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Ethical Stewardship in Financial Leadership: Integrating Accounting Ethics into Strategic Decision-Making for Organizational Integrity and Sustainable Governance

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Abstract: The study examines the role of accounting ethics in leadership decision-making, emphasizing the role of ethical considerations in financial and managerial decisions. Ethical lapses in accounting and leadership continue to pose risks to corporate governance and financial sustainability. The study adopts a quantitative research design using a descriptive survey approach to collect data from 250 accounting professionals, finance managers, and business executives across various industries. Data analysis through descriptive statistics, correlation, and multiple regression models reveals that accounting ethics compliance and organizational ethical culture significantly influence leadership decision-making ($R^2 = 0.562$, $p < 0.01$). Strong ethical policies and compliance mechanisms are associated with higher ethical decision-making among leaders. The study recommends enhanced ethics training programs, stricter compliance enforcement, and a stronger corporate ethical culture to promote ethical leadership.

Keywords: Accounting ethics, Ethical leadership, Decision-making, Corporate governance

Introduction

Ethical practices in accounting are fundamental to maintaining trust, integrity, and transparency in financial management. Accounting ethics refer to the principles and standards that guide professionals in financial reporting, auditing, and corporate governance (Duska et al., 2011). These ethical principles ensure compliance with legal regulations, promote accountability, and foster responsible decision-making within organizations. Leadership plays a critical role in upholding these ethical standards, as leaders influence corporate culture, internal controls, and financial policies (Treviño et al., 2014). In a dynamic business environment characterized by globalization, digital transformation, and increased stakeholder expectations, ethical leadership is essential for guiding financial decision-making and ensuring sustainable business operations. Leaders in accounting and finance often face ethical dilemmas, especially when balancing profitability with ethical considerations. Pressures to meet financial targets, ambiguous regulatory requirements, and corporate expectations may lead to ethical compromises (Kaplan et al., 2013). Strong ethical leadership provides a framework for navigating these challenges, helping organizations maintain credibility and mitigate risks associated with unethical financial practices. Leaders who adhere to ethical accounting principles contribute to the establishment of an ethical corporate culture, reducing the likelihood of fraud, misstatements, and financial misconduct. Moreover, ethical leadership fosters stakeholder confidence, enhances investor trust, and improves long-term financial performance (Brown & Treviño, 2006).

Corporate scandals such as Enron, WorldCom, and Lehman Brothers highlight the devastating consequences of unethical accounting practices and weak leadership oversight. The collapse of these companies resulted from fraudulent financial reporting, lack of accountability, and ethical negligence at the leadership level (Jennings, 2006). These scandals eroded public trust in corporate governance and led to significant regulatory reforms, including the introduction of the Sarbanes-Oxley Act of 2002. This legislation established stricter financial reporting requirements, internal controls, and penalties for corporate misconduct to promote ethical transparency in financial management. However, regulatory frameworks alone cannot eliminate unethical behavior; strong ethical leadership is required to enforce ethical policies and integrate ethical decision-making into financial management processes (Kaplan et al., 2013). Research indicates that organizations prioritizing ethics in leadership and financial management achieve better corporate performance, employee commitment, and stakeholder trust (Brown & Treviño, 2006). Ethical accounting practices help mitigate financial risks, reduce legal liabilities, and improve corporate reputation. Leaders who promote ethical decision-making create a work environment that values honesty, responsibility, and long-term sustainability. Additionally, ethical leadership strengthens internal governance structures, ensuring that financial decisions align with corporate values and societal expectations. As businesses operate under increasing scrutiny from regulatory bodies, investors, and the public, the role of ethics in accounting and leadership decision-making has become more critical than ever. Organizations must integrate ethical considerations into their leadership frameworks, ensuring that financial integrity remains a core business priority. This study explores the relationship between accounting ethics and leadership decision-making, examining how ethical principles shape financial policies, corporate culture, and organizational sustainability. By understanding the impact of ethical leadership on financial decision-making, businesses can develop effective strategies for fostering transparency, accountability, and ethical compliance in accounting practices.

