

Studying the Impact of Business Ethics on Auditors' Psychological Conditions

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Abstract: The present study aimed to investigate the effect of business ethics on the psychological conditions of auditors employed in audit firms in Iraq. This applied study employed a descriptive-survey design. The statistical population consisted of 750 auditors working at different organizational levels, including junior auditors, senior auditors, middle-level auditors, and audit managers in Iraqi audit firms. Based on Cochran's formula, 254 participants were selected through purposive random sampling. Data were collected using standardized questionnaires measuring business ethics and auditors' psychological conditions. The psychological variables included depression and anxiety, self-regulation, happiness, aggression, effort–reward imbalance, attitudes toward fraud, and flourishing. Content validity was confirmed through expert review, and reliability was assessed using Cronbach's alpha coefficient. Structural equation modeling and confirmatory factor analysis were used to analyze the data. The findings demonstrated that business ethics had significant relationships with multiple psychological dimensions among auditors. Higher levels of business ethics were associated with lower levels of depression, anxiety, aggression, effort–reward imbalance, and positive attitudes toward fraud. In contrast, business ethics showed positive and significant associations with self-regulation, happiness, and flourishing among auditors. Confirmatory factor analysis indicated strong construct validity for the business ethics, aggression, and attitudes toward fraud questionnaires, with most factor loadings exceeding acceptable thresholds and all items reaching statistical significance at the 0.000 level. The results further revealed that ethical organizational environments contributed to improved emotional regulation, reduced workplace conflict, enhanced organizational justice, and greater professional well-being among auditors. The results indicate that strengthening business ethics within audit firms can substantially improve auditors' psychological health and professional well-being. Ethical organizational climates reduce psychological distress, foster emotional stability, enhance self-regulation, and decrease destructive workplace behaviors. Furthermore, adherence to ethical principles strengthens auditors' sense of organizational justice, professional commitment, and flourishing. The study highlights the critical role of ethics-oriented management practices in supporting the mental health and professional effectiveness of auditors in Iraq's auditing industry.

Keywords: Business ethics, psychological conditions, auditors, aggression, self-regulation, effort–reward imbalance, flourishing, audit firms in Iraq.

1. Introduction

In contemporary business environments, professional ethics has become one of the most influential factors affecting organizational sustainability, stakeholder trust, and professional accountability. Rapid economic changes, technological advancement, globalization, and increasing public expectations regarding transparency and accountability have intensified the importance of ethical conduct in professional occupations. Among these professions, auditing occupies a uniquely sensitive position because auditors are responsible for evaluating the reliability and integrity of financial information used by investors, governments, organizations, and society at large. Due to the critical role of auditors in ensuring financial transparency and reducing information asymmetry, ethical principles are considered the cornerstone of the auditing profession [1, 2]. Ethical behavior in auditing extends beyond mere compliance with laws and professional standards and encompasses values such as honesty, independence, objectivity, fairness, accountability, and professional responsibility. In recent years, the increasing complexity of financial systems and organizational operations has amplified ethical challenges for auditors, making business ethics an essential component of audit quality and professional performance [3, 4].

Business ethics refers to the set of moral principles, standards, and values that guide decision-making and behavior in organizational and professional contexts. Ethical organizations are characterized by transparency, responsibility, respect for stakeholders, and adherence to professional norms. In the auditing profession, business ethics influences auditors' judgments, professional skepticism, independence, and ability to resist unethical pressures from clients and organizations. Ethical environments contribute to the development of trust and confidence in financial reporting systems, while unethical practices can lead to professional misconduct, fraud, financial scandals, and reputational damage [1, 5]. Researchers have increasingly emphasized that ethics-oriented organizational cultures positively affect employee motivation, organizational commitment, and professional effectiveness. Ethical leadership and professional values also encourage employees to internalize organizational norms and demonstrate responsible behavior in challenging work environments [6].

The auditing profession is particularly vulnerable to ethical dilemmas because auditors are continuously exposed to conflicts of interest, time pressure, client expectations, legal responsibilities, and organizational demands. Auditors are expected to maintain independence and objectivity while simultaneously preserving professional relationships with clients. Such conditions create psychological pressure that may negatively affect auditors' emotional stability, professional judgment, and mental well-being. Previous studies have shown that excessive workload, organizational pressure, and ethical conflicts can contribute to stress, burnout, anxiety, and reduced professional satisfaction among auditors [7, 8]. Consequently, the psychological condition of auditors has emerged as an important issue in accounting and auditing research, especially in environments characterized by high professional expectations and increasing accountability requirements.

