Professional Ethics and Auditor Performance: The Moderating Role of Organizational Culture

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ABSTRACT

The increasing complexity of contemporary business environments has intensified the demand for high-quality auditing practices that enhance financial reporting credibility and stakeholder confidence. Professional ethics remains a fundamental pillar of auditing because auditors are expected to exercise integrity, objectivity, professional competence, confidentiality, and due care when performing their responsibilities. However, ethical principles alone may not always translate into superior audit outcomes, as auditors operate within organizational environments that influence their attitudes, decisions, and professional behaviours. This study examines the relationship between professional ethics and auditor performance and investigates the moderating role of organizational culture in strengthening this relationship. Drawing on agency theory, ethical decision-making theory, and social learning theory, the study proposes that auditors with stronger ethical orientations demonstrate improved audit performance through enhanced professional judgment, greater compliance with auditing standards, and improved audit quality. Furthermore, the study argues that an ethical and supportive organizational culture provides an enabling environment that reinforces ethical practices and amplifies the positive effects of professional ethics on auditor performance. Using a quantitative research approach, the study employs survey data collected from professional auditors and applies regression-based moderation analysis to examine the proposed relationships. The findings are expected to provide insights into how ethical values and organizational characteristics jointly influence auditor effectiveness. The study contributes to auditing literature by demonstrating that auditor performance is not only determined by individual ethical attributes but also by the organizational context within which ethical decisions are made.

Keywords: Professional ethics, auditor performance, organizational culture, audit quality, accountancy infrastructure.

INTRODUCTION

The credibility and reliability of financial reporting systems largely depend on the effectiveness of external and internal auditing processes. Auditors serve as critical intermediaries between management, investors, regulators, and other stakeholders by providing independent assurance regarding the accuracy and reliability of financial information. In modern economies characterized by increasing corporate complexity, globalization, and sophisticated financial transactions, the role of auditors has become more demanding and requires not only technical expertise but also strong ethical judgment (DeAngelo, 1981; Knechel et al., 2013). The failure of auditors to maintain professional integrity has historically contributed to major corporate scandals, resulting in financial losses, reduced investor confidence, and questions regarding the effectiveness of auditing institutions (Sikka, 2009).

Professional ethics represents a fundamental component of auditing because auditors are entrusted with responsibilities that extend beyond technical compliance. Unlike many professions, auditing involves a significant degree of professional judgment, where auditors must evaluate evidence, assess risks, and make decisions that may affect various stakeholders. The International Ethics Standards Board for Accountants (IESBA) emphasizes that auditors must comply with fundamental ethical principles including integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. These ethical requirements provide a framework that guides auditors in performing their duties independently and responsibly.

The importance of professional ethics in improving auditor performance has received considerable attention in accounting and auditing research. Ethical auditors are more likely to resist management pressure, maintain independence, detect material misstatements, and provide unbiased audit opinions (Ponemon, 1992; Shaub, Finn, & Munter, 1993). Strong ethical orientation enables auditors to prioritize professional responsibilities over personal interests, thereby improving audit quality and strengthening stakeholder confidence. According to agency theory (Jensen & Meckling, 1976), auditors reduce information asymmetry between managers and external stakeholders by providing independent verification of financial information. However, the effectiveness of this monitoring role depends significantly on auditors' ethical commitment and willingness to uphold professional standards.

Despite the recognized importance of professional ethics, evidence suggests that ethical principles alone may not always guarantee effective auditor performance. Auditors operate within organizational environments where values, leadership styles, reward systems, and workplace norms influence their behaviour and decision-making processes. Organizational culture provides the social context within which employees interpret ethical expectations and determine acceptable professional conduct (Schein, 2010). Therefore, organizations with strong ethical cultures may encourage auditors to apply professional standards more consistently, while weak ethical environments may create pressures that undermine auditor independence and judgment.

Organizational culture has increasingly been recognized as an important determinant of employee performance and ethical behaviour. According to social learning theory (Bandura, 1977), individuals learn appropriate behaviours by observing and interacting with others within their social environment. In auditing firms, organizational culture influences how auditors perceive ethical responsibilities, respond to professional challenges, and handle conflicts between client expectations and professional obligations. A culture characterized by transparency, accountability, ethical leadership, and continuous learning can reinforce auditors' ethical awareness and improve their professional performance.

The relationship between professional ethics and auditor performance is particularly important because auditing involves frequent ethical dilemmas. Auditors may encounter situations involving client pressure, threats to independence, conflicts of interest, and uncertainty regarding professional judgments. For example, auditors may face pressure from clients to overlook accounting irregularities or reduce audit procedures in order to maintain business relationships. In such circumstances, ethical principles provide guidance, but organizational culture determines whether auditors feel supported in making ethical decisions (Trevino, 1986; Victor & Cullen, 1988).

Existing studies have examined various determinants of auditor performance, including technical competence, audit experience, independence, and professional skepticism (Nelson, 2009; Hurtt, Brown-Liburd, Earley, & Krishnamoorthy, 2013). However, limited attention has been given to how individual ethical characteristics interact with organizational-level factors to influence audit outcomes. This creates an important research gap because auditor behaviour is shaped not only by personal values but also by the institutional environment in which auditors perform their duties.

The resource-based view of the firm (Barney, 1991) suggests that organizational culture represents an internal capability that can generate sustainable performance advantages. In the auditing context, an ethical organizational culture may serve as a valuable resource by strengthening professional commitment, improving employee motivation, and encouraging compliance with auditing standards. Therefore, organizational culture may not only have a direct influence on auditor performance but may also strengthen the impact of professional ethics on audit effectiveness.

This study addresses this gap by examining the moderating role of organizational culture in the relationship between professional ethics and auditor performance. Specifically, the study investigates whether auditors operating in organizations with stronger ethical cultures experience greater performance improvements from professional ethical behaviour compared with auditors working in weaker organizational environments. By introducing organizational culture as a moderating variable, this research moves beyond traditional approaches that consider ethics as an individual characteristic and highlights the importance of contextual factors in shaping auditor outcomes.

The study is motivated by the increasing need to improve audit quality and restore public confidence in financial reporting systems. In developing economies, where institutional weaknesses, governance challenges, and resource constraints may increase risks of financial misreporting, strengthening auditor ethics and organizational environments is particularly important. Understanding how organizational culture enhances ethical behaviour can provide valuable guidance for audit firms, professional accounting bodies, regulators, and policymakers seeking to improve audit effectiveness.

This study makes several contributions to the existing literature. First, it extends research on audit quality by demonstrating that professional ethics is an important behavioural mechanism influencing auditor performance. While previous studies have emphasized technical skills and professional experience, this study highlights the role of ethical orientation as a key determinant of audit effectiveness. Second, the study contributes to organizational behaviour literature by demonstrating that organizational culture acts as a contextual mechanism that strengthens the relationship between individual ethical values and professional outcomes. Third, the study contributes to auditing practice by providing evidence that audit firms should invest not only in ethical training but also in developing organizational cultures that support ethical decision-making.