Statement of the Problem

Unethical accounting practices and poor leadership decisions continue to undermine organizational trust and financial integrity, despite the existence of regulatory frameworks like the Sarbanes-Oxley Act and International Financial Reporting Standards (Jennings, 2006; Kaplan et al., 2013). Scandals such as Enron and Wirecard reveal that leaders often struggle to balance ethical considerations with financial pressures, leading to decisions that prioritize short-term gains over long-term accountability (Treviño et al., 2014). The lack of integration between ethical principles and leadership decision-making processes creates a gap in understanding how leaders can effectively foster transparency and trust within organizations. Furthermore, the evolving nature of business and technology introduces new ethical challenges that remain inadequately addressed. This study aims to investigate the role of accounting ethics in shaping leadership decision-making to enhance organizational integrity and sustainability.

Literature Review

Accounting Ethics: Foundations and Importance

Accounting ethics refer to the principles and standards that govern the conduct of accounting professionals, ensuring honesty, integrity, and transparency in financial reporting (Duska et al., 2011). These ethical principles serve as the backbone of financial accountability, guiding accountants, auditors, and corporate leaders in making responsible decisions. Ethical accounting practices are crucial in upholding the credibility of financial statements, which stakeholders rely upon for investment, regulatory compliance, and strategic planning. Without a strong ethical foundation, financial misreporting, fraud, and corporate misconduct can lead to severe consequences, affecting both businesses and the broader economy. Historically, ethical lapses in accounting have led to significant corporate failures, exposing the risks associated with unethical financial practices. Notable cases, such as Enron and WorldCom, highlight how fraudulent accounting techniques, including revenue inflation and off-the-books liabilities, resulted in massive financial losses and the erosion of stakeholder trust (Jennings, 2006). These scandals underscored the necessity of stringent ethical standards in accounting, prompting the introduction of regulatory reforms aimed at enhancing accountability and transparency. One of the most significant responses was the Sarbanes-Oxley Act of 2002, which established stricter requirements for corporate governance, financial disclosures, and auditor independence (Kaplan et al., 2013). This legislative intervention sought to restore public confidence in financial markets by mandating greater oversight and ethical responsibility among financial professionals.

Despite these regulatory measures, ethical challenges in accounting persist, as compliance alone does not guarantee ethical behavior. Studies suggest that a regulatory framework, while essential, is insufficient unless leaders actively cultivate an ethical corporate culture (Brown & Treviño, 2006). Ethical leadership plays a critical role in shaping the ethical climate within an organization, influencing employees' attitudes toward ethical compliance. Leaders who prioritize ethics and demonstrate ethical behavior set a precedent for their subordinates, reinforcing ethical decision-making at all levels (Treviño et al., 2014). Conversely, a weak ethical culture, where unethical behaviors are overlooked or even encouraged, increases the risk of financial misreporting and corporate fraud. In modern organizations, ethical accounting practices are increasingly integrated into corporate strategies to enhance sustainability and long-term profitability. Research shows that businesses that uphold strong ethical accounting standards experience higher investor confidence, improved financial performance, and reduced legal risks (Kaplan et al., 2013). Ethical accounting also contributes to corporate social responsibility (CSR) initiatives, aligning business operations with broader societal expectations. In the era of globalization and digital transformation, new ethical challenges have emerged, such as cybersecurity threats, data manipulation, and the ethical use of artificial intelligence in financial decision-making. Addressing these challenges requires a proactive approach that combines regulatory compliance with ethical leadership and organizational commitment to integrity.

