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*Corresponding author
Chnar Abdullah Rashid,
Chnar.rashid@spu.edu.iq

The Relationship Between Cultural Values and Creative Accounting Factors in Financial Reports of Economic Units

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Rizgar Abdullah Sabir Jaf/ Department of Accounting, College of Economic and Administration, Salahaddin University-Erbil, Kurdistan Region,Iraq

Chnar Abdullah Rashid/ Department of Accounting, Technical College of Administration, Sulaimani Polytechnic University, Sulaimani, Kurdistan Region of Iraq

Salam Mahmood Hamad/ Department of Business Management, College of Humanities, University of Raparin, Kurdistan Region of Iraq

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Abstract

Currently, creative accounting is considered a significant indicator of firms' business activities. This research aims to observe the impact of cultural values on creative accounting practices in financial reports. In contrast, culture can influence consumers' attitudes and behaviors. Hence, cultural values are an independent variable that consists of five items: power distance, uncertainty avoidance, individualism, masculinity, and long-term orientation. They are also examined in relation to creative accounting factors as a dependent variable that comprises techniques, motives, and control. The research covers five Iraqi industry companies. A quantitative approach was used to conduct the questionnaire, in which sixty-four questionnaires were distributed to respondents. 78 percent was the response rate out of the total number of questionnaires distributed. The SPSS method is used to analyse the questionnaire survey. As a result, it is shown that the relationship between the five dimensions of cultural value and the field of creative accounting is positive and significant. Therefore, to achieve the optimal benefit of creative accounting, steps should be taken to improve advanced techniques in accounting. The research team recommends paying attention to the influence of the culture factor in shaping and developing accounting systems in countries, as a factor independent of other environmental factors represented by the economic factor, the legal system, the political system, and professional accounting.



About the Journal

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1. Introduction

Several scholarly studies have been conducted on creative accounting determinants. Previous research demonstrates systematic regional variations in creative accounting. It has been suggested that these variations are caused by a variety of variables, including economic incentives or the legal system and degree of investor protection (Kliestik et al., 2021). However, only a small number of studies have examined the influence of cultural factors on creative accounting. The topic of creative accounting has generated various discussions and debates during the last two decades. Fewer studies have focused on the mindset that precedes or follows the use of creative accounting, even though many have investigated the outward signs to understand how businesses use Creative Accounting (El Diri et al., 2020).

The authors looked at how people rated certain acts connected to creative accounting activities from an ethical standpoint. This research examines the impact of individualism, defined as a person's degree of group integration (Guerra et al., 2020), and egalitarianism, defined as a society's cultural orientation regarding intolerance for abuses of market and political power, on creative accounting using theory and empirical data from social psychology to measure cultural differences in Iraq.

The data highlights the importance of considering cultural differences, alongside formal investor protection, to achieve a deeper understanding of creative accounting practices. The assumption that culture might play a significant role in the debate over the adoption of corporate governance codes modeled after those from nations with diverse cultural values or the issue of global convergence towards a single corporate governance model is further supported by our analysis (Guerra et al., 2020). Based on Hofstede's cultural aspects, Grey develops an "accounting value model" that puts forth four accounting values: secrecy vs transparency, professionalism versus statutory control, uniformity versus flexibility, and conservatism versus optimism. Accounting values are connected to Hofstede's cultural dimensions in Grey's theory. As a result, the following paragraphs summarize the expected relationships between cultural dimensions, secrecy versus transparency as developed by Grey, and the results of studies that investigate the relationship between cultural dimensions and financial disclosure (Hofstede, 1980; Gray, 1988). Secrecy versus transparency is one of the values of accounting that is related to financial disclosure.

The study's significance stems from its examination of the intensely competitive environment that Iraqi industry companies operate in, both in Iraq and the Kurdistan Region, and how this climate affects creative accounting elements. Additionally, due to their possession of cutting-edge information technology, industrial corporations are thought to be among the most important sectors interested in current information systems. Based on the above, the main study's focus is: Does the relationship between cultural values and creative accounting factors (techniques, motives, and control) enhance the credibility, transparency, and overall quality of financial reports?

The sections of this research are organized as follows: the following section presents the development of hypotheses and the background or literature review. The third section discusses data measurement and research methodology. Section 4 presents the empirical results, followed by Section 5, which provides the discussion. The final section offers the conclusion of the study.

2. Literature Review

2.1 General Overview

The collective programming of the mind that distinguishes one group from another is how Hofstede defines culture. Power distance, uncertainty avoidance, individuality vs. collectivism, masculinity vs. femininity, and long-term orientation vs. short-term orientation are the five values he uses to define culture (Hofstede's 2016). Despite criticism of Hofstede's dimensions, it has been maintained that most of the accounting and psychological research still uses Hofstede's model, and that these dimensions are still legitimate (Alshaikh, 2020). Since Hofstede's (2016) cultural model has revolutionized research on the interaction between culture and management practices and offered a significant operational framework, a broad compromise has been developed (Sabir, 2022; Alshaikh, 2020).