Psychological conditions in professional settings encompass emotional, cognitive, and behavioral states that influence employees' functioning, well-being, and performance. In auditing, psychological conditions include dimensions such as depression, anxiety, aggression, emotional regulation, happiness, professional flourishing, and perceptions of fairness and reward balance. Auditors experiencing chronic stress and psychological imbalance may face difficulties in concentration, ethical reasoning, and professional judgment, which can ultimately reduce audit quality and organizational effectiveness. Research indicates that occupational stress and effort–reward imbalance are significantly associated with emotional exhaustion, job dissatisfaction, and decreased commitment to

professional responsibilities [9]. In contrast, supportive and ethics-oriented organizational environments can improve emotional stability, self-regulation, and psychological well-being among employees [10].

Recent developments in organizational ethics literature emphasize that ethical organizational cultures play a significant role in improving employees' mental health and reducing workplace tensions. Ethical climates promote trust, cooperation, fairness, and psychological safety, enabling employees to perform their duties with greater confidence and lower emotional strain. In auditing firms, ethical culture may reduce the negative consequences of work overload and ethical conflicts by providing clear professional guidelines and reinforcing accountability mechanisms. Studies have demonstrated that ethical organizational practices contribute to higher job satisfaction, stronger professional commitment, and lower levels of stress and burnout among employees [6, 10]. Similarly, ethical decision-making frameworks help auditors manage professional dilemmas more effectively and preserve objectivity in financial reporting processes [11].

The role of ethics in auditing has gained even greater significance in light of technological advancement and the growing integration of artificial intelligence into auditing processes. Artificial intelligence technologies are increasingly used to improve audit efficiency, fraud detection, and financial analysis. However, the adoption of such technologies also raises ethical concerns related to accountability, transparency, human judgment, and professional responsibility. Researchers argue that despite technological advancement, ethical reasoning and human accountability remain central to the auditing profession because AI systems cannot fully replace professional judgment and moral reasoning [12, 13]. Ethical issues associated with AI implementation may intensify auditors' psychological pressure, especially when auditors must balance technological reliance with professional accountability and ethical obligations. Therefore, ethical competence and psychological resilience are becoming increasingly important in modern auditing environments.

In addition to technological challenges, contemporary auditors also face social and organizational pressures that may influence ethical behavior and psychological well-being. Social trust structures, organizational norms, and professional expectations shape auditors' ethical responsibilities and behavioral decisions. Auditors working in environments characterized by low social trust or weak ethical culture may experience greater psychological tension and reduced professional confidence. Research has shown that social trust structures significantly affect auditors' ethical responsibility and professional commitment [14]. Similarly, organizational culture and auditing standards influence auditors' perceptions of fairness, accountability, and ethical behavior in professional settings [15]. These findings suggest that ethical environments are not only essential for audit quality but also for maintaining auditors' psychological health and professional stability.

Professional commitment and ethical ideology have also been identified as important determinants of auditors' decision-making and psychological functioning. Ethical ideology shapes auditors' attitudes toward responsibility, integrity, and professional conduct, while professional commitment strengthens adherence to ethical principles and organizational values. Auditors with strong ethical commitment are more likely to resist unethical pressures and maintain professional independence even under stressful conditions [16]. Furthermore, professionalism in accounting and auditing has been associated with greater ethical awareness, stronger moral reasoning, and improved decision-making capabilities [3]. Such characteristics may contribute to greater emotional stability and lower susceptibility to psychological distress in demanding work environments.

The relationship between ethical culture and audit quality has also been extensively discussed in recent studies. Ethical organizational climates improve transparency, reduce fraudulent behavior, and strengthen auditors' professional accountability. Time pressure and workload are among the most common stressors affecting auditors'

ethical performance and psychological well-being. Excessive workload and unrealistic deadlines may impair auditors' judgment and increase emotional exhaustion. However, organizations with strong ethical cultures can mitigate the negative effects of time pressure by promoting fairness, support, and responsible leadership [17]. Ethical cultures also encourage auditors to prioritize professional integrity over short-term organizational interests, thereby improving both audit quality and employee well-being [4].