Ethical Leadership and Decision-Making

Ethical leadership plays a crucial role in shaping organizational values, policies, and practices, directly influencing decision-making processes. Leaders who prioritize ethical standards demonstrate integrity, fairness, and accountability, fostering an environment where employees feel encouraged to adhere to ethical norms (Attah et al., 2024; Brown & Treviño, 2006). Ethical leadership goes beyond compliance with regulations; it involves actively promoting ethical behavior, ensuring that financial decisions align with both legal obligations and moral values. Research has shown that organizations led by ethical leaders tend to experience greater transparency, lower incidences of fraud, and increased employee commitment to ethical principles (Treviño et al., 2014). One of the primary ways ethical leaders shape decision-making is through role modeling. Brown and Treviño (2006) emphasize that ethical leaders set an example by demonstrating honesty and fairness in their actions, thereby reinforcing a culture where employees are more likely to act ethically. In financial decision-making, this can translate into accurate reporting, responsible budgeting, and adherence to ethical accounting standards. Similarly, Kaplan et al. (2013) found that organizations with strong ethical leadership frameworks exhibited fewer cases of financial misstatements and regulatory violations. Ethical leadership also plays a pivotal role in crisis management, as leaders must navigate moral dilemmas while balancing organizational goals with ethical responsibilities. Ethical leadership in accounting further ensures that decision-making is guided by principles such as accountability and transparency. The ethical responsibilities of accountants and financial managers extend beyond compliance with legal requirements; they involve making morally sound decisions that protect stakeholder interests (Duska et al., 2011; Ndubuisi-Okolo et al, 2017). Rest Model of

Ethical Decision-Making offer structured approaches for evaluating ethical dilemmas systematically, ensuring that leaders make informed choices that uphold ethical integrity (Rest, 1986). In this context, organizations must prioritize ethical training and mentorship programs to cultivate ethical leadership at all levels, reinforcing ethical principles in financial decision-making.

Challenges in Implementing Accounting Ethics

Despite the widespread recognition of the importance of accounting ethics, organizations face numerous challenges in implementing ethical practices effectively. One of the most significant challenges is the conflict between financial performance targets and ethical standards. In many organizations, pressure to meet revenue goals or satisfy shareholder expectations may lead to ethical compromises, such as earnings manipulation or aggressive tax strategies (Treviño et al., 2014; Cooper & Robson, 2019). The tension between ethical decision-making and financial performance underscores the need for leaders to establish clear ethical guidelines and ensure that ethical considerations take precedence over short-term financial gains. Another critical challenge is the lack of comprehensive ethical training for accounting professionals. Many organizations do not provide sufficient training on ethical decision-making, leaving employees ill-equipped to handle complex ethical dilemmas (Jennings, 2006; Eccles, & Serafeim, 2018; Hess & Warren, 2020). Without proper training, accounting professionals may inadvertently engage in unethical practices or fail to recognize ethical breaches within their organizations. Strengthening ethics education at both academic and professional levels is crucial for developing an ethically conscious workforce that can uphold integrity in financial practices.

Technological advancements have also introduced new ethical concerns in accounting. Emerging technologies such as artificial intelligence (AI), blockchain, and big data analytics have revolutionized financial reporting and auditing, but they also raise ethical issues related to data privacy, security, and manipulation (Dillard & Yuthas, 2019; Mayer & Greenbaum, 2021). For instance, AI-powered accounting systems can streamline financial processes, but they may also increase the risk of bias in decision-making if not properly monitored. Blockchain technology offers enhanced transparency, yet it poses challenges in regulatory compliance and ethical governance. Leaders must navigate these complexities by implementing strong ethical frameworks that address the ethical implications of technological advancements while ensuring regulatory compliance. Another significant barrier to ethical accounting practices is weak internal controls. Organizations with insufficient checks and balances are more vulnerable to fraudulent activities and ethical breaches. A lack of accountability mechanisms enables unethical behaviors to go unchecked, leading to financial misstatements and corporate scandals. Strengthening internal control systems, enhancing audit functions, and implementing whistleblower protection programs are essential measures for mitigating these risks. Organizations must also cultivate a culture of ethical accountability, where employees feel empowered to report unethical behavior without fear of retaliation.

