faces numerous challenges that require high levels of professional judgment, ethical awareness, and commitment to integrity. To adequately address and respond to these challenges, professional accountants adhere to the International Code of Ethics for Professional Accountants, together with the International Independence Standards (hereinafter: the Code). Despite the global relevance of ethical standards, the extent to which professional accountants apply the Code varies across jurisdictions and depends on multiple contextual factors. This paper therefore explores the factors influencing the application of the Code by accountants and auditors in Bosnia and Herzegovina (BiH).

The term ethics originates from the Greek word *ethos*, meaning morality or custom (Grivec, 2014). According to Bedeković (2013), accounting ethics represents a set of generally accepted moral norms founded on ethical values that are required when preparing and presenting financial information concerning a particular institution. Ethical behaviour in accounting thus forms the cornerstone of credibility and transparency in financial reporting. The fundamental principles of ethics in the accounting profession encompass professional integrity, confidentiality, professional behaviour, and competence. The International Federation of Accountants (IFAC) has recognised the importance of these ethical principles within the accounting profession (Kiradoo, 2020). The most recognised and influential Code of Ethics for Professional Accountants is issued by IFAC. Established in 1977, this organisation aims to serve the public interest by strengthening the accounting profession through the development of professional standards, written codes of conduct, and various forms of professional engagement (Žager et al., 2015).

The evolution of ethics has had a profound impact on the activities carried out by accountants and auditors. Kapić (2014) explains that the development of ethics in the accounting profession has transformed the auditing process, particularly in the context of publicly listed companies. He further emphasises that ethics and auditor independence constitute the foundation of auditing. Without public confidence in the opinions expressed by external auditors, the demand for auditing services would not be at its current level.

The importance of ethics has been widely examined in the literature addressing the Code of Ethics and the factors affecting the ethical behaviour of professional accountants. Espinosa-Pike and Barrainkua-Aroztegi (2014) underscore the crucial role of ethics in the context of accounting scandals, noting that its significance becomes particularly evident in such cases, which often have long-lasting consequences. Each accounting scandal has brought the ethical conduct of accountants and auditors to the forefront of public and professional debate. The authors further note that professional behaviour, values, and ethical standards largely depend on the moral and ethical norms of the society in which professionals operate and are consequently shaped by cultural, religious, and socioeconomic principles. Ramljak et al. (2016) point out that the moral values undermined by accounting scandals over recent decades have brought business ethics into the sphere of public interest, attracting increasing attention. A failure to adhere to ethical standards, combined with the absence of timely monitoring and sanctions, can lead to accounting scandals that adversely affect the economy of one or more countries. Consequently, scholars have investigated how the development of ethical codes can serve as a measure of acceptable professional behaviour among accountants and auditors. Pavlović (2017) discusses the impact of the Code on the quality of financial reporting, arguing that the key precondition for successful business operations lies in achieving a balance between profit and ethics. Professional ethics have evolved over the past century at the intersection of economics, politics, and sociology. The Code is identified as a central element influencing both the quality of financial statements and the auditing process. In this context, the primary duty of all participants in the business process, employees, management, and other stakeholders, is to act ethically.

Although numerous international studies have addressed ethical behaviour in accounting, research focusing on the practical application of the Code within transitional economies, such as Bosnia and Herzegovina, remains limited. The cultural, institutional, and regulatory specificities of BiH make it an especially relevant setting for examining the determinants of ethical behaviour in the accounting profession. This study therefore seeks to fill this gap by identifying personal, professional, and systemic factors that influence the application of the

Code of Ethics among accountants and auditors in Bosnia and Herzegovina. The paper is structured into three sections. The first provides an overview of previous research on the topic. The second presents the research methodology, while the third offers an analysis and discussion of the research findings.

## **2. Literature review**

Han Fan et al. (2013) investigated the attitudes of Chinese and Australian accountants towards the Code of Ethics. The results revealed that, regardless of cultural background, respondents expressed support for the Code and shared the view that independence of opinion can be achieved through autonomy and objectivity, by avoiding conflicts of interest and maintaining professional distance from clients. Ramljak et al. (2016) drew on this study as a basis for their research on the professional conduct of accountants in achieving ethical standards. Conducted in Croatia on a sample of 196 accounting professionals, their research confirmed that knowledge of the Code of Ethics positively influences honesty and professionalism. Turkish researchers Güney and Bozkurt (2012) conducted a study on a sample of 77 accountants registered with the Chamber of Certified Public Accountants and Financial Advisors in the Turkish city of Erzurum. Their findings indicated that accounting errors often arise due to workplace stress, heavy workloads, and professional negligence. Akenbor and Teyson (2014) examined the behaviour of employees in the accounting field, focusing on the degree of ethical adoption within the accounting profession in Nigeria. Their study found that the overall level of ethical adoption among accountants was low and concluded that selfishness and greed were among the most influential factors leading to unethical behaviour. According to Sonjaya (2024), auditors who operate within a strong ethical culture demonstrate higher levels of ethical sensitivity, while a weak ethical culture may compromise independence and integrity. The study further explains these mechanisms through *Agency*, *Stakeholder*, and *Social Identity* theories.