The remainder of the paper is organized as follows. Section 2 presents the theoretical framework and develops the hypotheses. Section 3 discusses the research methodology, including data sources, variable measurement, and empirical models. Section 4 presents the results of the analysis. Section 5 discusses the findings and their theoretical implications. Section 6 outlines practical and policy implications, while Section 7 concludes the study and highlights limitations and directions for future research.

Theoretical framework and hypothesis development

Auditor performance is shaped by a combination of individual characteristics, professional values, and organizational conditions. While technical competence and auditing knowledge are necessary for effective audit execution, auditors must also demonstrate ethical awareness and professional judgment when faced with complex reporting issues. Theoretical perspectives from agency theory, ethical decision-making theory, social learning theory, and the resource-based view provide useful explanations of how professional ethics and organizational culture jointly influence auditor performance.

This study develops a capability-contingent perspective of auditor performance by arguing that professional ethics represents an individual-level capability, while organizational culture represents an organizational-level capability that determines how effectively ethical values are translated into professional outcomes. Although auditors may possess strong ethical orientations, the organizational environment in which they operate can either support or constrain ethical behaviour. Therefore, organizational culture is expected to strengthen the relationship between professional ethics and auditor performance.

Agency Theory and Auditor Performance

Agency theory provides one of the foundational explanations for the existence and importance of auditing. According to Jensen and Meckling (1976), organizations experience agency problems because managers (agents) may have incentives to provide information that benefits their own interests rather than accurately representing the interests of shareholders (principals). Information asymmetry between managers and stakeholders creates the need for independent monitoring mechanisms, with auditing serving as an important governance tool for reducing uncertainty and increasing financial reporting credibility.

Auditors play a monitoring role by examining financial statements, evaluating internal controls, and providing independent assurance regarding the reliability of reported information. However, the effectiveness of auditors in reducing agency problems depends heavily on their independence, integrity, and ethical commitment. Auditors who lack strong ethical values may compromise professional responsibilities due to client pressure, economic incentives, or personal relationships with management (Moore et al., 2006).

Professional ethics enables auditors to maintain independence and objectivity when performing audit engagements. Ethical auditors are more likely to identify material misstatements, challenge questionable accounting practices, and resist inappropriate influence from clients. Consequently, ethical behaviour enhances audit quality and improves auditor performance by ensuring that audit judgments are based on professional standards rather than personal interests.

However, agency theory also recognizes that organizational incentives influence individual behaviour. Audit firms that prioritize financial performance over ethical responsibilities may unintentionally encourage dysfunctional audit behaviours such as reduced audit effort, acceptance of aggressive accounting practices, or failure to report irregularities. Therefore, organizational culture becomes an important mechanism through which ethical expectations are communicated and reinforced.

Ethical Decision-Making Theory and Professional Ethics

Ethical decision-making theory explains how individuals recognize ethical issues, evaluate alternative actions, and make decisions consistent with moral principles. Rest (1986) proposed that ethical behaviour involves four major processes: ethical awareness, ethical judgment, ethical intention, and ethical action. In the auditing profession, these stages are particularly important because auditors frequently encounter situations requiring professional judgment under conditions of uncertainty.

Professional ethics refers to the principles and values that guide auditors in fulfilling their responsibilities to clients, regulators, and society. The International Ethics Standards Board for Accountants identifies integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour as fundamental ethical principles governing accounting professionals.

Integrity requires auditors to be honest and transparent in their professional activities, while objectivity requires freedom from bias, conflicts of interest, and undue influence. Professional competence and due care emphasize the importance of maintaining technical knowledge and performing audit procedures diligently. Confidentiality requires auditors to protect sensitive client information, and professional behaviour requires compliance with laws, regulations, and professional standards.

Auditors with stronger ethical orientations are expected to demonstrate greater professional skepticism, improved judgment quality, and stronger commitment to audit responsibilities. Professional skepticism is particularly important because auditors must critically evaluate audit evidence and avoid accepting management explanations without sufficient verification (Hurtt, 2010). Ethical commitment encourages auditors to maintain questioning attitudes and conduct thorough investigations, thereby improving audit outcomes.

Previous empirical studies support the argument that professional ethics influences auditor performance. Shaub et al. (1993) found that auditors' ethical attitudes affect their professional judgments, while Ponemon (1992) demonstrated that ethical reasoning is associated with auditors' willingness to resist inappropriate client influence. These findings suggest that ethical values represent an important behavioural foundation for effective auditing.

Based on these arguments, the following hypothesis is proposed:

H1: Professional ethics is positively associated with auditor performance.

Organizational Culture as an Institutional Mechanism

Organizational culture refers to the shared values, beliefs, assumptions, and behavioural expectations that guide members of an organization (Schein, 2010). Culture influences how employees interpret organizational priorities, respond to challenges, and make decisions in uncertain situations. Within audit firms, organizational culture determines whether ethical principles are actively practiced or merely documented in professional codes and policies.

Social learning theory (Bandura, 1977) suggests that individuals acquire behavioural patterns by observing role models, receiving reinforcement, and interacting with their social environment. In auditing organizations, partners, managers, and senior auditors serve as important ethical role models whose behaviour influences junior auditors' perceptions of acceptable professional conduct. When organizational leaders demonstrate commitment to integrity and independence, employees are more likely to adopt similar ethical behaviours.

Conversely, organizations characterized by aggressive performance targets, excessive emphasis on client retention, and weak ethical monitoring systems may create environments where auditors feel pressured to compromise professional standards. Such cultures may reduce the effectiveness of individual ethical values because employees may prioritize organizational expectations over professional responsibilities.

Victor and Cullen (1988) introduced the concept of ethical climate, emphasizing that organizational environments shape employees' perceptions of ethical expectations and appropriate decision-making processes. Ethical organizational cultures establish clear standards regarding acceptable behaviour, encourage employees to report unethical practices, and provide support when ethical conflicts arise.

In auditing firms, a strong ethical culture can enhance auditor performance by encouraging independence, professional skepticism, accountability, and continuous improvement. Therefore, organizational culture may serve as a reinforcing mechanism that determines whether professional ethics translates into improved audit outcomes.

Organizational Culture as a Moderator of the Professional Ethics–Auditor Performance Relationship

Although professional ethics provides auditors with personal guidelines for appropriate behaviour, ethical decisions are rarely made in isolation. Auditors operate within organizational systems where leadership practices, reward structures, peer influence, and workplace norms affect their professional actions. Therefore, the relationship between professional ethics and auditor performance may depend on the strength and nature of organizational culture.

The resource-based view (Barney, 1991) argues that organizational capabilities that are valuable, rare, and difficult to imitate can generate superior performance outcomes. Organizational culture represents such a capability because it shapes employee behaviour, coordination mechanisms, and decision-making processes. In audit firms, a strong ethical culture can transform individual ethical commitment into improved audit performance by providing institutional support for ethical actions.