Another important issue in auditing research concerns the relationship between audit quality, ethical performance, and broader organizational responsibility. Ethical auditing practices contribute not only to financial transparency but also to environmental, social, and governance performance within organizations. Audit quality has been linked to improved financial reporting quality and stronger corporate governance systems [18]. In this context, auditors are increasingly expected to fulfill broader social responsibilities while maintaining professional objectivity and ethical integrity. Such expectations intensify professional demands and may affect auditors' psychological conditions if organizations fail to provide adequate ethical and emotional support.

Recent studies have also emphasized the importance of auditors' personality and ethical characteristics in shaping professional performance and psychological outcomes. Personality traits such as emotional stability, responsibility, empathy, and conscientiousness influence auditors' responses to workplace stress and ethical challenges. Ethical characteristics strengthen auditors' resistance to external pressure and improve professional judgment in complex situations [19]. Consequently, understanding the interaction between business ethics and auditors' psychological conditions has become increasingly important for organizations seeking to improve both employee well-being and professional effectiveness.

Despite the growing body of literature on auditing ethics and professional well-being, relatively limited attention has been paid to the direct relationship between business ethics and auditors' psychological conditions, particularly in developing countries and transitional economic environments such as Iraq. The Iraqi auditing environment faces unique economic, organizational, and regulatory challenges that may intensify professional stress and ethical dilemmas for auditors. Economic instability, institutional changes, and increasing accountability expectations create complex working conditions requiring strong ethical frameworks and psychological resilience. Therefore, examining the relationship between business ethics and auditors' psychological conditions in Iraq can provide valuable insights for policymakers, professional organizations, and audit firms seeking to improve ethical standards and employee well-being.

Given the critical role of auditors in ensuring financial transparency and organizational accountability, understanding the psychological consequences of ethical organizational environments is essential for enhancing audit quality, professional commitment, and organizational sustainability. Ethical climates may reduce depression, anxiety, aggression, and effort-reward imbalance while simultaneously promoting self-regulation, happiness, flourishing, and professional well-being among auditors. Accordingly, the present study aimed to investigate the impact of business ethics on the psychological conditions of auditors employed in audit firms in Iraq.

2. Methodology

The present study was applied in terms of purpose and employed a descriptive-survey design in terms of methodology. The statistical population consisted of all auditors employed in audit firms in Iraq, including approximately 750 individuals working at different professional levels such as junior auditors, middle-level auditors, senior auditors, and audit managers. Considering the nature of the study and the need to investigate the relationship between business ethics and auditors' psychological conditions, a quantitative research approach was

adopted. The sample size was determined using Cochran's formula, resulting in a final sample of 254 participants. Sampling was conducted using a purposive random sampling method to ensure that participants possessed sufficient professional experience and familiarity with auditing processes and organizational ethical practices. Data collection was carried out through the distribution of questionnaires among the selected auditors in different audit firms across Iraq. Participation in the study was voluntary, and respondents were assured that all information would remain confidential and be used solely for academic research purposes.

Data were collected using a structured questionnaire designed in two major sections. The first section included demographic information such as age, gender, educational level, professional experience, and organizational position. The second section assessed the research variables using standardized measurement scales based on a five-point Likert scale ranging from strongly disagree to strongly agree. Business ethics was examined as the independent variable and included dimensions related to honesty, fairness, accountability, social responsibility, respect for organizational values, and ethical decision-making. The dependent variables consisted of auditors' psychological conditions, including depression and anxiety, self-regulation, happiness, aggression, effort–reward imbalance, attitudes toward fraud, and flourishing. The questionnaire items were adapted from previously validated instruments used in accounting, organizational behavior, and psychology research. To ensure content validity, the questionnaire was reviewed and modified based on the opinions of university professors and experts in accounting and management. Reliability was evaluated using Cronbach's alpha coefficient, and the results confirmed acceptable internal consistency for all constructs included in the study. In addition, confirmatory factor analysis was conducted to assess the construct validity and adequacy of the measurement model.

After collecting the completed questionnaires, the data were coded and entered into statistical software for analysis. Both descriptive and inferential statistical methods were employed to examine the research hypotheses. Descriptive statistics, including means, standard deviations, frequencies, and percentages, were used to summarize participants' demographic characteristics and the distribution of research variables. Inferential analysis was performed using structural equation modeling to investigate the relationships between business ethics and auditors' psychological conditions. Confirmatory factor analysis was first conducted to evaluate the validity and factor structure of the measurement instruments. Factor loadings, T-statistics, standard errors, and significance levels were examined to confirm the adequacy of the measurement model. Subsequently, structural equation modeling was applied to test the direct effects of business ethics on depression and anxiety, self-regulation, happiness, aggression, effort–reward imbalance, attitudes toward fraud, and auditors' flourishing. Statistical significance was evaluated at the 0.05 level.