Guillermina Tormo-Carbó, Zeena Mardawi, and Elies Seguí-Mas (2024) investigated ethical conflicts that emerge when personal values clash with professional actions, focusing on workload and perceptions of ethical failure. Their results show that excessive workload intensifies ethical conflicts, while the organisational ethical climate plays a moderating role.

Ishwara and Mekonnen (2024) explored the relationships between the components of ethical decision-making (moral recognition, moral judgement, and moral intent) and the factors influencing them among professional accountants. The results suggest that moral judgement mediates the relationship between moral recognition and moral intent, and that laws,

professional codes, moral philosophies, religious orientation, and social responsibility all positively affect ethical decision-making. Peer pressure, however, did not have a statistically significant effect on accountants' moral judgement.

Several important studies on the ethics of accountants and auditors have also been conducted in the countries of the region. These studies highlight diverse factors that may influence the behaviour of employees in the financial sector, particularly accountants and auditors. One of the most notable investigations was carried out in Croatia, where Ramljak, Rogošić, and Perica (2016) examined the effect of familiarity with the Code of Ethics on accountants' ethical behaviour, namely, their honesty and professionalism and confirmed a positive relationship. In Slovenia, Grivec (2014) conducted a study on the adopted level of ethics in accounting. The author reported that more than half of the surveyed accountants considered ethics to be of great importance in their work. Furthermore, the study noted a growing adherence to ethical principles within the Slovenian accounting profession, suggesting that there remains considerable potential for further improvement in ethical standards and practices.

An analysis of professional conduct among accounting practitioners in Bosnia and Herzegovina was undertaken by Kurtanović, Mušinbegović, and Kadrić (2014). The authors pointed out that accounting services in BiH are often provided without fundamental professional competence or adequate knowledge of standards and techniques. They placed special emphasis on the wide variation in the qualifications of individuals providing accounting services - ranging from unqualified and self-taught bookkeepers to highly educated professionals. The study further highlighted that the profession of certified accountants in BiH is undervalued compared to Western countries, where accountants enjoy considerable professional prestige.

### **3. Research Methodology and Data Sources**

The aim of this research is to identify and analyse the factors influencing the ethical behaviour of accountants and auditors in Bosnia and Herzegovina. The focus is placed on personal, professional, and systemic aspects that potentially affect the application of the *Code of Ethics* in everyday professional practice.

Within the scope of the research, three hypotheses were tested:

- *H1: Work experience and professional competence have an impact on the ethical behaviour of accountants and auditors.*

- *H2: Adequate legal protection influences the ethical behaviour of accountants and auditors.*
- *H3: Moral attitudes and national culture affect the ethical behaviour of accountants and auditors.*

The study considered a total of thirteen indicators, which were grouped into four broader independent variables:

*Table 1. Indicators*

<b>Independent Variables</b>	<b>Indicators</b>
Personal interests and motives	-Knowledge of the International Code of Ethics -Money as a motivator -Career advancement opportunities -Fear of job loss/management pressure
Professional characteristics	-Age -Work experience -Professional competence
Legal protection and market factors	-Laws and subordinate regulations -Legal protection by courts and regulatory authorities -Illegal competition
Moral and cultural values	-Moral values -Cultural environment -Practice of religion

*Source: authors' elaboration*

The dependent variable in this study is the ethical behaviour of accountants and auditors, operationalised through their attitudes towards professional conduct in the context of the challenges they encounter.

The research instrument was a standardised questionnaire, containing statements aligned with the previously defined variables. Respondents indicated their level of agreement using a five-point Likert scale, where: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. The questionnaire was distributed online, and the population consisted of accountants and auditors in Bosnia and Herzegovina. The research sample comprised 89 respondents, and data were processed using descriptive statistical analysis.

In the sample, 64% were female and 36% male. Regarding age distribution: 43.8% were between 26 and 35 years old, 18.1% between 36 and 45 years, 19.1% between 18 and 25 years, and the remainder were over 55 years of age. Of the 89 respondents, 78.7% held a university degree, 16.9% held an advanced vocational qualification, and 16.9% had a secondary education. In terms of professional experience, 46.1% had 5 to 15 years of experience in accounting or auditing, while 25.8% had less than 5 years of experience. A smaller proportion had more than 16 years of experience in the profession. The reliability and appropriateness of the 13 selected statements used to measure the factors affecting the application of the Code of Ethics were tested using Cronbach's alpha coefficient.