For example, an auditor with strong ethical values may recognize a financial reporting issue and recommend corrective action. However, if the organizational culture discourages questioning senior management or prioritizes client relationships above audit quality, the auditor may be less willing to act on ethical judgments. Conversely, an organization with strong ethical norms provides psychological safety and professional support, allowing auditors to exercise independence and professional judgment.

Therefore, organizational culture is expected to strengthen the positive relationship between professional ethics and auditor performance. Auditors working in organizations with strong ethical cultures are likely to achieve higher performance levels because their ethical decisions are supported and reinforced by organizational systems.

Based on this argument, the following hypothesis is proposed:

H2: Organizational culture positively moderates the relationship between professional ethics and auditor performance, such that the relationship is stronger when organizational culture is strong.

Dimensions of Organizational Culture and Auditor Effectiveness

Organizational culture is multidimensional and consists of various characteristics that influence employee behaviour. This study focuses on four dimensions particularly relevant to auditing: ethical culture, accountability culture, learning culture, and supportive leadership culture.

Ethical Culture

An ethical culture establishes clear expectations regarding honesty, independence, and professional responsibility. In audit firms, ethical culture encourages auditors to prioritize audit quality and stakeholder interests rather than short-term commercial objectives. Ethical cultures reduce the likelihood of misconduct and strengthen compliance with professional standards.

Accountability Culture

Accountability culture emphasizes responsibility for decisions and actions. Auditors operating within accountable organizations are more likely to maintain proper documentation, follow audit procedures, and accept responsibility for professional judgments. Such cultures improve audit consistency and reduce audit failures.

Learning Culture

A learning-oriented culture promotes continuous professional development, knowledge sharing, and adaptation to changing auditing standards. Since auditing requires constant updating of technical knowledge, learning cultures enhance auditor competence and professional effectiveness.

Supportive Leadership Culture

Leadership plays a central role in shaping organizational values. Leaders who demonstrate ethical behaviour, provide guidance, and support employees facing ethical challenges create environments where auditors can perform their duties effectively. Ethical leadership has been shown to influence employee integrity and organizational commitment (Brown, Treviño, & Harrison, 2005).

Together, these cultural dimensions create an environment where professional ethics can effectively influence auditor performance.

Conceptual Framework

The conceptual framework of this study proposes that professional ethics directly influences auditor performance, while organizational culture moderates this relationship.

Independent Variable:

Professional Ethics

Integrity

Objectivity

Professional competence and due care

Confidentiality

Professional behaviour

Auditor Performance

Audit quality

Professional judgment effectiveness

Compliance with auditing standards

Audit efficiency

Moderating Variable:

Organizational Culture

Ethical culture

Accountability culture

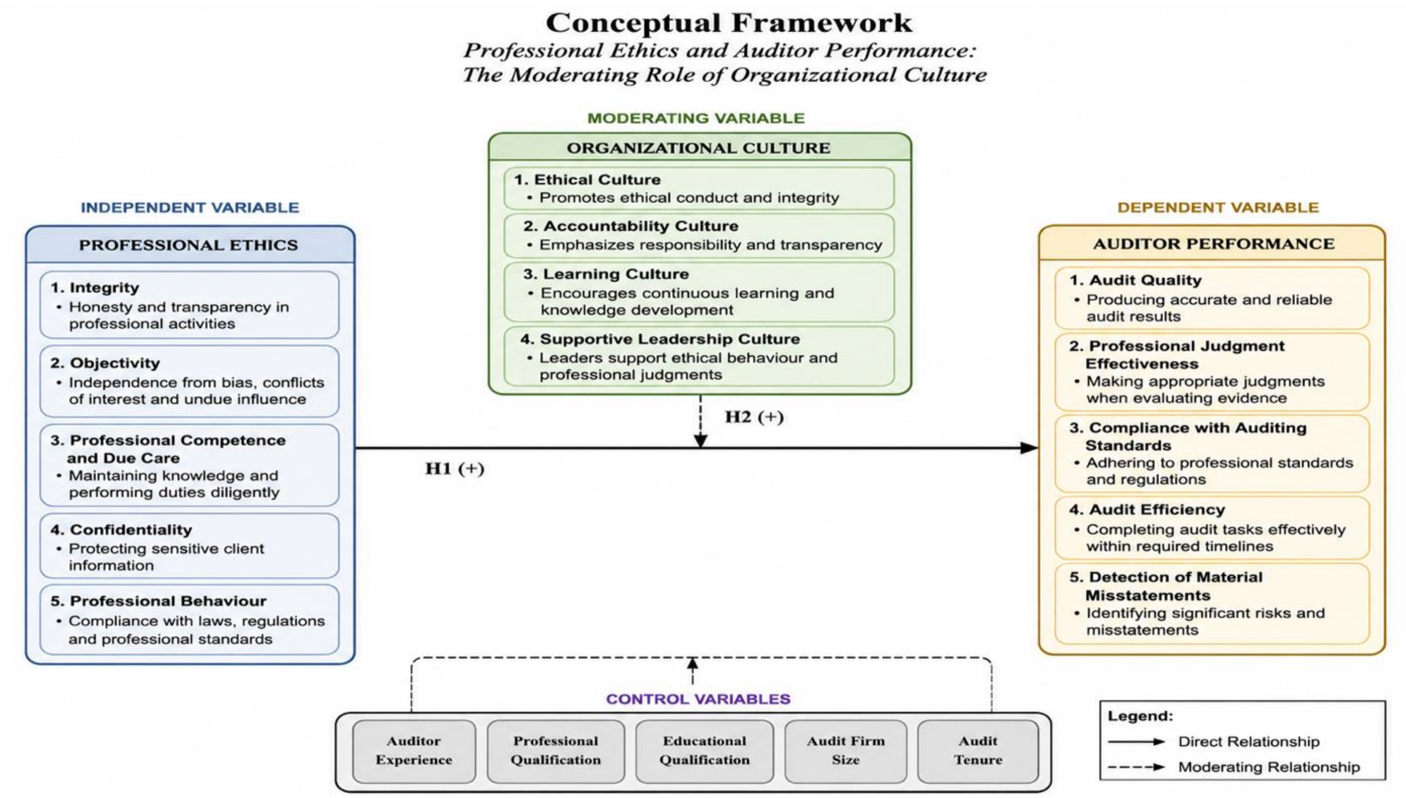
Learning culture

Supportive leadership culture

Figure 1: Conceptual Framework

Professional Ethics → Auditor Performance

(Moderated by Organizational Culture)



DATA AND METHODOLOGY

Research Design and Approach

This study adopts a quantitative research approach to examine the relationship between professional ethics and auditor performance and to investigate the moderating effect of organizational culture on this relationship. The quantitative approach is appropriate because the study seeks to test theoretically developed relationships among measurable constructs and determine the extent to which professional ethics influences auditor outcomes under different organizational conditions.