The degree to which subordinates acknowledge the unequal distribution of power within institutions and organisations is known as the "power distance." Centralisation of power is a defining feature of societies with significant power distances (Hofstede, 2016). These societies are distinguished by a deficiency of democratic management and the concentration of decision-making power in the hands of managers (McKearney et al., 2023) who view inequality as an inevitable consequence and wield power within a hierarchical framework. According to Holt, authority and control in hierarchical structures depend on power. According to (Saif-Alyousfi et al., 2020) and managers have the ability to hold power and keep power within the company, which makes creative accounting easier. Because of this, companies where the CEO also serves as the chairman of the board or the company's founder tend to have higher rates of creative accounting. In such situations, power distance is typically significant and enables them to use creative accounting to their advantage. Furthermore, Grey contends that in communities with significant power distance, there is little disclosure. Relationships in these societies are typified by a deficiency of communication between supervisors and employees (Hofstede, 2016). This encourages asymmetric information and makes it easier for managers to manipulate accounting. According to Hofstede (2016), accounting systems are employed as a means of confirming executive decisions and furnishing data that aligns with their preferences in nations that exhibit a significant degree of power distance. Therefore, we anticipate that societies will use creative accounting more frequently.

Uncertainty avoidance relates to a society's tolerance for ambiguity and is not the same as risk avoidance. It shows the degree to which a culture shapes its members' comfort or discomfort in unstructured circumstances. Unstructured scenarios are new, unfamiliar, unexpected, and not like the norm. Societies that shun uncertainty work to reduce the likelihood of these kinds of events by rigid moral standards, legal frameworks, intolerance of divergent viewpoints, and a conviction in an all-encompassing truth - there can only be one truth, and we have it. Studies have indicated that those who live in nations that shun uncertainty tend to be more sentimental and driven by anxious energy within. Therefore, high uncertainty avoidance cultures may indirectly encourage Creative Accounting practices as a way to achieve predictability and meet societal and stakeholder expectations. On the other hand, low uncertainty avoidance cultures may exhibit less earnings management due to greater acceptance of variability and openness to transparency (Hofstede & Minkov, 2010).

On the other hand, cultures that embrace uncertainty are more open to viewpoints that diverge from their own; they also strive to have fewer regulations, and, in terms of philosophy and religion, they are relativist and empiricist, allowing several currents to coexist. These cultures' people are more phlegmatic and introspective, and it is not required of them to communicate their feelings in social situations (Geert et al., 2020). Individualism refers to the degree of freedom and autonomy that individuals within a society may need. According to Grey, individualism and traits like optimism, adaptability, transparency, and professionalism are positively correlated. According to Sugiarti et al. (2021), flexibility and optimism presuppose earnings management.

Nonetheless, Hofstede observes that values adopted within a group differ from values adopted outside the group in civilizations with low levels of individualism (Hofstede 2016). He contends that these companies' managers act like heads of families and work to uphold the interests of the organisation. Licht thus demonstrates that law enforcement is highly valued in individualistic nations, suggesting a negative correlation between Creative Accounting and individualism (Hadid & Al-Sayed, 2021). Furthermore, in societies that value collectivism, managers could use accounting manipulation to satisfy expectations by lowering earnings variability, adhering to debt contract covenants, and forecasting results that analysts would find acceptable (Wronski & Klann, 2020).

As a result, there is more latitude in these nations' laws and processes, which encourages accounting fraud. Performance and competitiveness are highly valued in societies (Hofstede 2010). This motivates them to produce results that demonstrate their competitiveness and enhance the reputation of their businesses. On the other hand, managers place less value on rivalry in feminine civilisations. Additionally, managers in masculine civilisations are driven by pay, and people place greater value

on appearances. As a result, they disclose significant earnings to guard against rivalry. This suggests a propensity for controlling profits to highlight a company's strong performance. Otherwise, accounting systems in masculine societies emphasize achieving goals that are solely financial in nature.

To achieve suggested thresholds, managerial judgment is used in this situation (Wronski & Klann, 2020). Therefore, we try to study creative accounting, and masculinity will be positively correlated. Values linked to the future, like thrift and saving, relationship status classification, adhering to this order, and persistence, are encouraged by long-term orientation. On the other hand, the short-term orientation supports values related to this, like people's preference for personal stability and rigor, maintaining their reputation, and honoring customs. Businesses in short-term-oriented nations typically prioritize present earnings (Wronski & Klann, 2020), and short-term economic objectives are supported by reward management systems.

Therefore, to expedite the favorable effect of management actions on present earnings, nations with a short-term orientation are more inclined to participate in creative accounting. This suggests that since managers wish to maintain their positive reputation, the short-term orientation promotes creative accounting. One of the most widely used terms in management to control earnings is "techniques of creative accounting." However, this does not imply that management is engaging in illicit activity to control profits. Operating and financial decisions can yield Creative Accounting. Because they have discretion when making decisions about operations or accounting, managers can control earnings.