Table 2. Reliability Statistics – Cronbach's Alpha

Cronbach's Alpha	N of Items
0,7	13

Source: authors' elaboration

The Cronbach's alpha value is 0.7, which is considered to indicate acceptable, or good, internal consistency among the selected statements. The 13 statements examining factors influencing the ethical behaviour of accountants and auditors in Bosnia and Herzegovina form a coherent and unified construct. A limitation of the study is the relatively small sample size. As of 2025, the total number of licensed professionals in the accounting field in Bosnia and Herzegovina is 3,879, meaning that the sample represents only 2.3% of the population.

#### 4. Research Results and Discussion

##### 4.1. Descriptive Statistical Analysis Results

Regarding respondents' familiarity with the International Code of Ethics, Table 3 presents the descriptive statistical data. The results indicate that respondents largely believe that knowledge of the International Code of Ethics for Professional Accountants significantly influences their ethical behaviour, as confirmed by a mean score of 4.20. The low standard deviation (0.76) and standard error (0.08) suggest relatively small dispersion of responses, further confirming the consistency of attitudes among participants. The distribution of responses shows negative skewness (-0.84), indicating that most respondents selected higher ratings (4 and 5). Based on these findings, it can be argued that professional accounting associations, audit chambers, and academic institutions should introduce mandatory and

regular training on the International Code of Ethics for Professional Accountants (IESBA Code). Such initiatives would substantially enhance professional standards and integrity in practice. This is particularly important in Bosnia and Herzegovina, where ethics is not currently a formal subject in accounting qualification programmes. Additionally, regulatory bodies (e.g., entity-level Ministries of Finance, the Accounting and Auditing Agency) should implement awareness campaigns promoting the importance of ethical behaviour and highlighting the negative consequences of unethical practices.

Table 3. *Descriptive Statistics for the Impact of Knowledge of the International Code of Ethics on the Ethical Behaviour of Accountants and Auditors*

<i>Knowledge of the International Code of Ethics for Professional Accountants influences the ethical behaviour of accountants and auditors</i>			
Average	4.20224719	Kurtosis	0.71397614
Standard error	0.08018711	Skewness	-0.840264
Median	4	Range	3
Mode	4	Min.	2
Standard deviation	0.75648372	Max.	5
Variance of the sample	0.57226762	Sum	374

*Source: authors' elaboration*

Money as a motivating factor also influences the ethical behaviour of accountants and auditors. Table 4 presents the descriptive statistical data regarding money as a motivating factor. The results indicate a significant impact on ethical behaviour, with a mean value of 3.85 on the Likert scale. This suggests that respondents generally agree with the statement, although the consensus is not as strong as for knowledge of the International Code of Ethics.

The standard deviation (0.82) and standard error (0.09) indicate slightly greater dispersion of responses compared to the previous factor, reflecting varied opinions among respondents regarding the importance of money as a motivator for ethical conduct.

It can be concluded that organisations and firms employing accountants and auditors should develop transparent and fair remuneration policies. Such policies can encourage ethical behaviour and reduce the risk of misconduct. Within the framework of continuing professional education, particular attention should be given to raising awareness among professionals about how financial pressures may influence their ethical decisions, while providing tools to recognise and manage such situations effectively.

Table 4. Descriptive Statistics for Money as a Motivating Factor Influencing the Ethical Behaviour of Accountants and Auditors

<i>Money as a motivating factor influences the ethical behaviour of accountants and auditors</i>			
Average	3.853933	Kurtosis	-0.08267
Standard error	0.086868	Skewness	-0.48208
Median	4	Range	3
Mode	4	Min.	2
Standard deviation	0.819514	Max.	5
Variance of the sample	0.671604	Sum	343

Source: authors' elaboration

Career advancement as a motivating factor also influences the ethical behaviour of accountants and auditors. The descriptive statistical data for this statement are presented in Table 5. The results indicate that career advancement affects ethical behaviour, with a mean value of 3.74 on the Likert scale. This suggests that most respondents recognise the importance of promotion opportunities as a factor influencing their ethical conduct, although the effect is not as pronounced as other factors.

It can be concluded that organisations and institutions should develop professional development structures that clearly define the conditions and criteria for career progression, incorporating ethical behaviour as a key evaluation factor. Ethical standards should be formally embedded within performance appraisal and career advancement systems.

Table 5. Descriptive Statistics for Career Advancement as a Factor Influencing the Ethical Behaviour of Accountants and Auditors

<i>Career advancement as a motivating factor influences the ethical behaviour of accountants and auditors</i>			
Average	3.741573	Kurtosis	-0.80116
Standard error	0.101732	Skewness	-0.32379
Median	4	Range	3
Mode	4	Min.	2
Standard deviation	0.959736	Max.	5
Variance of the sample	0.921093	Sum	333

Source: authors' elaboration

Fear of job loss and management pressure impact the ethical behaviour of accountants and auditors. Management pressures are a common occurrence in accounting practice and are therefore recognised as a significant factor influencing ethical conduct. The descriptive statistical data for this statement are presented in Table 6.