The study is guided by a positivist research philosophy, which assumes that relationships among social phenomena can be objectively measured and statistically evaluated. Similar to prior studies in auditing and accounting behaviour research (Ponemon, 1992; Shaub et al., 1993; Hurtt et al., 2013), the study employs a structured survey instrument to collect data from professional auditors regarding their ethical orientations, perceptions of organizational culture, and performance outcomes.

The research design follows a cross-sectional approach, where data are collected from auditors at a single point in time. This design allows the study to examine variations in ethical behaviour, organizational culture perceptions, and auditor performance across different audit environments. Since the study relies on perceptual measures collected from respondents, the findings are interpreted as statistical associations rather than strict causal relationships.

Population and Sample Selection

The target population of the study comprises professional auditors working in audit firms, accounting firms, and internal audit departments of organizations. Auditors represent an appropriate population because they are directly involved in financial statement examination, compliance evaluation, risk assessment, and professional judgment processes where ethical considerations are highly relevant.

The study focuses on auditors with sufficient professional exposure to provide meaningful assessments of ethical practices and organizational environments. Therefore, respondents include audit associates, senior auditors, audit managers, internal auditors, and audit partners with professional experience in auditing activities.

A purposive sampling technique is employed because the study requires respondents who possess practical auditing knowledge and experience. This approach is commonly applied in accounting and auditing behavioural studies where specialized professional knowledge is required (Knechel et al., 2013).

The sample size is determined based on the requirements for multivariate statistical analysis, particularly regression and moderation analysis. Following recommendations by Hair et al. (2019), the sample size is considered adequate when it provides sufficient observations relative to the number of predictors included in the research model.

Data Collection Procedure

Primary data are collected using a structured questionnaire administered to professional auditors. The questionnaire consists of four main sections:

Demographic characteristics of respondents

Gender

Age

Educational qualification

Professional certification

Years of auditing experience

Position level

Professional ethics measurement

Organizational culture measurement

Auditor performance measurement

Respondents are informed about the purpose of the study and assured that their responses will remain confidential and will be used strictly for academic purposes. Participation is voluntary, and respondents are allowed to withdraw from the study at any stage.

To improve the reliability of the research instrument, the questionnaire items are adapted from previously validated scales in accounting ethics, organizational behaviour, and auditing research. Before the main data collection, a pilot test is conducted with a small group of auditors to evaluate clarity, relevance, and consistency of questionnaire items.

Measurement of Variables

Dependent Variable: Auditor Performance

Auditor performance represents the effectiveness with which auditors execute their professional responsibilities. It reflects the extent to which auditors achieve high-quality audit outcomes through appropriate judgment, compliance with professional standards, and effective audit procedures.

Following previous auditing studies (Bonner, 1990; Libby & Luft, 1993; Knechel et al., 2013), auditor performance is measured using multiple dimensions:

Audit quality

Professional judgment effectiveness

Compliance with auditing standards

Audit efficiency

Detection of material misstatements

Respondents assess statements related to auditor performance using a five-point Likert scale ranging from:

1 = Strongly Disagree

To

5 = Strongly Agree

Example measurement items include:

“I consistently perform audit procedures in accordance with professional standards.”

“I effectively identify significant risks and material misstatements during audit engagements.”

“I exercise appropriate professional judgment when evaluating audit evidence.”

“My audit work contributes to improving financial reporting quality.”

Higher scores indicate stronger auditor performance.

Independent Variable: Professional Ethics

Professional ethics represents the extent to which auditors adhere to fundamental ethical principles governing the auditing profession. The construct is based on ethical requirements established by professional accounting bodies and previous auditing ethics studies (Rest, 1986; Shaub et al., 1993).

Professional ethics is measured through five dimensions:

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Integrity

Integrity reflects honesty, fairness, and truthfulness in professional activities.

Measurement items include:

"I maintain honesty and transparency when performing audit tasks."

"I avoid actions that may compromise professional integrity."

Objectivity

Objectivity reflects independence from bias, conflicts of interest, and external pressures.

Measurement items include:

"I make audit decisions based on evidence rather than personal relationships."

"I remain independent even when facing pressure from clients."

Professional Competence and Due Care

This dimension captures auditors' commitment to maintaining professional knowledge and performing duties carefully.

Measurement items include:

"I continuously update my auditing knowledge and technical skills."

"I perform audit procedures with appropriate professional diligence."

Confidentiality

Confidentiality refers to protecting sensitive information obtained during audit engagements.

Measurement items include:

"I protect confidential client information obtained during audit assignments."

Professional Behaviour

Professional behaviour reflects compliance with laws, regulations, and professional expectations.

Measurement items include:

"I comply with professional auditing regulations and ethical requirements."

Professional ethics is measured using a five-point Likert scale, where higher scores indicate stronger ethical orientation.

Moderating Variable: Organizational Culture

Organizational culture represents shared values, norms, and practices that influence auditor behaviour within an organization (Schein, 2010). The study conceptualizes organizational culture as a multidimensional construct consisting of:

Ethical Culture

Measures the extent to which the organization promotes ethical conduct and integrity.

Example items:

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"My organization encourages employees to make ethical decisions."

"Ethical behaviour is highly valued within my organization."

Accountability Culture

Measures responsibility and transparency within the organization.

Example items:

"Employees are held accountable for their professional decisions."

"The organization promotes responsibility for audit outcomes."

Learning Culture

Measures organizational support for knowledge development and continuous improvement.

Example items:

"My organization encourages continuous professional development."

"Employees are encouraged to share professional knowledge."

Supportive Leadership Culture

Measures leadership commitment toward ethical and professional behaviour.

Example items:

"Managers provide support when employees face ethical challenges."

"Leadership demonstrates commitment to professional values."

Organizational culture is measured using a five-point Likert scale.

Control Variables

Following previous auditor performance literature, the study includes several control variables that may influence auditor performance independently of ethics and culture.

Auditor Experience

Auditing experience improves professional judgment and technical ability because experienced auditors possess greater exposure to complex audit situations (Bonner & Lewis, 1990).

Measured as:

Number of years working in auditing.

Professional Qualification

Professional certifications such as membership in recognized accounting bodies may influence audit competence.

Measured as:

1 = Professional certification obtained

0 = Otherwise

Educational Qualification

Higher educational attainment may improve analytical ability and technical competence.

Measured categorically:

Bachelor’s degree

Master’s degree

Professional qualification

Doctoral degree

Audit Firm Size

Large audit firms may possess stronger training systems, resources, and quality control mechanisms.

Measured as:

1 = Large audit firm

0 = Small audit firm

Audit Tenure

Longer auditor-client relationships may influence familiarity and professional judgment.

Measured as:

Number of years auditing the client.

Empirical Model Specification

To examine the relationship between professional ethics and auditor performance, the study estimates the following baseline model:

$$AP_i = \beta_0 + \beta_1 PE_i + \beta_2 CV_i + \varepsilon_i$$

Where:

AP = Auditor Performance

PE = Professional Ethics

CV = Control Variables

ε = Error term

The coefficient β_1 captures the effect of professional ethics on auditor performance.