3. Findings and Results

This section explains the analytical approach adopted in the present study and examines the research hypotheses using Structural Equation Modeling (SEM). Confirmatory factor analysis (CFA) was conducted to evaluate the validity and factor structure of the research constructs. The results of the confirmatory factor analyses are presented below.

Table 1. Results of Confirmatory Factor Analysis of the Business Ethics Questionnaire

Component	Questions	Factor Loading	T-Statistic	Standard Error (SE)	Significance Level
Business Ethics	To what extent do you perform your work duties with complete care and caution?	0.868	35.823	0.024	0.000

To what extent do you play an important and effective role in your work environment?	0.851	31.148	0.027	0.000
To what extent do you behave honestly in your work environment?	0.880	38.837	0.023	0.000
To what extent do you demonstrate honesty in the work environment?	0.812	30.065	0.027	0.000
To what extent are your decisions free from bias?	0.861	36.361	0.024	0.000
To what extent are your interactions influenced by ethical and value considerations?	0.773	29.660	0.026	0.000
To what extent do you try to take initiative in performing your work duties?	0.741	23.481	0.032	0.000
To what extent are you willing to perform your work duties?	0.846	37.912	0.022	0.000
To what extent do you seek to achieve a higher rank and status in your current position?	0.807	29.239	0.028	0.000
To what extent do you like to surpass others in your current work environment and career?	0.865	41.416	0.021	0.000
To what extent are you selfless and forgiving toward your colleagues in the work environment?	0.849	37.921	0.022	0.000
To what extent do you help others?	0.848	39.035	0.022	0.000
To what extent are you grateful for the kindness of others?	0.776	26.306	0.029	0.000
To what extent do you feel empathy and sympathy for what happens to your colleagues?	0.853	38.956	0.022	0.000
To what extent do you respect and put your beliefs into practice in your work and activities?	0.890	35.617	0.025	0.000
To what extent do you consider it important to observe social norms and principles in your activities?	0.839	28.415	0.030	0.000

The results presented in Table 1 indicate that the business ethics construct demonstrates very strong convergent validity, with all factor loadings exceeding 0.74. The highest factor loadings were related to honesty and adherence to professional beliefs, reflecting the normative and value-oriented core of the construct. The high T-statistics and low standard errors indicate stability, estimation accuracy, and strong explanatory power of the items within the measurement model. Furthermore, the significance level of 0.000 for all items confirms that each question contributes significantly to the measurement of business ethics. Overall, the findings suggest that business ethics in this study is a multidimensional yet coherent construct encompassing honesty, responsibility, altruism, and professional motivation.

Table 2. Results of Confirmatory Factor Analysis of the Aggression Questionnaire

Component	Questions	Factor Loading	T-Statistic	Standard Error (SE)	Significance Level
Aggression	From time to time, I cannot control myself from being aggressive toward another person.	0.774	21.780	0.036	0.000
	If I have enough motivation, I may become physically aggressive toward another person.	0.802	33.030	0.024	0.000
	If someone hurts me, I will retaliate.	0.882	40.729	0.022	0.000
	I usually get into fights with others more than the average person.	0.782	21.637	0.036	0.000
	If violence is needed to get what I want, I will do it.	0.798	22.605	0.035	0.000
	Some people have forced me to become physically aggressive.	0.807	33.392	0.024	0.000
	I do not think there is any justifiable reason for physical aggression toward others.	0.621	15.182	0.041	0.000
	So far, I have threatened some people I know.	0.661	18.788	0.035	0.000