When necessary, management uses these strategies to become popular. The cookie-jar reserve technique is employed by management to project future earnings growth. The Big Businesses that alter GAAP must be careful that the stock market does not interpret the adjustment as a decline in the caliber of earnings. Unrealized gains or losses may be recorded because of the timely disposition of long-term productive assets through asset exchange and sale/leaseback strategies. By choosing the write-off method and time and calculating salvage value, management controls earnings under the amortization, depreciation, and depletion technique (Wronski & Klann, 2020). There are many different motivations for managing earnings, including the need to meet analyst expectations, the desire to receive bonuses, and the need to stay competitive in the financial market. Financial reports are modified in accordance with financial reporting rules through legal creative accounting.

When creative accounting deviates from accepted accounting standards, it is considered dishonest financial reporting. Consequently, businesses will only manipulate earnings if the advantages outweigh the costs and hazards associated with such actions. For the manager to control earnings, stable enterprises and payouts serve as motivators. According to Matsumoto, companies with strong growth prospects are more likely to manipulate results to prevent a negative market response to bad earnings news (Sugiarti et al., 2021). Motivations for management compensation contracts, because management bonuses are frequently correlated with the company's earnings, the management compensation theory, commonly referred to as the bonus plan hypothesis, maintains that managers are incentivized to utilize creative accounting to increase their income.

Therefore, it stands to reason that income will be increased through creative accounting. When the maximum on bonus awards is reached, managers are more likely to record accruals that delay income since they would be better off boosting income for the next year at that point anyway, as they have nothing more to gain from more earnings. These align with the "big bath" theory, which postulates that managers will be motivated to employ creative accounting to reduce current earnings in favor of future earnings and, consequently, future bonuses, if they are unable to manipulate earnings to meet a specific target (Khzer & Jaf, 2023; Geert et al., 2020). According to (Remenaric et al. 2018, P.196), technique, motives, and control are factors of creative accounting.

2.2 Research Objective and Questions

The objective of the research is to determine the influential role of five dimensions of cultural values on creative accounting across techniques, motives, and control in industry companies in Iraq. Hence, depending on the study's problem is: 'Does the relationship between cultural values and creative

accounting factors (techniques, motives, and control) enhance credibility, transparency, and overall quality of financial reports? The question of the study:

- 1) Is there a significant correlation between the five dimensions of cultural values and the factors (techniques) of innovative accounting in the financial reports of economic units?
- 2) Is there a significant correlation between the five cultural value dimensions and the motives of creative accounting in the financial reports of economic units?
- 3) Is there a significant correlation between the five cultural value dimensions and the control factor of creative accounting in the financial reports of economic units?

2.3 Hypotheses

H₁ There is a significant correlation between the five cultural value dimensions and the factor (techniques) of innovative accounting in the Financial Reports of economic units.

H₂: There is a significant correlation between the five cultural value dimensions and the factor (motives) of creative accounting in the Financial Reports of economic units.

H₃: There is a significant correlation between the five cultural value dimensions and the creative accounting factor (control) in the Financial Reports of economic units.

3. Methodology

3.1 Data Collection

This research relies on primary data collected through a questionnaire, ensuring objective responses. The questionnaire was distributed to five manufacturing companies (Mass Cement Company, Delta Cement Company, Bazian Cement Company, Tasluja Cement Company, Al Hayat Soft Drinks Company) in the Kurdistan Region of Iraq and consists of 48 questions designed to assess the dimensions of the research hypothesis. An Iraqi industrial company's survey at administrative duties provided the necessary information, therefore the sampling design for the study was carefully considered and appropriately selected. There were 50 positions in the sample, Table 1.

The study sample consists of top managers in industrial companies are mentioned in table 1, including Director-level executives such as CEO (Chief Executive Officer), GM (General Manager), DGM (Deputy General Manager), COO (Chief Operating Officer), CFO (Chief Financial Officer), CAO (Chief Accounting Officer), CIO (Chief Information Officer), CTO (Chief Technology Officer), CMO (Chief Marketing Officer), HRM (Human Resources Manager), and AUD MGR (Audit Manager). These executives completed and returned the survey forms. Top management plays a central role in strategic decision-making, which is a key aspect of the strategic direction of industrial companies. This group was chosen due to the authority they hold and the extensive experience they have gained over their long tenure in the industrial companies. Industrial companies in the Kurdistan Region were chosen due to their high competitiveness and significant role in supporting the economy. Additionally, they are among the most affected by the technological developments currently shaping various fields worldwide.

This study's primary goal is to emphasize the significance of the five cultural value dimensions from an accounting standpoint. The creative accounting variables that are being studied include motives, control, and techniques. The goal is to determine the relationship between cultural values and the use of creative accounting factors in the context of Financial Reports.