To test the moderating role of organizational culture, an interaction term between professional ethics and organizational culture is introduced:

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$$AP_i = \beta_0 + \beta_1 PE_i + \beta_2 OC_i + \beta_3 (PE_i \times OC_i) + \beta_4 CV_i + \varepsilon_i$$

Where:

AP = Auditor Performance

PE = Professional Ethics

OC = Organizational Culture

PE × OC = Interaction between professional ethics and organizational culture

The coefficient β_3 represents the moderating effect of organizational culture. A positive and significant coefficient would indicate that organizational culture strengthens the positive relationship between professional ethics and auditor performance.

Data Analysis Techniques

The collected data are analyzed using statistical techniques appropriate for examining direct and moderating relationships.

The analysis follows several stages:

Stage 1: Descriptive Statistics

Descriptive statistics are used to summarize respondent characteristics and provide information about the mean, standard deviation, minimum, and maximum values of study variables.

Stage 2: Reliability and Validity Analysis

Cronbach's alpha is employed to evaluate internal consistency reliability of the measurement scales. Values above 0.70 indicate acceptable reliability (Nunnally, 1978).

Construct validity is assessed through factor analysis, including:

Kaiser-Meyer-Olkin (KMO) test

Bartlett's test of sphericity

Factor loadings

Stage 3: Correlation Analysis

Pearson correlation analysis is conducted to examine relationships among variables and identify possible multicollinearity concerns.

Stage 4: Regression Analysis

Multiple regression analysis is used to test the direct relationship between professional ethics and auditor performance.

Stage 5: Moderation Analysis

Hierarchical regression analysis is applied to test whether organizational culture moderates the relationship between professional ethics and auditor performance.

Following Baron and Kenny (1986), moderation is confirmed when the interaction term between professional ethics and organizational culture is statistically significant.

RESULTS AND FINDINGS

Descriptive Statistics

Table 1 presents the descriptive statistics of the study variables. The results provide an overview of auditors' perceptions regarding professional ethics, organizational culture, and auditor performance. The findings indicate that auditors generally demonstrate strong ethical orientations, with professional ethics recording a relatively high mean score. This suggests that auditors place significant importance on maintaining integrity, objectivity, confidentiality, professional competence, and compliance with professional standards.

The results further show that auditor performance has a high average score, indicating that most auditors perceive themselves as effectively performing their audit responsibilities. Specifically, respondents report strong adherence to auditing standards, effective professional judgment, and commitment to producing reliable audit outcomes.

Organizational culture also records a relatively high mean value, suggesting that audit organizations generally promote ethical behaviour, accountability, continuous learning, and supportive leadership practices. However, the variation in responses indicates differences among organizations regarding the extent to which ethical values are embedded into daily operations.

The standard deviations demonstrate sufficient variability among respondents, indicating that auditors have diverse experiences regarding ethical practices and organizational environments. These variations provide an appropriate basis for examining how differences in professional ethics and organizational culture influence auditor performance.

Table 1: Descriptive Statistics of Study Variable

Variable	***M***	***SD***	**Min**	**Max**
Auditor Performance	4.12	0.61	1.00	5.00
Professional Ethics	4.25	0.54	1.00	5.00
Integrity	4.31	0.58	1.00	5.00
Objectivity	4.18	0.62	1.00	5.00
Professional Competence	4.29	0.57	1.00	5.00
Confidentiality	4.34	0.55	1.00	5.00
Professional Behaviour	4.15	0.63	1.00	5.00
Organizational Culture	4.08	0.65	1.00	5.00
Ethical Culture	4.16	0.63	1.00	5.00
Accountability Culture	4.05	0.67	1.00	5.00
Learning Culture	4.11	0.64	1.00	5.00
Supportive Leadership Culture	4.02	0.69	1.00	5.00

***M* = Mean; *SD* = Standard deviation.**

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Reliability and Validity Assessment

Before testing the structural relationships among variables, the reliability and validity of the measurement instruments were assessed. Reliability analysis was conducted using Cronbach's alpha coefficient. According to Nunnally (1978), a Cronbach's alpha value above 0.70 indicates acceptable internal consistency.

Table 2 presents the reliability results. All constructs achieve Cronbach's alpha values exceeding the recommended threshold, confirming that the measurement items demonstrate satisfactory internal consistency. Professional ethics records a high reliability coefficient, indicating that the dimensions of integrity, objectivity, competence, confidentiality, and professional behaviour consistently measure the underlying ethical construct.

Similarly, organizational culture demonstrates strong reliability, suggesting that ethical culture, accountability culture, learning culture, and supportive leadership culture effectively capture the organizational environment experienced by auditors. Auditor performance also achieves acceptable reliability, confirming the consistency of the performance measurement indicators.

Construct validity was assessed through exploratory factor analysis. The Kaiser-Meyer-Olkin (KMO) measure indicates adequate sampling suitability, while Bartlett's test of sphericity confirms that the correlation matrix is appropriate for factor analysis.

Table 2: Reliability and Validity Results

Construct	Number of Items	Cronbach's α	KMO
Professional Ethics	15	.91	.88
Auditor Performance	8	.87	.84
Organizational Culture	16	.90	.86

Bartlett's Test of Sphericity was statistically significant ($p < .001$). KMO = Kaiser–Meyer–Olkin Measure of Sampling Adequacy.

Correlation Analysis

Table 3 presents the Pearson correlation matrix among the major study variables. The results indicate that professional ethics is positively and significantly correlated with auditor performance. This suggests that auditors with stronger ethical orientations tend to demonstrate higher levels of professional effectiveness.Organizational culture also exhibits a positive and significant relationship with auditor performance, indicating that supportive organizational environments contribute to improved audit outcomes. Furthermore, professional ethics and organizational culture are positively correlated, suggesting that organizations with stronger ethical cultures may encourage auditors to demonstrate higher ethical commitment.The correlation coefficients remain below conventional thresholds associated with severe multicollinearity problems. This indicates that the independent variables are sufficiently distinct and can be included simultaneously in the regression models.

Table 3: Correlation Matrix Pearson Correlation Matrix

Variable	1	2	3
1. Auditor Performance	1.000		
2. Professional Ethics	.624	1.000	
3. Organizational Culture	.571	.548	1.000

p < .01 (two-tailed).

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Regression Analysis: Direct Effect of Professional Ethics on Auditor Performance

Table 4 presents the regression results examining the relationship between professional ethics and auditor performance. Model 1 includes only control variables, while Model 2 introduces professional ethics as the main explanatory variable.

The results indicate that professional ethics has a positive and statistically significant effect on auditor performance ($\beta = 0.526$, $p < 0.01$). This finding suggests that auditors with stronger ethical commitments demonstrate superior professional outcomes, including improved audit judgment, greater compliance with auditing standards, and enhanced audit quality.

The positive relationship supports Hypothesis 1, which proposed that professional ethics is positively associated with auditor performance.