Integrating Ethics into Leadership Frameworks

To address the challenges associated with accounting ethics, organizations must actively integrate ethical principles into their leadership frameworks. Ethical leadership should not be treated as an isolated concept but rather as an integral part of organizational strategy and governance. Research suggests that establishing a strong ethical culture, supported by clear policies and ethical leadership practices, is key to promoting ethical compliance and mitigating risks associated with financial misconduct (Brown & Treviño, 2006; West & Buckby, 2022). One of the most effective ways to integrate ethics into leadership frameworks is through ethical training and development programs. Leaders must receive continuous education on ethical decision-making, corporate governance, and regulatory compliance to ensure they can navigate ethical challenges effectively (Kaplan et al., 2013). Organizations should also implement ethical codes of conduct that outline expectations for leadership behavior and provide guidelines for ethical decision-making. These codes serve as a reference for leaders when making complex financial and managerial decisions, reinforcing accountability and ethical consistency. Ethical decision-making models offer structured approaches that help leaders analyze and resolve ethical dilemmas. The Rest Model of Ethical Decision-Making (Rest, 1986) is one such model that provides a systematic approach to evaluating ethical issues, considering factors such as moral awareness, judgment, motivation, and action. By integrating such models into leadership training, organizations can cultivate leaders who are equipped to make ethical choices that align with both business objectives and ethical principles. Furthermore, organizations must embed ethics into their corporate governance structures. This involves implementing strong oversight mechanisms, ensuring ethical compliance is a core component of strategic planning, and holding leaders accountable for ethical lapses. Ethical leadership must be reinforced through transparency in decision-making, where leaders openly communicate their rationale for financial and strategic choices. By fostering a culture of ethical responsibility, organizations can enhance their reputation, strengthen stakeholder trust, and minimize ethical risks.

Accounting Ethics

Accounting ethics serve as the foundation for ethical financial practices, ensuring the integrity, reliability, and transparency of financial reporting. These ethics are governed by professional standards that emphasize principles such as integrity, objectivity, confidentiality, and professional behavior (Duska et al., 2011). Ethical accounting is essential for maintaining public trust and preventing financial misconduct, as it establishes the ethical obligations of accountants in presenting fair and accurate financial statements. The International Ethics Standards Board for Accountants (IESBA) Code of Ethics outlines the ethical responsibilities of accounting professionals, emphasizing independence, objectivity, and professional competence (IESBA, 2022). Accountants are expected to act in the public interest, ensuring that financial statements provide a true and fair view of an organization's financial position. However, ethical breaches in accounting continue to be a major concern, as seen in high-profile corporate scandals such as Enron and WorldCom (Jennings, 2006). These cases highlight the devastating consequences of unethical accounting practices, including financial losses, reputational damage, and regulatory penalties. Ethical accounting is not only a legal requirement but also a moral obligation that upholds the credibility of financial information. Organizations must adopt proactive measures to ensure ethical compliance, such as conducting regular audits, establishing ethical reporting mechanisms, and fostering a culture of ethical accountability. By prioritizing ethical standards, organizations can enhance decision-making, strengthen stakeholder confidence, and ensure sustainable business operations.

Methodology

This study adopts a quantitative research design to examine the influence of accounting ethics on leadership decision-making. The choice of a quantitative approach ensures objective measurement of variables and allows for statistical analysis to establish relationships between ethical considerations, leadership styles, and decision-making processes. A descriptive survey design was employed to systematically collect data from a representative sample. This design is appropriate as it enables the study to capture respondents' perceptions, behaviors, and attitudes toward ethical leadership and decision-making in accounting. A structured questionnaire was designed to measure key variables, ensuring data consistency and reliability. The population consisted of senior accounting professionals, finance managers, and business executives across various industries. The study utilized a stratified random sampling technique to ensure adequate representation of different sectors, including corporate firms, public accounting firms, and government financial institutions. A total of 250 participants were selected, with proportional representation from each sector. This sampling method minimizes bias and improves the generalizability of findings.