Sometimes I have been so angry that I broke things.	0.782	22.645	0.035	0.000
When I disagree with my friends, I express my opinions directly and easily.	0.673	12.588	0.053	0.000
In most cases, I disagree with other people's opinions on how things should be done.	0.870	31.548	0.028	0.000
When someone annoys me, I tell them exactly what I think about them.	0.883	34.113	0.026	0.000
When I disagree with others, I find it difficult to engage in arguments with them.	0.744	24.693	0.030	0.000
My friends believe that I am a logical and rational person.	0.718	24.252	0.030	0.000
I usually become angry quickly, but my anger subsides rapidly.	0.774	26.956	0.029	0.000
When I am angry, I express it quickly.	0.851	33.695	0.025	0.000
Sometimes I feel like a powder keg ready to explode.	0.691	13.010	0.053	0.000
I am usually a calm person and become angry slowly.	0.669	12.623	0.053	0.000
Some of my friends believe that I am a hasty person.	0.778	22.835	0.034	0.000
Sometimes, for no apparent reason, I lose control and become very angry.	0.815	33.138	0.025	0.000
I have difficulty controlling my anger.	0.645	15.325	0.042	0.000
I often feel jealous of others.	0.600	9.097	0.066	0.000
I sometimes feel that injustice is being done to me.	0.693	11.049	0.063	0.000
I think that other people are usually lucky.	0.686	11.854	0.058	0.000
I sometimes wonder why I feel unpleasant about things.	0.697	13.198	0.053	0.000
I know that friends talk behind my back.	0.620	9.675	0.064	0.000
I am often suspicious of strangers who are very friendly.	0.694	13.634	0.051	0.000
I sometimes feel that others are laughing at me behind my back.	0.724	17.756	0.041	0.000
When people are very kind, I try to understand their motives and intentions.	0.617	12.202	0.051	0.000

The results in Table 2 indicate that the aggression construct possesses a strong and valid factor structure, with most factor loadings exceeding 0.70. The highest factor loadings were associated with retaliation, direct expression of anger, and intense emotional reactions, reflecting the behavioral core of aggression. High and statistically significant T-statistics, together with relatively low standard errors, confirm the stability and precision of the measurement model. Items with comparatively lower factor loadings, such as jealousy, suspicion, and perceptions of injustice, represent the cognitive and attitudinal dimensions of aggression and further support the multidimensional nature of the construct. Overall, the findings demonstrate that aggression was measured as a coherent combination of behavioral, emotional, and cognitive reactions with strong explanatory power.

Table 3. Results of Confirmatory Factor Analysis of the Attitude Toward Fraud Questionnaire

Component	Questions	Factor Loading	T-Statistic	Standard Error (SE)	Significance Level
Attitude Toward Fraud	All businesses should be audited by independent external auditors to ensure accuracy and integrity.	0.749	23.440	0.032	0.000
	Audited financial statements provide more reliable and objective information for decision-making than unaudited statements.	0.764	23.623	0.032	0.000
	The overall objective of auditors is to express an opinion regarding the fair presentation of financial statements.	0.868	32.308	0.027	0.000
	Auditors should ensure that audited financial statements are accurate.	0.856	33.659	0.025	0.000
	Auditors should prepare the client's financial statements.	0.809	32.887	0.025	0.000

Auditors should ensure that audited financial statements comply with tax laws.	0.714	24.673	0.029	0.000
Auditors should ensure that audited financial statements are free from intentional or unintentional misstatements.	0.564	7.996	0.070	0.000
It is the duty of auditors to identify and report irregularities to the appropriate authorities.	0.511	5.655	0.090	0.000
Auditing standards should hold auditors accountable for identifying and reporting irregularities.	0.632	11.090	0.057	0.000
Auditors' responsibilities regarding irregularities should be clearly stated in audit reports.	0.744	13.856	0.054	0.000
The primary responsibility of auditors is ensuring the accuracy of presented financial statements.	0.762	18.385	0.041	0.000
Auditing standards should hold auditors legally responsible for identifying misstatements in financial statements.	0.732	14.940	0.049	0.000
Auditors are liable for company bankruptcy resulting from violations.	0.719	15.981	0.045	0.000
Auditors are liable to stakeholders for failing to report financial statement violations in audit reports.	0.714	16.768	0.043	0.000
Users of financial statements have absolute assurance that audited financial statements are free from fraud or error.	0.517	8.372	0.062	0.000

The findings presented in Table 3 demonstrate that the attitude toward fraud construct possesses acceptable factor validity and a multilevel structure. Items related to the professional role and technical responsibilities of auditors displayed relatively high factor loadings, representing the normative core of the construct. In contrast, lower factor loadings and T-statistics for items associated with absolute assurance and complete fraud detection indicate the professional realism of respondents and their awareness of the limitations of auditing practices. The significance of all items at the 0.000 level, along with acceptable standard errors, confirms the stability and adequacy of the measurement model. Overall, the findings indicate that attitudes toward fraud in this study were appropriately conceptualized as a combination of professional expectations, legal responsibilities, and perceptions regarding the limitations of auditing procedures.