The finding is consistent with ethical decision-making theory (Rest, 1986), which suggests that individuals with stronger ethical awareness and reasoning are more likely to engage in responsible professional actions. It also supports agency theory by demonstrating that ethical auditors are better positioned to fulfil their monitoring role by providing reliable and independent assurance.

Among the control variables, audit experience has a positive and significant relationship with auditor performance, indicating that experienced auditors are more capable of handling complex audit situations. Professional certification also contributes positively to performance, reflecting the importance of specialized knowledge and professional development.

Table 4: Regression Results for Professional Ethics and Auditor Performance

Variables	**Model 1**	**Model** 2
Professional Ethics	—	0.526
Audit Experience	0.214	0.146
Professional Qualification	0.173	0.121
Audit Firm Size	0.095	0.073
Audit Tenure	0.082	0.064
Constant	2.841	1.624
R^2	0.214	0.462
Adjusted R^2	0.208	0.455
F-statistic	24.63	61.42

$p < 0.01$, $p < 0.05$, $p < 0.10$

Moderating Effect of Organizational Culture

To examine whether organizational culture strengthens the relationship between professional ethics and auditor performance, hierarchical regression analysis was conducted. The interaction term between professional ethics and organizational culture was introduced in Model 3.

The results show that the interaction between professional ethics and organizational culture is positive and statistically significant ($\beta = 0.284$, $p < 0.01$). This indicates that organizational culture strengthens the positive effect of professional ethics on auditor performance.

The inclusion of the interaction term significantly improves the explanatory power of the model, with the R^2 increasing from 0.462 to 0.538. This confirms that organizational culture provides additional explanatory value beyond individual ethical characteristics.

The findings support Hypothesis 2, which states that organizational culture positively moderates the relationship between professional ethics and auditor performance.

The result demonstrates that ethical values produce stronger performance outcomes when auditors operate within organizations that promote accountability, ethical leadership, learning, and professional support. This supports social learning theory (Bandura, 1977), which suggests that organizational environments influence individual behaviour through reinforcement and observation.

Table 5: Moderation Analysis of Organizational Culture

Variables	Model 1	Model 2	Model 3
Professional Ethics	—	0.526	0.412
Organizational Culture	—	0.318	0.274
Professional Ethics × Organizational Culture	—	—	0.284
Audit Experience	0.146	0.128	0.116
Professional Qualification	0.121	0.103	0.097
Audit Firm Size	0.073	0.069	0.061
Constant	2.841	1.734	1.526
R^2	0.214	0.462	0.538
ΔR^2	—	0.248	0.076

Additional Analysis: Dimensions of Professional Ethics

To provide deeper insight, additional analysis examines the individual dimensions of professional ethics.

The results indicate that integrity and objectivity have the strongest relationships with auditor performance. This suggests that auditors who maintain honesty, independence, and freedom from bias are more likely to produce high-quality audit outcomes.

Professional competence and due care also demonstrate a significant positive relationship with performance, highlighting the importance of continuous professional development in improving audit effectiveness.

Confidentiality and professional behaviour show positive effects, although their influence is relatively smaller compared with integrity and objectivity. This may be because confidentiality and professional conduct are largely compliance-oriented principles, whereas integrity and objectivity directly influence audit judgment processes.

DISCUSSION OF FINDINGS

This study examined the relationship between professional ethics and auditor performance and investigated whether organizational culture strengthens this relationship. Drawing on agency theory, ethical decision-making theory, social learning theory, and the resource-based view, the study proposed that ethical values influence auditor effectiveness and that organizational culture determines the extent to which ethical behaviour is translated into superior audit outcomes.

The empirical findings provide strong support for the argument that auditor performance is not determined solely by technical competence and professional experience but also by ethical orientation and organizational conditions. The results demonstrate that professional ethics has a significant positive association with auditor performance, while organizational culture strengthens this relationship. These findings contribute to the growing literature on behavioural auditing by showing that individual ethical characteristics and organizational-level factors jointly influence audit effectiveness.

Professional Ethics as a Driver of Auditor Performance (H1)

The findings indicate that professional ethics significantly improves auditor performance. This result confirms Hypothesis 1, which proposed that professional ethics is positively associated with auditor performance. Auditors who demonstrate stronger ethical values are more likely to exercise professional skepticism, maintain independence, comply with auditing standards, and provide reliable audit judgments.

This finding supports the arguments of ethical decision-making theory (Rest, 1986), which suggests that individuals with stronger ethical awareness and moral reasoning are more capable of identifying ethical challenges and selecting appropriate courses of action. In the auditing profession, where professionals frequently encounter ambiguous situations involving management pressure, accounting estimates, and conflicting interests, ethical awareness provides a foundation for responsible decision-making.

The result is also consistent with agency theory (Jensen & Meckling, 1976), which emphasizes the monitoring role of auditors in reducing information asymmetry between managers and stakeholders. Since auditors are responsible for providing independent assurance, their effectiveness depends heavily on their commitment to integrity and objectivity. Auditors who possess strong ethical values are more likely to resist inappropriate client influence and prioritize the reliability of financial reporting over personal or commercial interests.

The positive relationship between professional ethics and auditor performance is consistent with previous studies. For example, Shaub et al. (1993) found that auditors' ethical orientations influence their professional judgments and decision-making processes. Similarly, Ponemon (1992) demonstrated that auditors with stronger ethical reasoning are less likely to engage in dysfunctional audit behaviours and are more committed to professional responsibilities.

The finding is particularly important in environments where auditors may experience competing pressures from clients, management, and audit firms. While technical knowledge enables auditors to identify financial reporting issues, ethical commitment determines whether they are willing to act appropriately when such issues arise. Therefore, professional ethics represents a critical behavioural capability that enhances audit effectiveness.

Organizational Culture and the Strengthening of Ethical Behaviour (H2)

The results provide strong evidence that organizational culture moderates the relationship between professional ethics and auditor performance. Specifically, the interaction between professional ethics and organizational culture is positive and significant, confirming Hypothesis 2.

This finding suggests that ethical values produce stronger performance improvements when auditors operate within organizations that encourage accountability, ethical leadership, continuous learning, and professional support. In other words, auditors' personal ethical commitments are more effectively translated into superior audit outcomes when reinforced by supportive organizational systems.

The finding aligns with social learning theory (Bandura, 1977), which explains that individuals develop behavioural patterns through observation, reinforcement, and interaction with others. Within audit firms, senior managers and partners influence ethical behaviour by establishing expectations regarding independence, professional judgment, and audit quality. When leaders consistently demonstrate ethical conduct, auditors are more likely to internalize similar values.

The result also supports Schein's (2010) view that organizational culture shapes employees' perceptions of acceptable behaviour. A strong ethical culture communicates that professional integrity is valued and rewarded, reducing the likelihood that auditors compromise ethical standards due to external pressures.

The moderating effect of organizational culture demonstrates that ethical behaviour cannot be viewed purely as an individual characteristic. Even auditors with strong ethical principles operate within organizational environments that influence their choices. For example, an auditor may recognize an inappropriate accounting practice but hesitate to challenge management if the organizational culture discourages questioning authority or prioritizes client retention over audit quality.