Respondents, on average, acknowledge fear of job loss and management pressure as factors affecting ethical behaviour, with a mean value of 3.44. Although this value is above the neutral midpoint (3), it is lower compared to previously analysed motivating factors such as knowledge of the Code of Ethics or financial incentives, indicating a moderate influence of this factor. It is recommended to promote an organisational culture where psychological safety is a key component, allowing accountants and auditors to express concerns about ethical issues without fear for their position. Organisations should develop internal policies to protect employees facing unethical pressures, including mechanisms for anonymous reporting of irregularities.

*Table 6. Descriptive Statistics for Fear of Job Loss / Management Pressure and Its Impact on the Ethical Behaviour of Accountants and Auditors*

<i>Fear of job loss (management pressure) has a significant impact on the ethical behaviour of accountants and auditors</i>			
Average	3.438202	Kurtosis	-0.26325
Standard error	0.105946	Skewness	-0.34993
Median	4	Range	4
Mode	4	Min.	1
Standard deviation	0.999489	Max.	5
Variance of the sample	0.998979	Sum	306

*Source: authors' elaboration*

We examined whether employees' age influences ethical behaviour. The descriptive statistical data are presented in Table 7. The obtained mean value is 3.16, which is very close to the neutral point (3), indicating that respondents did not express a clear consensus on this issue. The median is 3, while the most frequently selected value (mode) is 4, suggesting a slight tendency to agree with the statement, although a significant number of respondents remained neutral. The standard deviation of 1.11 and a range of 4 (from a minimum of 1 to a maximum of 5) indicate considerable diversity of opinions among respondents. It is recommended to

promote intergenerational exchange of knowledge and experience, as the combination of younger and more experienced employees can positively influence the ethical culture.

*Table 7. Descriptive Statistics for Age as a Factor Influencing the Ethical Behaviour of Accountants and Auditors*

<i>Age influences the ethical behaviour of accountants and auditors</i>			
Average	3.157303	Kurtosis	-0.59698
Standard error	0.117319	Skewness	-0.31911
Median	3	Range	4
Mode	4	Min.	1
Standard deviation	1.106786	Max.	5
Variance of the sample	1.224974	Sum	281

*Source: authors' elaboration*

The work experience of accountants and auditors also influences their ethical decision-making. The descriptive statistical data for this statement are presented in Table 8. The results reflect respondents' views on the impact of work experience on ethical decision-making, with a mean value of 3.90, indicating general agreement that work experience plays a significant role in ethical behaviour among professionals in this field.

It is important for institutions and organisations to promote a culture where work experience is valued not merely in terms of years, but also for the quality of acquired knowledge and adherence to ethical principles. Special attention should be given to creating support and professional development systems through formal and informal education and practical work experience. Universities can play a key role in this by developing lifelong learning programmes to support ongoing professional growth.

*Table 8. Descriptive Statistics for Work Experience as a Factor Influencing Accountants' and Auditors' Ethical Decision-Making*

<i>The work experience of accountants and auditors influences their ethical decision-making</i>			
Average	3.898876	Kurtosis	0.236859
Standard error	0.087592	Skewness	-0.67324
Median	4	Range	3
Mode	4	Min.	2

Standard deviation	0.826341	Max.	5
Variance of the sample	0.68284	Sum	347

Source: authors' elaboration

Professional competence influences the ethical behaviour of accountants and auditors. Participation in training programmes in accounting, auditing, and finance is recognised as a factor affecting the ethics of employees in these fields. The descriptive statistical data on respondents' views regarding this factor are presented in Table 9. The mean value is 3.83, indicating general agreement that professional competence impacts ethical behaviour.

The implementation of mandatory seminars, workshops, and courses can enhance professionals' competence and, in turn, elevate ethical standards in accounting practice. Additionally, the development of certification and accreditation programmes for continuing education can further motivate accountants and auditors to invest in their knowledge and ethical professional development.

Table 9. Descriptive Statistics for Professional Competence as a Factor Influencing the Ethical Behaviour of Accountants and Auditors

<i>Professional competence (participation in continuous education in accounting and auditing) influences the ethical behaviour of accountants and auditors</i>			
Average	3.831461	Kurtosis	-0.10407
Standard error	0.101364	Skewness	-0.60999
Median	4	Range	4
Mode	4	Min.	1
Standard deviation	0.956271	Max.	5
Variance of the sample	0.914454	Sum	341

Source: authors' elaboration

Laws and subordinate regulations provide an adequate framework for the protection of the accounting and auditing profession. The regulation of professional rights and protections is an influential factor affecting ethical behaviour. The descriptive statistical data for this statement are presented in Table 10. The mean value of 3.73 indicates that respondents generally agree that legal regulations play a significant role in safeguarding the profession and promoting ethical behaviour.

