



Identifying and Analyzing Professional Ethics Indicators of Management Accountants in Iranian Pharmaceutical Companies Using a Structural Equation Approach

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Abstract

The aim of the present study is to identify and analyze the professional ethics indicators of management accountants in Iranian pharmaceutical companies using the structural equation approach. Given the high sensitivity of this industry in the field of public health, adherence to ethical principles in financial decision-making, reporting, and management control becomes increasingly important. The research is of an applied and descriptive type, and data were collected by distributing questionnaires among 220 management accountants working in pharmaceutical companies in the country, who were selected through stratified random sampling. The collection tool was a researcher-made questionnaire based on the frameworks of the International Association of Management Accountants and the International Federation of Accountants. This tool assessed five main components, including honesty and information transparency, social responsibility, professional confidentiality, compliance with regulations, and avoidance of conflict of interest. The results of the study showed that all components have a positive and significant effect on the professional behavior of management accountants. The most effective ones were related to avoiding conflict of interest and honesty and information transparency. These findings are consistent with similar studies in health-related industries; however, in the Iranian economic environment, due to the localization of indicators and the focus on the pharmaceutical industry, a practical framework for policymaking and professional ethics education is provided. Accordingly, strengthening decision-making independence, information transparency, and social responsibility should be prioritized in the design of ethical codes for this industry.

Keywords: Professional Ethics, Professional Behavior, Management Accounting, Pharmaceutical Industry.

JEL Classification: M14. M41. L65. I10. C38

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INTRODUCTION

Ethical standards are roadmaps that help members of an organization to perform their roles with complete clarity and precision (Tavassoli, et al. 2024). Previous studies have shown that the perception of organizational support and the existence of clear guidelines play a mediating role in the emergence of ethical behavior. However, a systematic review of the literature shows that previous research in Iran has been mainly general, has dealt with non-sensitive industries, or their measurement tools have not been localized. This has created an important gap that the present study seeks to fill. Well-known frameworks such as the Multidimensional Model of Organizational Ethics (Treviño, 1986) attempt to clarify the link between individual, organizational, and environmental factors in the formation of ethical behaviors. Considering the study of theoretical foundations and previous studies, a validated local model that comprehensively identifies and tests the professional ethics indicators of management accountants in the Iranian pharmaceutical industry has not been presented. Therefore, the main goal of this study is to identify, categorize, and validate professional ethics indicators in this industry using a quantitative approach and structural equation modeling. This framework can serve as a theoretical basis for developing ethical codes, designing targeted training programs, and improving regulatory mechanisms, ultimately leading to improved financial transparency, reduced ethical risks, and increased public trust in the pharmaceutical industry.

METHODOLOGY

The present study was conducted with the aim of identifying and validating the professional ethics indicators of management accountants in Iranian pharmaceutical companies and is applied in terms of purpose and descriptive and correlational in nature. The statistical population includes all management accountants working in pharmaceutical companies licensed by the Food and Drug Administration. The list of these companies was extracted from the official database of the Food and Drug Administration, and based on it, the number of employees in the management accounting department was estimated to be about 500 people. Using the Cochran formula and a 95% confidence level, the sample size was determined to be 220 people. To ensure appropriate representation, a stratified random sampling method was used; in this way, pharmaceutical companies were classified based on size (small, medium, large) and geographical location (northern, central, southern, eastern, and western provinces), and then companies were randomly selected from each category and their management accountants were sampled. The data collection tool was a researcher-made questionnaire based on the theoretical foundations and ethical frameworks of the International Society of Management Accountants and the International Federation of Accountants. The questionnaire consisted of 20 items in the form of five components: information honesty and transparency, social responsibility, professional confidentiality, compliance with regulations, and avoidance of conflict of interest. A five-point Likert scale from strongly disagree to strongly agree was used to measure the items. The face and content validity of the questionnaire was confirmed by the opinions of 7 management accounting and professional ethics experts, and to examine the construct validity, confirmatory factor analysis was conducted in Amos software version 26. The results showed that the five-factor structure designed had a good fit with the collected data. Cronbach's alpha coefficient was 0.89 for the entire instrument and between 0.67 and 0.86 for the components. Also, the composite reliability for all components was more than 0.79 and the average extracted variance was more than 0.50, indicating the convergent validity and appropriate internal consistency of the instrument. The conceptual model of the research was developed based on a literature review and theoretical frameworks and included direct relationships between the five components of professional ethics and the variable of professional behavior of management accountants. Accordingly, five main hypotheses were developed to examine the effect of honesty and information transparency, social responsibility, professional secrecy, compliance with regulations, and avoidance of conflict of interest on the professional behavior of management accountants. The data were analyzed at two descriptive and inferential levels. In the descriptive section, central and dispersion indices (mean and standard deviation) and distribution indices (skewness and kurtosis) were examined, and the normality of the data was confirmed with the Kolmogorov-Smirnov test. In the inferential

section, first a confirmatory factor analysis was performed to confirm the structure of the questionnaire, and then structural equation modeling was performed.

RESULTS

The present study aimed to identify and validate the indicators of professional ethics of management accountants in Iranian pharmaceutical companies. The results of structural equation modeling using the partial least squares method showed that five main components, including information honesty and transparency, social responsibility, professional confidentiality, compliance with regulations, and avoidance of conflict of interest, have the ability to significantly predict the professional behavior of management accountants and explain a total of 64% of the variance in professional behavior. The findings are consistent with the results of the studies of Ariail., et al (2024) and Mirhoseini., et al (2021).

CONCLUSION

From a practical point of view, the proposed model can be used as a basis for developing ethical codes, designing performance evaluation forms, developing targeted training programs, and improving supervisory mechanisms in pharmaceutical organizations. For example, results show that avoiding conflicts of interest and information integrity have the greatest impact on professional behavior, so training and assessments should have a special focus on these two areas.

Contribution of Authors

The authors jointly contribute to the preparation and publication of the article.

Ethical Approval

Informed written consent was obtained from individuals for the publication of their anonymous information in this study.

Sponsor

This study had no sponsor.

Conflict of Interest

The authors of this article declared no conflict of interest regarding the authorship or publication of this article.

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