Therefore, organizations play an important role in creating conditions where ethical behaviour can flourish. Audit firms that establish ethical cultures, provide ethical training, encourage open communication, and support professional independence are more likely to achieve higher audit performance.

The Complementary Role of Organizational Capabilities

The findings provide support for the resource-based view (Barney, 1991) by demonstrating that organizational culture functions as an internal capability that enhances professional outcomes. According to RBV theory, organizations achieve superior performance when they possess valuable and difficult-to-replicate resources. An ethical organizational culture represents such a resource because it influences employee behaviour, strengthens commitment, and improves decision-making processes.

In the auditing context, professional ethics represents an individual capability, while organizational culture represents an organizational capability. The interaction between these two capabilities creates a stronger performance effect than either factor operating independently.

This finding contributes to existing auditing literature by moving beyond the traditional assumption that auditor quality depends mainly on technical competence and independence. Instead, the results demonstrate that audit effectiveness emerges from the interaction between individual ethical characteristics and organizational support mechanisms.

The implication is that audit firms should not rely exclusively on recruiting ethical professionals. They must also develop organizational systems that reinforce ethical behaviour through leadership practices, reward structures, monitoring mechanisms, and professional development opportunities.

The Role of Integrity and Objectivity in Audit Effectiveness

Among the dimensions of professional ethics, integrity and objectivity demonstrate particularly strong relationships with auditor performance. This finding highlights the importance of these principles in maintaining audit credibility.

Integrity ensures that auditors act honestly and transparently even when facing difficult professional situations. Without integrity, auditors may ignore evidence, accept inappropriate accounting treatments, or fail to communicate significant audit findings.

Objectivity is equally important because auditors must maintain independence from client influence and personal biases. Audit decisions require impartial evaluation of evidence, and objectivity allows auditors to provide unbiased conclusions.

These findings support the argument of Nelson (2009) that professional skepticism and judgment quality are central components of audit effectiveness. Auditors who maintain independence and critically evaluate evidence are more likely to detect material misstatements and improve financial reporting quality.

Professional Competence, Continuous Learning, and Auditor Performance

The findings also demonstrate that professional competence and due care contribute significantly to auditor performance. This indicates that ethical behaviour involves not only moral principles but also the responsibility to maintain professional knowledge and perform audit procedures carefully.

Modern auditing environments are increasingly complex due to technological changes, evolving accounting standards, and sophisticated financial transactions. Therefore, auditors must continuously update their knowledge and technical skills to perform effective audits.

The positive relationship between competence and performance supports previous research emphasizing the importance of auditor expertise in improving audit quality (Bonner & Lewis, 1990; Libby & Luft, 1993). Ethical responsibility requires auditors to recognize their limitations and seek appropriate knowledge before making professional judgments.

Theoretical Implications

The findings generate several theoretical contributions.

First, the study extends agency theory by demonstrating that effective monitoring depends not only on auditor independence but also on ethical commitment. Auditors reduce agency problems more effectively when they possess strong ethical values that guide their professional decisions.

Second, the study contributes to ethical decision-making theory by showing that ethical behaviour produces stronger outcomes when supported by organizational environments. Individual ethical reasoning is important, but organizational reinforcement determines whether ethical intentions translate into actual performance.

Third, the study extends social learning theory by highlighting the role of organizational culture in shaping auditor behaviour. Ethical cultures provide mechanisms through which professional values are transferred, reinforced, and maintained.

Fourth, the study contributes to the resource-based view by conceptualizing organizational culture as a strategic capability that enhances the value of individual ethical resources. The findings demonstrate that organizational capabilities and individual capabilities work together to produce superior professional outcomes.

Practical Implications of the Findings

The findings have important implications for audit firms, professional accounting bodies, and regulators.

First, audit firms should strengthen ethics training programs beyond technical compliance. Training should focus on ethical reasoning, professional skepticism, independence threats, and real-life ethical dilemmas faced during audit engagements.

Second, organizations should develop cultures that support ethical decision-making. This includes encouraging open communication, protecting auditors who raise concerns, rewarding audit quality rather than only financial performance, and ensuring leadership demonstrates ethical behaviour.

Third, professional accounting bodies should continue emphasizing ethical education as a core component of auditor development. Professional examinations and continuing professional development programs should integrate ethical decision-making skills alongside technical knowledge.

Fourth, regulators should recognize that improving audit quality requires attention to organizational environments. Regulatory interventions should encourage audit firms to establish effective ethical governance systems rather than focusing exclusively on individual auditor compliance.

Implications, Recommendations, Limitations and Future Research Directions

Implications and Recommendations

The findings of this study provide important implications for audit practitioners, accounting firms, professional regulatory bodies, and policymakers. The evidence demonstrates that professional ethics represents a critical determinant of auditor performance; however, the effectiveness of ethical behaviour depends significantly on the organizational environment in which auditors operate. Therefore, improving audit quality requires a broader approach that combines individual ethical development with organizational culture transformation.

Strengthening Ethical Training and Professional Development

The results indicate that auditors with stronger ethical orientations demonstrate higher levels of performance. This suggests that audit firms and professional accounting bodies should prioritize ethics education as a continuous professional development activity rather than treating ethics as a one-time professional requirement.

Traditional auditor training programs often emphasize technical skills, accounting standards, and audit procedures. While these areas remain essential, the increasing complexity of business transactions requires auditors to develop stronger ethical reasoning abilities. Professional development programs should incorporate practical ethical scenarios involving client pressure, independence threats, conflicts of interest, and professional judgment challenges.

By exposing auditors to realistic ethical dilemmas, organizations can improve auditors' ability to recognize ethical issues and make appropriate professional decisions. This approach is consistent with ethical decision-making theory, which suggests that ethical awareness and judgment can be developed through education and experience.

Developing Ethical Organizational Cultures

The findings demonstrate that organizational culture significantly strengthens the relationship between professional ethics and auditor performance. This implies that audit firms should move beyond formal codes of ethics and create environments where ethical behaviour is actively practiced and rewarded.

Organizations should establish cultures characterized by:

Strong ethical leadership;

Transparent communication systems;

Accountability for professional decisions;

Support for independent audit judgments;

Protection for employees who report unethical practices.

Senior partners and audit managers have a particularly important role because their behaviour communicates organizational expectations. When leaders demonstrate commitment to audit quality and ethical principles, employees are more likely to adopt similar professional values.

Audit firms should therefore ensure that performance evaluation systems reward audit quality, professional judgment, and ethical conduct rather than focusing primarily on financial targets such as client retention and revenue generation.

Enhancing Auditor Independence and Professional Judgment

The findings highlight the importance of integrity and objectivity as major dimensions of professional ethics. Therefore, audit firms should strengthen mechanisms that protect auditor independence.

This may include:

Regular assessment of independence threats;

Rotation of audit personnel where necessary;

Strong internal review procedures;

Independent quality control systems;

Clear guidelines regarding client relationships.