In the context of Bosnia and Herzegovina, it is important to continuously improve the legal framework and regulations governing accountants and auditors to ensure effective protection and encourage ethical conduct. Clear implementation and consistent enforcement of these regulations are essential, along with the active involvement of professional associations in monitoring and providing recommendations for adapting legal provisions to contemporary challenges in the labour market and the profession.

*Table 10. Descriptive Statistics for Legal Protection as a Factor Influencing the Accounting and Auditing Profession*

<i>Laws and subordinate regulations provide an adequate framework for the protection of the accounting and auditing profession</i>			
Average	3.730337	Kurtosis	-0.76597
Standard error	0.100768	Skewness	-0.32363
Median	4	Range	3
Mode	4	Min.	2
Standard deviation	0.950646	Max.	5
Variance of the sample	0.903728	Sum	332

*Source: authors' elaboration*

Legal protection provided by courts and other regulatory bodies influences the ethical behaviour of accountants and auditors. Respondents generally agreed with this statement regarding legal protection by the courts, as shown in Table 11. The mean value of 3.63 indicates that most respondents lean towards the view that legal protection affects ethical behaviour, although the intensity of agreement is moderate.

Since legal protection represents an important, but not dominant, factor for ethical conduct among accountants and auditors, it is recommended to strengthen the legal framework and ensure more effective enforcement of laws and regulatory standards in accounting and auditing in Bosnia and Herzegovina. Special attention should be given to improving judicial practice and regulatory oversight, as well as increasing transparency and consistency in sanctioning unethical behaviour.

*Table 11. Descriptive Statistics for Legal Protection as a Factor Influencing the Ethical Behaviour of Accountants and Auditors*

<i>Legal protection by courts and other regulatory authorities influences the ethical behaviour of accountants and auditors</i>			
Average	3.629213	Kurtosis	0.03065
Standard error	0.107652	Skewness	-0.66033
Median	4	Range	4
Mode	4	Min.	1
Standard deviation	1.015583	Max.	5
Variance of the sample	1.03141	Sum	323

Source: authors' elaboration

Illegal competition in the field of accounting and auditing services influences the ethical behaviour of accountants and auditors. Such competition is common in the market for accounting and financial services. For instance, due to improper fees set by entity-level Accounting Associations for certified accountants, some accountants may engage in illegal competitive practices, reducing the prices of their services. This factor has been recognised as influential on the ethics of accountants and auditors. Respondents partially agreed with this statement, as shown in Table 12. The mean value of 3.30 indicates a slight tendency toward agreement, but without a strong consensus that this is a dominant factor. A standard deviation of 1.10 and a range of 4 reflect a wide diversity of opinions among respondents, likely due to varying experiences with this issue in practice.

The presence of unfair competition, driven by a poorly regulated market, can lead to lower service fees and the compromise of ethical principles for market survival. Therefore, it is recommended to strengthen regulatory mechanisms, particularly in licensing and oversight of accounting and auditing service providers, to reduce the grey market and preserve professional ethics.

*Table 12. Descriptive Statistics for the Impact of Illegal Competition in the Accounting and Auditing Services Market on Ethical Behaviour*

<i>Illegal competition in accounting and auditing services affects the ethical behaviour of accountants and auditors</i>			
Average	3.303371	Kurtosis	-0.77667
Standard error	0.11678	Skewness	-0.16251

Median	3	Range	4
Mode	4	Min.	1
Standard deviation	1.101698	Max.	5
Variance of the sample	1.213739	Sum	294

Source: authors' elaboration

Moral values of accountants and auditors have a significant impact on their ethical behaviour. These moral values are recognised as a key factor influencing the ethical conduct of professionals in the accounting and auditing fields. According to respondents, this factor is the most influential among the proposed set of factors (Table 13). The mean value is 4.45, the highest average score among all analysed factors, indicating a strong consensus that moral values play a decisive role in ethical behaviour. The standard deviation of 0.81 points to relatively low variability in responses, while a kurtosis of 3.14 suggests a narrow and sharp distribution, further confirming the high level of agreement among respondents. These findings emphasise the importance of ethical education and the development of personal values, both during formal education and through ongoing professional development. Promoting ethical standards and professional integrity must remain a central focus for all institutional and regulatory bodies within the accounting profession.