Data Collection Instrument

A structured questionnaire was developed based on validated measurement scales from existing literature. The questionnaire consisted of four sections: i. Demographic Information (Capturing respondents' age, gender, experience, and organizational role). ii Ethical Awareness and Compliance (Assessing perceptions of accounting ethics, ethical guidelines, and compliance measures). iii. Leadership Decision-Making (Measuring leadership styles and ethical considerations in decision-making using a Likert scale (1-5), where 1 represents "Strongly Disagree" and 5 represents "Strongly Agree."). iv. Organizational Ethical Culture (Evaluating how corporate culture influences ethical decision-making). A pilot study was conducted with 30 respondents to test the questionnaire's reliability and validity. Cronbach's alpha was used to assess internal consistency, with a threshold of 0.7 indicating acceptable reliability.

Data Analysis

Data was analyzed using descriptive and inferential statistics. Descriptive statistics such as mean, standard deviation, and frequency distribution were used to summarize respondents' characteristics and key variables. Inferential statistics, including correlation analysis and multiple regression models, were applied to test the relationships between accounting ethics, leadership decision-making, and organizational culture. The regression model was specified as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

- Y = Ethical Decision-Making
- X_1 = Accounting Ethics Compliance
- X_2 = Leadership Style
- X_3 = Organizational Culture
- ε = Error term

Statistical Package for the Social Sciences (SPSS) version 26 was used for data analysis, ensuring accurate computation of statistical relationships.

Results and Findings

The data collected from 250 respondents was analyzed using descriptive and inferential statistics to assess the relationship between accounting ethics, leadership decision-making, and organizational culture. This section presents key findings, including demographic characteristics, descriptive statistics of key variables, correlation analysis, and regression results.

Demographic Characteristics of Respondents

The demographic distribution of respondents is summarized in table 1, covering gender, age, years of experience, and organizational role.

Table 1: Demographic Profile of Respondents

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	145	58.0
	Female	105	42.0
Age Group (Years)	25 – 34	68	27.2
	35 – 44	90	36.0
	45 – 54	65	26.0
	55 and above	27	10.8
Years of Experience	Less than 5 years	40	16.0
	5 – 10 years	87	34.8
	11 – 15 years	78	31.2
	Above 15 years	45	18.0
Organizational Role	Senior Accountant	82	32.8
	Finance Manager	96	38.4
	Business Executive	72	28.8

The sample was well-distributed across different organizational roles and experience levels, with a balanced gender representation. The majority, 36 percent, were aged between 35 and 44 years, and 38.4 percent were finance managers, indicating a highly experienced and knowledgeable participant base.

Descriptive Statistics of Key Variables

The mean and standard deviation of key study variables—accounting ethics compliance, leadership decision-making, and organizational ethical culture—are presented in table 2.

Table 2: Descriptive Statistics of Key Variables

Variable	Mean	Standard Deviation	Minimum	Maximum
Accounting Ethics Compliance	4.23	0.68	2.5	5.0
Leadership Decision-Making	3.87	0.75	2.0	5.0
Organizational Ethical Culture	4.11	0.71	2.8	5.0

The results indicate that respondents generally agreed that ethical compliance in accounting is high, with a mean of 4.23 and a standard deviation of 0.68. Leadership decision-making had a slightly lower mean of 3.87 and a standard deviation of 0.75, suggesting variations in how ethics influence decisions. The organizational ethical culture also scored high, with a mean of 4.11 and a standard deviation of 0.71, indicating strong ethical policies in many firms.

Correlation Analysis

To examine the relationships between variables, Pearson correlation analysis was conducted, as shown in table 3.