Table 1. List of the names of the companies studied

NO	Names	No questionnaires
1	Mass Cement Company	14
2	Delta Cement Company	11
3	Bazian Cement Company	12
4	Tasluja Cement Company	12
5	Al Hayat Soft Drinks Company	15
	Total	64

3.2 Analysis and Validity and Reliability

An instrument consisting of eight questions was evaluated to test the validity of the motivation level. A Likert five-point scale has been applied. The response scale for this question is 1 for "strongly agree" to 5 for "strongly disagree." Using SPSS, the test results were gathered, listed, and tabulated in Table 2.

Test of Reliability: In a variety of domains, Cronbach's coefficient alpha) is a statistic used to assess the reliability of questionnaires (Ramayah et al., 2018). We observe in Table 2 the reliability coefficients using Cronbach's Alpha method. The eight items have an alpha coefficient of 0.8386, indicating a comparatively high level of internal consistency. (Note that most social science research scenarios consider a reliability coefficient of 0.70 or above to be "acceptable. (Hair et. al,2006)" However, Table 2 displays the dependability (Alpha) test value for each factor. Because each construct's alpha value was greater than 0.5, all of the constructs are therefore regarded as being extremely good. Every coefficient alpha value was higher than 0.80. The coefficient values for the items of both the first and second axes in the questionnaire range between (0.812–0.904), which are considered high compared to (0.5). This indicates the reliability of all the axes of the questionnaire. Moreover, the overall reliability coefficient for the entire questionnaire (48 items) using Cronbach's Alpha method is 0.8386, which is a very high value, indicating the strong reliability of the questionnaire.

Table 2. Coefficient Alpha Values for Each Factor and All Items

Item	Number of Items	Cronbach's Alpha if Item Deleted
power distance	6	0.882
Uncertainty avoidance	6	0.834
Individualism	6	0.823
Masculinity	6	0.819
long-term orientation	6	0.819
Techniques	6	0.816
Motivate	6	0.812
Control	6	0.904
Total	48	0.8386

After the survey was created, it was conceptually refined and validated by a few of the subject-matter experts and cross-checked through in-person interviews with seven managers from sample companies. The analysis of the study was predicated on valid responses gathered from various categories of managers. Every member of the sample received a questionnaire; of the 64 total, 50 were retrieved, or 78% of the total. The sample Iraqi industry businesses have been selected due to their high level of competitiveness, important role in the country's economy, and recognition as one of the most impacted industries by technology advancements.

As a result, the author has demonstrated the importance of conducting this kind of research to illustrate the roles that may be fulfilled with the cultural value of creative accounting factors in businesses. 64 director position directors general, deputy director general, assistant director general, and executive directors, who retrieved survey forms, make up the total sample. Top managers were selected for this class due to their authority and extensive expertise gained from working in the company industry sector. Additionally, because of their position, they can plan and have a general understanding of practically all information, allowing them to make strategic judgments based on the facts at hand.

The aim is to enhance the financial position and sustain the operations of Iraqi industrial enterprises in the face of intense competition among them and their products. The instrument used in this study is outlined below: The format of the survey served as a means of disclosing the objectives. The questions included in the questionnaire clearly reflect this purpose. As for the distribution of questions, the survey is structured into three sections. According to the details presented in Table 2, which outline the specifics of the first stage questions and their distribution, the first section of the questionnaire addresses the age, academic background, and educational qualifications of the identifiable participants.

4. Results and Discussion

The information about professional credentials and real-world experience is covered in the second section of the question. The purpose of the third section of the inquiry is to assess how independent variables affect the dependent variables, which are presented on a locknet pentagon scale (strongly disagree, strongly agree, agree, neutral, and disagree). The final section of the question is arranged according to priority and relative importance. Here, we suggest using this method to improve the visibility of the assessment of the five cultural value dimensions on the leading creative accounting element in Iraqi industrial enterprises.

H₁ There is a significant correlation between the five cultural value diminutions and the factor (techniques) of innovative accounting in the Financial Reports of economic units.

We assign five cultural values to each of the creative accounting technique aspects in this part and postulate correlations between the five cultural values and creative accounting factors. According to the research, the hypothesis is accepted because each cultural value dimension has a high importance, as determined by 49 degrees of freedom and a 1% level of significance acquired from the distribution table. Table 3 displays the questionnaire response as well as the pertinent calculations.

Test the correlation between the five dimensions of cultural value and creative accounting factors (techniques) by the Pearson correlation method. Table 3 reports the Pearson correlation method for the independent variables. Moreover, as Table 3 shows, independent variables have statistically significant correlations with the dependent variable of creative accounting factors (techniques), except for the power distance. We expected a high correlation between the four dimensions of cultural value and the creative accounting factor (techniques). The findings of this study also demonstrate that the five dimensions of cultural value are significantly related to the creative accounting factor (techniques). These results suggest that the use of five dimensions of cultural value is an effect of factory techniques on the accounting reports because the significance of the five dimensions is less than 0.01. Except for the power distance, the significant results in Table 3 show that 0.230 is more than 0.01. However, that indicates that the use of power distance does not affect the techniques factory on the accounting reports, except for the power distance. Managers can realize earnings from accounting choices or operating decisions. Because they have discretion when making decisions about operations or accounting, managers can control earnings. The outcome shows how much the five cultural values have an impact on the accounting reports of Iraqi sector companies.