Table 13. Descriptive statistics for the impact of moral values on the ethical behaviour of accountants and auditors

<i>The moral values of accountants and auditors have a significant impact on their ethical behaviour</i>			
Average	4.449438	Kurtosis	3.14197
Standard error	0.086072	Skewness	-1.65696
Median	5	Range	4
Mode	5	Min.	1
Standard deviation	0.812001	Max.	5
Variance of the sample	0.659346	Sum	396

Source: authors' elaboration

The cultural environment influences the ethical behaviour of accountants and auditors. One of the factors highlighted in the literature is that culture and the broader cultural environment affect the ethical conduct of employees in accounting and finance. This factor was

assessed as moderately important in influencing the ethical behaviour of accountants and auditors (Table 14). The mean value of 3.09 indicates a slight agreement among respondents that the cultural environment affects ethical conduct. While culture can play a significant role in shaping ethical standards at the broader societal level, the results suggest that professional ethics in accounting are less directly dependent on cultural factors and are likely more influenced by institutional, legal, and individual determinants.

*Table 14. Descriptive statistics for the cultural environment factor influencing the ethical behaviour of accountants and auditors*

<i>The cultural environment influences the ethical behaviour of accountants and auditors</i>			
Average	3.089888	Kurtosis	-0.74928
Standard error	0.114835	Skewness	0.311628
Median	3	Range	4
Mode	3	Min.	1
Standard deviation	1.08335	Max.	5
Variance of the sample	1.173647	Sum	275

*Source: authors' elaboration*

Practising a particular religion influences the ethical behaviour of accountants and auditors. The impact of religion on their ethics has been the subject of specific studies in the field of accounting. Descriptive data on the importance of religion as a factor affecting the ethics of accountants and auditors are presented in Table 15. The mean value is 2.57, indicating that most respondents do not fully agree that religion has a decisive influence on ethical behaviour. The median is 2, while the mode is 3, suggesting that responses are generally on the lower end of the scale, implying that religion is not considered a decisive factor. Although religion may hold individual significance for certain people, the results indicate that respondents associate ethical behaviour in accounting more with professional standards, the legal framework, and moral values than with religious affiliation.

Table 15. Descriptive statistics for the religion factor influencing the ethics of accountants and auditors

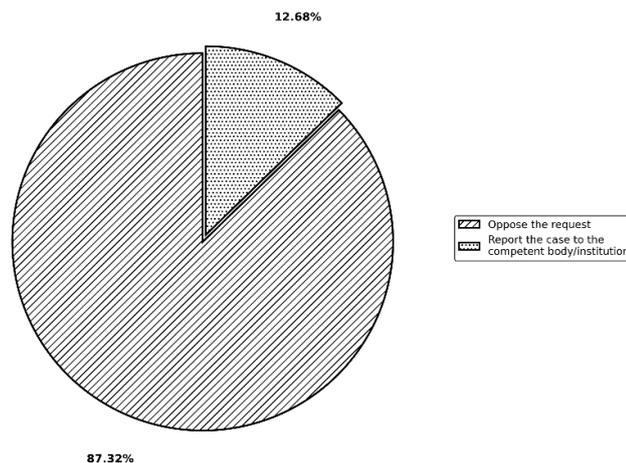
<i>The practice of a particular religion influences the ethics of accountants and auditors</i>			
Average	2.573034	Kurtosis	-0.46767
Standard error	0.125713	Skewness	0.470196
Median	2	Range	4
Mode	3	Min.	1
Standard deviation	1.185975	Max.	5
Variance of the sample	1.406537	Sum	229

Source: authors' elaboration

The most influential factors on the ethical behaviour of accountants and auditors are individual moral values (4.45), knowledge of the Code of Ethics (4.20), work experience (3.89), and money as a motivating factor (3.85). Conversely, the least influential factors are religion, i.e., an individual's religious affiliation (2.57), and age (3.15).

Regarding respondents' reactions if an employer demands unethical actions from accounting staff, the results are presented in Figure 1.

Figure 1. Accountants' reactions to an employer's request to perform an unethical act



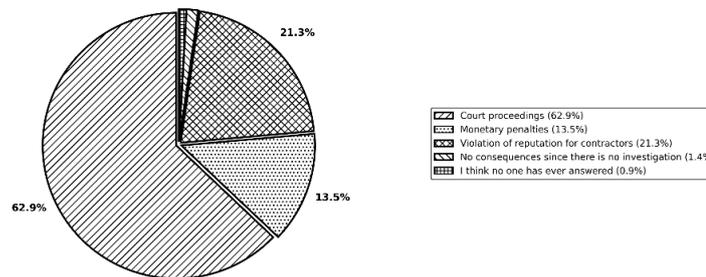
Source: authors' elaboration

Out of a total of 89 respondents, only 12.4% stated that they would report the case to the competent authority. The majority of respondents indicated that they would oppose the employer's request, although the consequences of such an action remain uncertain. The number

of respondents who declared that they would resign from their position (three) is identical to the number of those who would comply with the unethical request.

More than 62% of respondents agreed that cases of unethical behaviour are subject to judicial proceedings (Figure 2).