Table 3: Correlation Matrix

Variable	Accounting Ethics Compliance	Leadership Decision-Making	Organizational Ethical Culture
Accounting Ethics Compliance	1.000	0.678**	0.712**
Leadership Decision-Making	0.678**	1.000	0.654**

Variable	Accounting Ethics Compliance	Leadership Decision-Making	Organizational Ethical Culture
Organizational Ethical Culture	0.712**	0.654**	1.000

$p < 0.01$ (2-tailed)

The results show strong positive correlations between accounting ethics compliance and leadership decision-making, with a correlation coefficient of 0.678 and a significance level of $p < 0.01$. There is also a strong relationship between organizational ethical culture and leadership decision-making, with a correlation coefficient of 0.654 and a significance level of $p < 0.01$. This suggests that strong ethical policies and leadership approaches significantly influence ethical decision-making.

Regression Analysis

A multiple regression analysis was conducted to determine the predictive power of accounting ethics compliance and organizational ethical culture on leadership decision-making. The regression model results are presented in table 4.

Table 4: Regression Analysis Results

Predictor Variables	Beta Coefficient	t-value	p-value
Accounting Ethics Compliance	0.412	6.845	0.000**
Organizational Ethical Culture	0.367	5.927	0.000**
Constant (Intercept)	1.248	4.216	0.000**
R-Squared	0.562		
Adjusted R-Squared	0.557		
F-statistic	82.634		0.000**

$p < 0.01$ (significant at 1 percent level)

The model explains 56.2 percent of the variance in leadership decision-making, indicating that accounting ethics compliance and organizational ethical culture significantly predict ethical decision-making. Both variables have positive and statistically significant effects at $p < 0.01$ on decision-making, confirming their crucial role in shaping leadership behaviors.

Key Findings

Accounting ethics compliance strongly influences leadership decision-making. The study found a positive correlation of 0.678 between accounting ethics compliance and leadership decision-making, suggesting that stronger ethical compliance leads to better decision-making. This aligns with previous studies that have demonstrated a direct link between ethical compliance and effective decision-making (Kaplan, Pope, & Samuels, 2013; Treviño, den Nieuwenboer, & Kish-Gephart, 2014). Regression analysis confirmed this finding, with a beta coefficient of 0.412 and a p-value of 0.000, indicating a significant predictive relationship. Organizational ethical culture plays a key role in shaping leadership decision-making. The correlation analysis showed that organizational ethical culture had a strong positive relationship with both accounting ethics compliance, with a correlation coefficient of 0.712, and leadership decision-making, with a correlation coefficient of 0.654. Previous research suggests that ethical culture fosters an environment of accountability and transparency, thereby enhancing leadership decision-making (Weaver, Treviño, & Cochran, 1999; Brown & Treviño, 2006). The regression analysis further confirmed this relationship, with organizational ethical culture having a beta coefficient of 0.367 and a p-value of 0.000. The overall model indicates a strong relationship between ethical compliance, ethical culture, and leadership decision-making. The combined effect of accounting ethics compliance and organizational ethical culture explained 56.2 percent of the variance in leadership decision-making, with an F-statistic of 82.634 and a significance level of $p < 0.01$. This confirms that ethical practices and corporate ethical culture significantly influence leadership decision-making in accounting (Dillard & Yuthas, 2019; Graham, Ziegert, & Capitano, 2015).

Discussion

The Role of Accounting Ethics Compliance in Leadership Decision-Making

The study found that accounting ethics compliance has a strong positive impact on leadership decision-making, with a correlation coefficient of 0.678 and a beta coefficient of 0.412 in the regression model. This suggests that leaders who adhere to ethical accounting principles make more sound and transparent decisions. Previous studies support this assertion, demonstrating that ethical decision-making minimizes financial misstatements, enhances corporate reputation, and fosters stakeholder trust (Duska, Duska, & Ragatz, 2011; Jennings, 2006). Organizations with stringent ethical compliance frameworks are more likely to cultivate responsible leadership behavior, reducing the risks of unethical financial practices (Arel, Beaudoin, & Cianci, 2012).