Table 3. Test the Correlation between five dimensions of cultural value and creative accounting factor (Techniques) by the Pearson Correlation method

		Power distance	Uncertainty avoidance	Individualism	Masculinity	long-term orientation	Techniques
Power distance	Pearson Correlation	1	0.160	0.146	0.038	0.105	0.107
	Sig. (1-tailed)		0.134	0.155	0.396	0.234	0.230
Uncertainty avoidance	Pearson Correlation	0.160	1	0.817**	0.609**	0.560**	0.535**
	Sig. (1-tailed)	0.134		0.000	0.000	0.000	0.000
Individualism	Pearson Correlation	0.146	0.817**	1	0.794**	0.638**	0.619**
	Sig. (1-tailed)	0.155	0.000		0.000	0.000	0.000
Masculinity	Pearson Correlation	0.038	0.609**	0.794**	1	0.783**	0.787**
	Sig. (1-tailed)	0.396	0.000	0.000		0.000	0.000
long-term orientation	Pearson Correlation	0.105	0.560**	0.638**	0.783**	1	0.860**
	Sig. (1-tailed)	0.234	0.000	0.000	0.000		0.000
Techniques	Pearson Correlation	0.107	0.535**	0.619**	0.787**	0.860**	1
	Sig. (1-tailed)	0.230	0.000	0.000	0.000	0.000	

** Correlation is significant at the 0.01 level (1-tailed).

H₂: There is a significant correlation between the five cultural value dimensions and the factor (motives) of creative accounting in the Financial Reports of economic units.

The relationship between the independent variables (five cultural value dimensions) and the dependent variable, the creative accounting (Motives) factory, is shown in Table 4. According to the results, which are consistent with our hypothesis, creative accounting (motives) factories are produced by higher levels of each of the five aspects of culture value - uncertainty avoidance, individualism, masculinity, and long-term orientation - at the significance 0.000, 0.000, 0.000, and 0.000 levels of significance, respectively, as shown in Table 4. Although the power distance cultural value did not follow our hypothesized direction (at the 0.120 level of significance), the results indicate that greater values of all these variables have a substantial impact on creative accounting (Motives). Remarkably, every variable exhibits significance, except for the power distance. The factors that we anticipated have a favorable impact on the factory of creative accounting (Motives). According to the research, the hypothesis is accepted because each cultural value dimension has a high importance, as determined by 49 degrees of freedom and 1% level of significance acquired from the distribution table. There are many different motivations for creative accounting, such as the need to meet analyst expectations, the desire to earn bonuses, or the need to stay competitive in the financial market. Consequently, businesses will only take part in creative accounting motivation if the advantages outweigh the costs and hazards.

Table 4. Test the Correlation between five dimensions of cultural value and the creative accounting factor (motivation) by the Pearson Correlation method

		Power distance	uncertainty avoidance	Individualism	masculinity	long-term orientation	Motivate
Power distance	Pearson Correlation	1	0.160	0.146	0.038	0.105	0.120
	Sig. (1-tailed)		0.134	0.155	0.396	0.234	0.204
uncertainty avoidance	Pearson Correlation	0.160	1	0.817**	0.609**	0.560**	0.590**
	Sig. (1-tailed)	0.134		0.000	0.000	0.000	0.000
Individualism	Pearson Correlation	0.146	0.817**	1	0.794**	0.638**	0.691**
	Sig. (1-tailed)	0.155	0.000		0.000	0.000	0.000
Masculinity	Pearson Correlation	0.038	0.609**	0.794**	1	0.783**	0.832**
	Sig. (1-tailed)	0.396	0.000	0.000		0.000	0.000
long-term orientation	Pearson Correlation	0.105	0.560**	0.638**	0.783**	1	0.860**
	Sig. (1-tailed)	0.234	0.000	0.000	0.000		0.000
Motivate	Pearson Correlation	0.120	0.590**	0.691**	0.832**	0.860**	1
	Sig. (1-tailed)	0.204	0.000	0.000	0.000	0.000	

** . Correlation is significant at the 0.01 level (1-tailed).

H₃: There is a significant correlation between the five cultural value dimensions and the creative accounting factor (control) in the Financial Reports of economic units.

We apply the same approach to examine our third hypothesis. Table 5 presents the findings. The five cultural dimension factors and the creative accounting control component do not significantly correlate. Individualism, masculinity, and long-term orientation have a substantial negative link with the creative accounting control component, whereas power distance and uncertainty avoidance have a large positive correlation with it. Moreover, no meaningful correlation has been observed between creative accounting (control) factories and the five dimensions of cultural values. The study finds that despite the high significance of each dimension of cultural value, the hypothesis is not

accepted. Table 5 shows that the significant value derived from Distribution Table 3 is not significant at the 1% level.