Figure 2. Consequences of Unethical Behaviour of Accountants and Auditors in Bosnia and Herzegovina



Source: authors' elaboration

More than 21% of respondents believe that such actions undermine the reputation of the company, while over 13% consider that they result in financial penalties. These findings suggest that respondents are aware of the long-term risks associated with unethical practices, yet there remains a lack of willingness to actively report such cases.

#### 4.2.Hypothesis Testing

Hypothesis 1 examines whether years of professional experience and expertise of accountants and auditors affect their ethical conduct. The hypothesis tests whether greater experience improves ethical conduct or whether younger generations are more ethically aware.

A two-sample Z-test for difference of means was performed (Variable 1: mean = 3.8989, variance = 0.8; Variable 2: mean = 3.8315, variance = 0.9; sample size = 89). The test produced  $Z = 0.4878$ . The one-sided p-value is  $p = 0.3128$  (31.28%), which is well above the significance threshold of 0.10, indicating no evidence against the null hypothesis. The two-sided p-value is  $p = 0.6257$  (62.57%), also substantially above the threshold, which further supports the failure to reject the null hypothesis. In sum, there is no statistically significant evidence that years of

experience or professional expertise influence ethical conduct among the surveyed accountants and auditors. Therefore, H1 is not supported.

Table 16. Statistical Z-Test for Testing Hypothesis 1

z-Test: Comparison of Two Sample Means

	<i>Variable</i> <i>1</i>	<i>Variable</i> <i>2</i>
Average	3.898876	3.831461
Known Variance	0.8	0.9
Observation	89	89
Assumed Difference of Means	0	
Z	0.487789	
P(Z<=z) one-tail	0.31285	
z Critical one-tail	1.644854	
P(Z<=z) two-tail	0.625699	
z Critical two-tail	1.959964	

Source: authors' elaboration

Hypothesis 2 examines whether adequate legal protection—through legislation, courts, and regulatory authorities—affects the ethical conduct of accountants and auditors. In the study, respondents were asked to indicate their level of agreement with statements asserting that legislation and legal protection promote ethical behaviour, with responses measured on a Likert scale.

A two-sample Z-test produced the following results:  $Z = 0.692$ ; one-sided p-value  $p = 0.244$  (24.4%) and two-sided p-value  $p = 0.489$  (48.9%), both substantially above the 10% significance threshold. There is no statistically significant evidence to reject the null hypothesis ( $H_0$ ), which states that legal protection has no effect on ethical conduct. Consequently, H2 is also not supported.

Table 17. Statistical Z-Test for Testing Hypothesis 2

z-Test: Comparison of Two Sample Means

	Variable 1	Variable 2
Average	3.730337	3.629213
Known Variance	0.9	1
Observation	89	89
Assumed Difference of Means	0	
Z	0.692103	
P(Z<=z) one-tail	0.244436	
z Critical one-tail	1.644854	
P(Z<=z) two-tail	0.488873	
z Critical two-tail	1.959964	

Source: authors' elaboration

Hypothesis 3 examines the influence of moral attitudes and cultural environment—such as national customs, religion, and social norms—on the ethical conduct of accountants and auditors. An ANOVA test was conducted on respondents' answers, measured on a Likert scale, to the statements: “Cultural environment influences ethical behaviour” and “Religion affects ethical conduct”.

The results showed that the groups of respondents had means of 3.09 and 2.57, with variances of 1.17 and 1.41, respectively. The overall F-statistic was 9.21, substantially higher than the critical value of 3.89, and the obtained p-value = 0.0028 was extremely low. This indicates that the difference between the groups is statistically significant, and the null hypothesis is rejected. In other words, culture and moral beliefs have a significant impact on the ethical conduct of accountants and auditors. Therefore, H3 is supported.

Table 18: Statistical ANOVA Test for Testing Hypothesis 3

ANOVA: One-Factor				
Groups	Sample	Sum	Average	Variance
Column 1	89	275	3.089888	1.173647
Column 2	89	229	2.573034	1.406537

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit

Between Groups	11.88764	1	11.88764	9.214568	0.002765	3.894838
Within Groups	227.0562	176	1.290092			
Total	238.9438	177				

Source: authors' elaboration

In addition to the one-way ANOVA, a Repeated Measures ANOVA was conducted, as shown in Table 19. Assuming a moderate correlation between responses ( $r = 0.5$ ), which is typical for such questionnaires, the results were as follows:  $F(1, 88) = 18.35, p < 0.001$ .

Respondents perceived the influence of the cultural environment ( $M = 3.09$ ) to be significantly higher than that of religion ( $M = 2.57$ ), with a mean difference of 0.52 points on the Likert scale. The effect size was moderate ( $\eta^2 = 0.17$  or 17%; Cohen's  $d = 0.45$ ), indicating that the difference has practical significance.