The high mean score of 4.23 for accounting ethics compliance further indicates that ethical practices are well established in most organizations represented in the study. However, the standard deviation of 0.68 suggests some variation among respondents, indicating that not all organizations enforce ethical guidelines uniformly. This finding underscores the need for continuous ethics training and regulatory reinforcement to ensure that ethical standards are consistently applied across different industries (Kaplan et al., 2013).

The Influence of Organizational Ethical Culture on Leadership Decision-Making

The results also demonstrate that organizational ethical culture significantly affects leadership decision-making, with a correlation coefficient of 0.654 and a beta coefficient of 0.367. This finding aligns with previous studies that highlight how a strong ethical culture fosters a shared sense of accountability and integrity among leaders (Brown & Treviño, 2006; Treviño et al., 2014). When an organization embeds ethical values into its corporate culture, decision-makers are more likely to adopt ethical leadership practices, reducing the likelihood of unethical financial behavior. The relatively high mean score of 4.11 for organizational ethical culture suggests that most organizations promote ethical conduct. However, the presence of variations (standard deviation of 0.71) indicates that some firms may not have fully developed ethical frameworks. This finding suggests that organizations should strengthen ethical leadership training and enforce internal ethical policies to ensure that ethical values are consistently upheld (Craft, 2013; De Cremer & Vandekerckhove, 2017).

Interrelationship between Ethics and Leadership Decision-Making

The multiple regression analysis revealed that accounting ethics compliance and organizational ethical culture together explain 56.2 percent of the variance in leadership decision-making. This confirms that ethical practices and corporate ethical culture are key determinants of ethical leadership. The significance of the F-statistic (82.634, $p < 0.01$) indicates that the overall model is highly reliable, reinforcing the argument that ethical leadership cannot be separated from strong ethical frameworks. These findings have important implications for organizations seeking to enhance ethical leadership. Strengthening accounting ethics compliance through regulatory oversight, internal ethical policies, and professional training can significantly improve decision-making (IESBA, 2022). Additionally, fostering an ethical corporate culture by promoting integrity, transparency, and ethical accountability can enhance ethical leadership (Dillard & Yuthas, 2019).

5. Conclusions and Recommendations

5.1 Conclusions

This study provides empirical evidence that accounting ethics compliance and organizational ethical culture play a significant role in shaping leadership decision-making. The findings indicate that organizations with strong ethical frameworks tend to foster leaders who make more ethical and transparent decisions. The correlation and regression analyses confirm that accounting ethics compliance and organizational ethical culture significantly predict ethical leadership behavior, explaining over 56% of the variance in decision-making. The results highlight the necessity of robust ethical policies and corporate governance practices in preventing unethical leadership behavior. Ethical compliance not only enhances leadership integrity but also strengthens stakeholder trust, reduces financial misconduct, and promotes overall organizational sustainability. Despite high mean scores for ethical compliance and organizational ethical culture, some variations suggest that ethical standards are not uniformly applied across industries. This underscores the need for continuous ethics reinforcement and policy refinement to ensure consistency in ethical leadership practices.

5.2 Recommendations

Based on the findings, the following recommendations are proposed to strengthen ethical leadership decision-making in organizations: Organizations should implement comprehensive ethics training programs for leaders and accounting professionals. These programs should focus on ethical decision-making frameworks, corporate governance principles, and regulatory compliance. Regular training will help leaders internalize ethical values and apply them consistently in decision-making. Regulatory bodies and organizations should enforce strict ethical guidelines and compliance mechanisms to ensure adherence to ethical accounting standards. Implementing regular ethical audits, whistleblower protection policies, and stringent financial oversight can help prevent unethical decision-making and financial misconduct. Organizations should prioritize ethical leadership by embedding ethical values into their corporate culture. This can be achieved through leadership role modeling, transparent corporate policies, and ethical accountability systems. Encouraging ethical behavior at all organizational levels will promote ethical decision-making and reduce ethical lapses in leadership.

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