The findings of this study also demonstrate that the five dimensions of cultural value are not significantly related to the creative accounting factor (control). These results suggest that the use of five dimensions of cultural value is not an effect of the control factory on the accounting reports because the significance of the five dimensions is less than 0.01. On the other hand, higher audit quality ought to or might result in higher-quality reported earnings. Members of the audit committee need to understand how management can control earnings through estimations and transaction timing, among other accounting-related decisions. They acknowledge that the five dimensions of cultural values have no bearing on the innovative accounting variables that Iraqi industrial enterprises use in their accounting reports.

Table 5. Test the Correlation between five dimensions of cultural value and the creative accounting factor(control) by the Pearson Correlation method

		Power distance	uncertainty avoidance	Individualism	Masculinity	long-term orientation	Control
Power distance	Pearson Correlation	1	0.160	0.146	0.038	0.105	0.202
	Sig. (1-tailed)		0.134	0.155	0.396	0.234	0.080
uncertainty avoidance	Pearson Correlation	0.160	1	0.817**	0.609**	0.560**	0.054
	Sig. (1-tailed)	0.134		0.000	0.000	0.000	0.354
Individualism	Pearson Correlation	0.146	0.817**	1	0.794**	0.638**	-0.007
	Sig. (1-tailed)	0.155	0.000		0.000	0.000	0.481
masculinity	Pearson Correlation	0.038	0.609**	0.794**	1	0.783**	-0.044
	Sig. (1-tailed)	0.396	0.000	0.000		0.000	0.382
long-term orientation	Pearson Correlation	0.105	0.560**	0.638**	0.783**	1	-0.026
	Sig. (1-tailed)	0.234	0.000	0.000	0.000		0.430
control	Pearson Correlation	0.202	0.054	-0.007	-0.044	-0.026	1
	Sig. (1-tailed)	0.080	0.354	0.481	0.382	0.430	

** . Correlation is significant at the 0.01 level (1-tailed).

Finally, Figure 1 below shows the overall results, as the research conducted supports the first two hypotheses quite well, but not the third. The five aspects of cultural values and creative accounting (control) are non-significantly correlated. As a result, the first and second hypotheses in this study provide outcomes that are similar. The auditors could ascertain if a business engaged in creative accounting or not if they comprehend how its operations relate to its accounting standards. The result approves the usage level of creative accounting of three techniques: motivation, expectancy, and control, which are not used in Iraqi industry company accounting reports.

This study aims to explore the relationship between cultural values, represented by their five dimensions, and creative accounting, represented by its three dimensions, in financial statements. After establishing the relationship between the study variables, future researchers should focus on analyzing the impact of the primary or secondary independent variables on the dependent variables of the study. Further, the relationship between cultural values and creative accounting is important because it influences how creative accounting is applied within organizations. Cultural values shape individuals' behavior in making accounting decisions, helping them to use creative accounting techniques ethically and appropriately, enhancing transparency, and contributing to the improvement of financial reporting.