Table 19. Repeated Measures ANOVA Test for Hypothesis H3

Source of Variation	SS	df	MS	F	p
Between Measurements	23.78	1	23.78	18.35	<0.001
Error (Within)	113.99	88	1.30	-	-
Total	137.77	89	-	-	-
Cohen's d		0.45 (Moderate Effect)			
$\eta^2$		0.17 (17.26%)			
Mean Difference		0.52 (On the Scale 1-5)			

Source: authors' elaboration

Hypothesis H<sub>3</sub> is supported. The cultural environment and religion have differential effects on the perception of ethical conduct among accountants and auditors, with the influence of the cultural environment being stronger.

### 5. Conclusion

The aim of this study was to identify the most common factors influencing unethical behaviour among accountants and auditors in Bosnia and Herzegovina (BiH), to assess the impact of these factors on the application of the Code of Ethics, and, based on the findings, to provide recommendations for improving its implementation. The results of the descriptive statistics indicate that respondents generally exhibit a positive attitude towards ethical

behaviour in the accounting and auditing profession. The highest ratings were assigned to statements related to personal moral values, professional conscientiousness, and the need for professional knowledge, suggesting that most respondents recognise the importance of individual responsibility in upholding ethical standards.

Conversely, lower average scores were recorded for statements concerning the influence of legislation and regulatory bodies, which may indicate scepticism regarding the effectiveness of legal protection and institutional support for ethical behaviour. The hypothesis testing results showed that years of professional experience and expertise of accountants and auditors do not have a significant impact on their ethical conduct. Likewise, legal protection through legislative and regulatory institutions was not found to be a factor that substantially affects respondents' ethical behaviour. In contrast, moral attitudes and the cultural environment, including religious and social norms, have a significant influence on ethical conduct. This suggests that ethical values and culture are more important determinants of ethical behaviour than work experience or legal regulation.

The findings of this study provide empirical support for a socio-cultural perspective on professional ethics, emphasising the importance of the context in which professionals operate. While traditional literature has often highlighted the significance of formal education, experience, and regulatory frameworks, this study demonstrates that the cultural environment and social norms play a more decisive role. These results are consistent with social identity theory and institutional theory, which suggest that professional behaviour is deeply embedded in the cultural and social context. In the Bosnian-Herzegovinian context, characterised by pronounced cultural heterogeneity and specific social norms inherited from the transitional period, these findings acquire particular significance.

Based on the research findings, several concrete recommendations can be formulated:

- Redesign of ethics education programmes – Programmes should be culturally adapted and focused on specific ethical dilemmas within the Bosnian-Herzegovinian context, rather than merely reproducing generic international standards.
- Strengthening trust in the institutional framework – It is essential to improve trust in legislative and regulatory institutions through greater transparency and faster response to violations of standards.
- More effective disciplinary measures – In practice in BiH, revocation of licences has rarely occurred. A clear and consistent system of disciplinary measures needs to be established.

- Culturally adapted ethical guidelines – Professional bodies should develop ethical guidelines that explicitly take into account the local cultural context.
- Mentorship programmes – Structured mentorship programmes should be developed in which experienced professionals actively transmit ethical values and the culture of ethical behaviour.

Future research could focus on the influence of various elements of culture, religion, and social norms in shaping ethical behaviour within the accounting profession.

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## Sažetak

*Ovaj rad analizira faktore koji utiču na etičko ponašanje računovođa i revizora u Bosni i Hercegovini (BiH), s posebnim fokusom na četiri ključne dimenzije: lične interese i motive, radno iskustvo i profesionalnu kompetentnost, pravnu zaštitu i tržišne faktore, te moralne stavove i kulturni kontekst, uključujući religiju i društvene norme. Istraživanje je provedeno na uzorku od 89 računovođa i revizora primjenom strukturiranog upitnika zasnovanog na petostepenoj Likertovoj skali. Ispitanici su iskazali svoje stavove o različitim aspektima etičkog ponašanja u okviru profesije. Za testiranje postavljenih hipoteza korištene su parametrijske statističke metode, uključujući Z-test i analizu varijanse s ponovljenim mjerenjima (Repeated Measures ANOVA).*

*Dobijeni rezultati ukazuju na to da kulturno okruženje, uključujući nacionalne običaje i društvene norme, ostvaruje snažniji uticaj na etičko ponašanje računovođa i revizora u odnosu na religijska uvjerenja. Studija pruža empirijske dokaze o relativnom značaju različitih faktora koji oblikuju etičko ponašanje u računovodstvenoj i revizorskoj profesiji, pri čemu se poseban naglasak stavlja na ulogu kulture u odnosu na religiju.*

**Ključne riječi:** kodeks etike, računovodstvena etika, faktori koji utiču na etičko ponašanje.