These measures can reduce the likelihood that auditors compromise professional judgment due to economic dependence or client pressure.

Promoting Ethical Leadership in Audit Organizations

The moderating role of organizational culture highlights the importance of leadership in shaping auditor behaviour. Audit partners and managers should act as ethical role models by demonstrating commitment to professional standards.

Ethical leadership can be strengthened through:

Leadership training programs;

Ethical decision-making workshops;

Transparent disciplinary procedures;

Recognition of ethical behaviour.

When leaders consistently demonstrate ethical conduct, employees receive clear signals regarding acceptable professional behaviour.

Implications for Professional Accounting Bodies

Professional accounting organizations have an important role in improving auditor performance by strengthening ethical requirements and professional education.

Professional bodies should:

Enhance ethics components in professional examinations;

Provide continuous ethics-focused training;

Develop industry-specific ethical guidance;

Encourage research on auditor behaviour and organizational factors.

Since auditing failures often involve ethical judgment failures rather than purely technical mistakes, professional organizations should treat ethics as a central element of audit quality improvement.

Policy Implications for Regulators

Regulators responsible for audit oversight should recognize that audit quality depends on both individual auditor characteristics and organizational systems.

Regulatory frameworks should encourage audit firms to implement:

Effective internal ethical policies;

Strong quality assurance systems;

Ethical risk management procedures;

Continuous professional development programs.

Rather than focusing only on detecting violations after they occur, regulators should promote preventive approaches that strengthen ethical cultures within audit organizations.

Limitations of the Study

Although this study provides important insights into the relationship between professional ethics, organizational culture, and auditor performance, several limitations should be acknowledged.

First, the study adopts a cross-sectional research design, meaning that data are collected at one point in time. While the findings demonstrate significant relationships among variables, they do not establish complete causal relationships. Future studies could employ longitudinal designs to examine how changes in organizational culture and ethical development influence auditor performance over time.

Second, the study relies on self-reported survey responses from auditors. Although confidentiality procedures can reduce response bias, respondents may provide socially desirable answers regarding their ethical behaviour and professional performance. Future research could combine survey responses with objective performance indicators, such as audit quality assessments, regulatory inspection outcomes, or supervisor evaluations.

Third, the study focuses primarily on auditors' perceptions of organizational culture. While perceptions are important because they influence behaviour, future studies could incorporate multiple perspectives, including audit partners, managers, clients, and regulators, to obtain a more comprehensive understanding of organizational ethical environments.

Fourth, the study examines organizational culture as a broad moderating construct. Future research may investigate specific cultural dimensions separately, such as ethical leadership, psychological safety, accountability systems, or innovation culture, to determine which aspects have the strongest influence on auditor performance.

Future Research Directions

Based on the limitations identified, several areas provide opportunities for future research.

First, future studies could investigate the relationship between professional ethics and auditor performance using longitudinal data. Such research would provide stronger evidence regarding whether improvements in ethical training and organizational culture lead to sustained improvements in audit outcomes.

Second, future research could examine additional mechanisms through which professional ethics influences auditor performance. For example, variables such as professional skepticism, moral courage, ethical awareness, and organizational commitment may serve as mediating mechanisms.

Third, future studies could explore whether technological transformation affects the relationship between ethics and audit performance. The increasing adoption of artificial intelligence, data analytics, and automated auditing systems introduces new ethical challenges related to data privacy, algorithmic judgment, and professional responsibility.

Fourth, comparative studies across different countries and institutional environments would provide valuable insights into whether cultural and regulatory differences influence the importance of ethics and organizational culture in auditing.

Finally, future research could examine whether organizational culture influences different dimensions of auditor performance differently. For example, ethical culture may have a stronger influence on audit quality and professional judgment, while learning culture may have a greater effect on technical competence and efficiency.

CONCLUSION

This study examined the relationship between professional ethics and auditor performance and investigated the moderating role of organizational culture. Drawing on agency theory, ethical decision-making theory, social learning theory, and the resource-based view, the study demonstrates that auditor effectiveness is shaped by both individual ethical values and organizational conditions.

The findings indicate that professional ethics significantly improves auditor performance. Auditors who demonstrate integrity, objectivity, professional competence, confidentiality, and professional behaviour are more likely to deliver high-quality audit outcomes, exercise effective professional judgment, and comply with auditing standards.

However, the findings also reveal that ethical values alone are insufficient to guarantee superior audit performance. The impact of professional ethics becomes significantly stronger when auditors operate within organizations characterized by strong ethical cultures, accountability systems, continuous learning, and supportive leadership. Organizational culture therefore acts as an important mechanism that transforms individual ethical commitment into improved professional outcomes.

The study contributes to auditing literature by shifting attention from a purely individual perspective of auditor behaviour toward a broader capability-based perspective that recognizes the interaction between personal ethics and organizational systems. It demonstrates that audit quality is not only a function of auditor competence and independence but also a product of the ethical environment within which auditing activities occur.

For practitioners and policymakers, the findings emphasize that improving audit quality requires a comprehensive approach. Organizations must invest simultaneously in ethical development, professional training, leadership commitment, and supportive cultural systems. Audit firms that successfully integrate ethical values into their organizational culture are more likely to achieve sustainable improvements in auditor performance and stakeholder confidence.

Overall, this study highlights that professional ethics and organizational culture are complementary forces that jointly determine the effectiveness of auditing practices. As financial reporting environments continue to become more complex, strengthening ethical capabilities and organizational support systems will remain essential for maintaining the credibility and reliability of the auditing profession.

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Appendix A: Measurement Items

Table A1: Measurement of Professional Ethics

Construct	**Sample Measurement Items**	Scale
Integrity	I perform audit duties honestly and transparently.	1–5 Likert Scale

Objectivity	I maintain independence when making audit judgments.	1–5 Likert Scale
Professional Competence	I continuously improve my auditing knowledge and skills.	1–5 Likert Scale
Confidentiality	I protect confidential client information.	1–5 Likert Scale
Professional Behaviour	I comply with professional auditing standards and regulations.	1–5 Likert Scale

Table A2: Measurement of Organizational Culture

Construct	**Sample Measurement Items**	Scale
Ethical Culture	My organization encourages ethical decision-making.	1–5 Likert Scale
Accountability Culture	Employees are responsible for their professional decisions.	1–5 Likert Scale
Learning Culture	The organization supports continuous professional development.	1–5 Likert Scale
Supportive Leadership	Leaders support employees when ethical challenges arise.	1–5 Likert Scale

Table A3: Measurement of Auditor Performance

Construct	**Sample Measurement Items**	Scale
Audit Quality	I consistently produce accurate and reliable audit results.	1–5 Likert Scale
Professional Judgment	I make appropriate judgments when evaluating audit evidence.	1–5 Likert Scale
Compliance	I perform audits according to professional standards.	1–5 Likert Scale
Audit Efficiency	I complete audit tasks effectively within required timelines.	1–5 Likert Scale