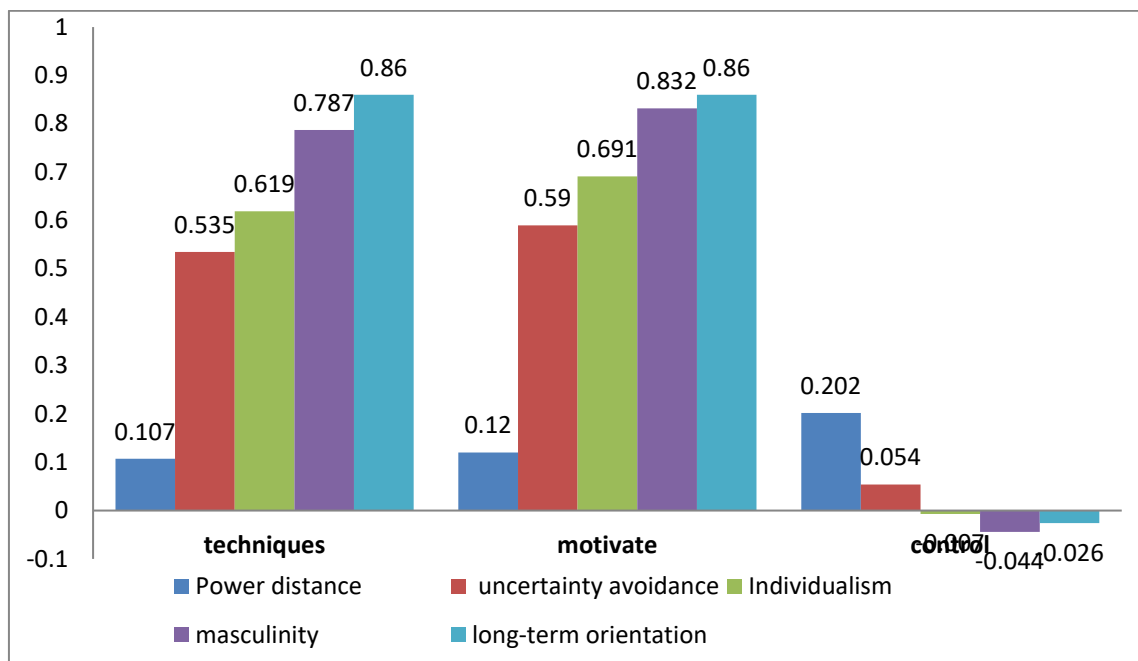


Figure 1. Result: Pearson Correlation Method to Test the Relationship

5. Conclusion and Recommendation

5.1 Conclusions

This study offers intriguing results about the connection between the subject of creative accounting and five aspects of cultural value. This relationship was tested using the SPSS method. Managers' self-interest in accounting reporting can be satiated using creative accounting practices. When creative accounting is applied unethically, it may lead to stakeholder well-being. Therefore, efforts should be directed towards preventing unethical practices by depending on the five dimensions of cultural values to promote integrity in financial reporting. The findings of this study also demonstrate that the five dimensions of cultural value are significantly related to the creative accounting factor (techniques). These results suggest that most of the five cultural value dimensions are significantly related to the use of accounting techniques, highlighting the influence of cultural factors on accounting practices. Power distance was an exception, showing no significant effect. Further, in line with the hypothesis, the results also show that a higher degree of five cultural values (power distance, individualism, masculinity, uncertainty avoidance, and long-term orientation) leads to creative accounting (motives) factory significance (at 0.000, 0.000, 0.000, and 0.000 importance levels, respectively). At the 0.120 significance level, no directional effect was hypothesized for the power distance cultural value. Finally, the findings of this study also demonstrate that the five dimensions of cultural value are not significantly related to the creative accounting factor (control). These results suggest that the use of five dimensions of cultural value is not an effect of the control factory on the accounting reports because the significance of the five dimensions is less than 0.01.

5.2 Recommendations

1. The necessity of considering cultural values when formulating corporate strategies and spreading awareness about cultural values and the extent of their influence on corporate behavior, based on the fact that culture is a complex social phenomenon with characteristics, dimensions, and functions that fundamentally affect the life of companies. It represents one of the characteristics of companies and a basic determinant of the behavior of its managers, employees, and those dealing with it. Companies gain their identity, philosophy, and value.
2. The research team recommends the need to pay attention to the influence of the culture factor on the formation and development of accounting systems in countries, as a factor independent of other

environmental factors represented by the economic factor, the legal system, the political system, and professional accounting.

3. It is necessary to conduct a study on the logical link between culture and the orientations of managers in the environment of Kurdistan Region companies, as the orientation of managers' values is largely a product of the work of culture, as it has a direct impact on accountants and auditors and their practices of creative accounting.

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په یوه نډی نیوان به کولتوریبه کان و فاکتوره کانی ژمیریاری داهینه رانه له راپورته داراییه کاند

سلا م محمود حمد	چنار عبدالله رشید	رزگار عبدالله صابر جاف
به شی به رپوه بردنی کار، کولجی زانسته مرقایه تیه کان، زانکوی راپه رین راپه رین / هه ریمی کوردستانی عیراق Salam.mahmood@uor.edu.krd	به شی ژمیریاری، کولجی ته کنیکی کارگی ری زانکوی پو لیته کنیکی سلیمانی، سلیمانی / هه ریمی کوردستانی عیراق Chnar.rashid@spu.edu.iq	به شی ژمیریاری، کولجی به رپوه بردن و ثابوری، زانکوی سه لاهه دین - هه ولیر، هه ریمی کوردستانی عیراق rizgar.sabir@su.edu.krd

پوخته

هه مرق ژمیریاری داهینه رانه بوته جیگه ی باوه ری پیوه ره گه وره کانی چالاکی بازرگانی کومپانیاکان. نامانجی هه م توژی نه وهش هه وه یه؛ لیکولینه وه له کاریگه ریبه چاوه رپوانکراوه کانی به ها کولتوریبه کان بکات، که له سه ر پراکتیکه کانی ژمیریاری داهینه رانه له راپورته داراییه کاند هه یه. له به رامبه ریشدا؛ کولتور ده توانیت کاریگه ری له سه ر هه لویست و ره فتاری به کار به ران هه بیت. لیره وه به های هه کومه لگه یه ک وه ک گوراویکی سه ر به خق وه رگراوه، که له پینج ره گز پیکدیت: مه وادی هین، دو ورکه و تنه وه له نادلنیایی، تاکگه رای، پیاسالاری و تیروانیی دریتخایه ن. په یوه نډی هه مانه ش له گه ل هواره کانی ژمیریاری داهینه رانه وه ک گوراوی پاشکو، ده پتورین، که ته کنیک، پالنه ر و چاودیری له خوده گریت. توژی نه وه که پینج کومپانیای پیشه سازی عیراقی له خوگر توه. راپرسیه ک به به کارهینانی ریازی چه نادیه تی هه نجامدرا، که تویره 64 فورمی رپوه رگرتی به سه ر سامپله هه لیزیردراوه کاند دابه شکر دوه. ریژه ی وه لامدانه وه له کوی ژماره ی فورمه دابه شکر اوه کاند بو شیکردنه وه ی فورمه کانی رپوه رگرتن به کارده هینریت. ده ره نه نجام ده ریخت که په یوه نډی هه یه له SPSS له سه دا 78 بووه. سو فتویری نیوان ناراسته کانی به ها کلتوریبه کان و بواره کانی ژمیریاری داهینان، بو وه رگرتی سو ده بالاکان له ژمیریاری داهینان پیویسته بریاری وه راسپارده کردنمان به گرنگی دان به به های کلتوری له پیکهاته وه هه نگانان بدریت بو چاکسازی ته کنیکه پیشکه و توه کانی ژمیریاری. پیشکه و تنی سیسته می ژمیریاری وه ک گوراویکی سه ر به خق جیا له هوارگی تر وه ک هوارگی ثابوری سیسته می رامیاری و پیشه ی ژمیریاری. **هه وه سه ره کییه کان:** به ها کولتوریبه کان، فاکتوره کانی ژمیریاری داهینه رانه، کومپانیا پیشه سازیه کانی عیراق.

العلاقة بين القيم الثقافية وعوامل المحاسبة الإبداعية في التقارير المالية للوحدات الاقتصادية :

دراسة تحليلية لآراء عينة من الشركات الصناعية / العراق

سلا م محمود حمد	چنار عبدالله رشید	رزگار عبدالله صابر جاف
قسم اداره الاعمال، كلية العلوم الإنسانية، جامعة رابرین، رابرین / إقليم كوردستان - العراق Salam.mahmood@uor.edu.krd	قسم المحاسبة، كلية التقنية الإدارية، جامعة التقنية السليمانية، السليمانية / إقليم كوردستان - العراق Chnar.rashid.spu.edu.iq	قسم المحاسبة، كلية الإدارة والاقتصاد، جامعة صلاح الدين - أربيل، إقليم كوردستان، العراق rizgar.sabir@su.edu.krd

الملخص

في الوقت الحاضر، تعتمد المحاسبة الإبداعية على مؤشرات كبيرة للنشطة التجارية للشركات. الغرض من هذه الدراسة هو دراسة التأثير المحتمل للقيم الثقافية على ممارسات المحاسبة الإبداعية في إعداد التقارير المالية. وفي المقابل، يمكن للثقافة أن تؤثر على مواقف المستهلك وسلوكياته. ومن ثم فإن القيم الثقافية هي متغير مستقل يتكون من خمسة مكونات: مسافة القوة، وتجنب عدم اليقين، والفردية، والذكورة، والتوجه طويل المدى. كما يتم فحصها فيما يتعلق بعوامل المحاسبة الإبداعية كمتغير تابع يتضمن التقنيات والدوافع والرقابة. تغطي الدراسة خمس شركات صناعية عراقية. تم إجراء المسح باستخدام المنهج الكمي، حيث قام الباحث بتوزيع 64 استبانة على المستجيبين المختارين. وبلغت نسبة الاستجابة 78% من إجمالي عدد الاستبيانات الموزعة. يهدف هذا البحث إلى تسليط الضوء على القيم الثقافية لعوامل المحاسبة الإبداعية في التقارير المالية على أساس أبعاد هوفستد الثقافية، في دراسة ميدانية على إحدى الشركات الصناعية في إقليم كردستان العراق. يستخدم الباحث المنهج الوصفي التحليلي لوصف ودراسة الظاهرة محل البحث. وبالاعتماد على مجتمع الدراسة وهو شركة الصناعات في إقليم كردستان - العراق والتي تضم عدداً من رؤساء الأقسام والإدارة العليا، حاولنا توزيع استبانة على مجتمع الدراسة. تم استخدام طريقة SPSS لتحليل استبيان الاستبيان. وتوصلنا إلى العلاقة بين الأبعاد الخمسة للقيمة الثقافية ومجال المحاسبة الإبداعية. لذا، للحصول على الفائدة المثلى من المحاسبة الإبداعية، ينبغي اتخاذ خطوات لتحسين التقنيات المتقدمة في المحاسبة. ضرورة الاهتمام بتأثير عامل الثقافة في تشكيل وتطوير الأنظمة المحاسبية في الدول، كعامل مستقل عن العوامل الأخرى المتمثل بالعامل الاقتصادي، والنظام القانوني، والنظام السياسي، والمحاسبة المهنية. **الكلمات المفتاحية:** القيمة الثقافية، عوامل المحاسبة الإبداعية، التقارير المالية، الشركات الصناعية العراقية.