4. Discussion and Conclusion

The present study aimed to investigate the impact of business ethics on the psychological conditions of auditors employed in audit firms in Iraq. The findings demonstrated that business ethics had a significant relationship with several dimensions of auditors' psychological conditions. Specifically, stronger adherence to business ethics was associated with lower levels of depression and anxiety, reduced aggression, lower effort–reward imbalance, and more negative attitudes toward fraud. In contrast, business ethics showed positive and significant relationships with self-regulation, happiness, and flourishing among auditors. These findings indicate that ethical organizational environments can substantially improve auditors' psychological well-being and professional functioning. The results also confirmed that the business ethics construct possessed strong convergent validity and represented a multidimensional concept including honesty, responsibility, empathy, fairness, accountability, and professional motivation. Similarly, the findings related to aggression and attitudes toward fraud demonstrated that auditors' behavioral and cognitive responses are strongly influenced by ethical and organizational conditions.

One of the most important findings of the present study was the inverse relationship between business ethics and depression and anxiety among auditors. This finding suggests that ethical organizational environments create

psychological safety and emotional stability for employees. Auditors who work in organizations characterized by fairness, transparency, and accountability experience lower levels of uncertainty, ethical conflict, and emotional tension. Such conditions reduce occupational stress and improve employees' emotional well-being. This result is consistent with the findings of previous studies emphasizing the positive influence of ethical climates on psychological health and employee well-being [6, 10]. Ponomareva et al. argued that ethical and supportive work environments significantly improve auditors' subjective well-being and reduce emotional exhaustion. Similarly, Sharma et al. emphasized that ethical leadership strengthens trust and emotional stability in organizations by creating clear behavioral expectations and supportive interpersonal relationships. In the auditing profession, where employees face constant pressure regarding accountability and professional judgment, ethical organizational cultures may serve as protective mechanisms against psychological distress.

Another important finding was the positive effect of business ethics on auditors' self-regulation. Ethical environments appear to strengthen auditors' ability to control emotions, manage professional pressure, and make rational decisions under stressful conditions. Self-regulation is essential in auditing because auditors frequently encounter conflicts of interest, ethical dilemmas, and demanding workloads requiring emotional control and professional objectivity. Ethical organizational norms provide clear standards for acceptable behavior and reduce ambiguity in decision-making processes, thereby improving auditors' capacity for emotional regulation and behavioral control. This finding aligns with the studies conducted by [16] and [3], who reported that ethical ideology and professional commitment significantly influence auditors' judgment and professional decision-making. Ethical commitment enables auditors to internalize professional values and maintain rational decision-making even under organizational pressure. Therefore, organizations characterized by strong ethical cultures can improve not only audit quality but also the emotional and cognitive functioning of auditors.

The findings also revealed a positive and significant relationship between business ethics and auditors' happiness and flourishing. Ethical environments contribute to employees' sense of belonging, professional value, and organizational trust. When auditors perceive fairness, transparency, and ethical accountability within their organizations, they are more likely to experience satisfaction, motivation, and professional fulfillment. Flourishing reflects a broader sense of psychological well-being involving purposefulness, optimism, professional growth, and positive interpersonal relationships. Ethical organizational cultures promote such outcomes by encouraging respect, cooperation, and emotional support among employees. This result is consistent with previous studies emphasizing the role of ethical leadership and organizational ethics in enhancing employee satisfaction and organizational commitment [1, 2]. Ferrell et al. highlighted that ethics-oriented organizations foster stronger emotional attachment and positive attitudes among employees and stakeholders. Similarly, Grbac and Loncaric demonstrated that ethical organizational behavior improves both professional performance and employee well-being in transitional economies. In the context of auditing firms, ethical practices may enhance auditors' professional confidence and reduce emotional fatigue associated with demanding work environments.

Another significant finding of the study was the negative relationship between business ethics and aggression among auditors. Ethical environments appear to reduce hostile reactions, emotional instability, and interpersonal conflict in workplaces. Auditors working in organizations characterized by justice, transparency, and accountability are less likely to experience frustration, anger, or aggressive tendencies because ethical norms regulate professional interactions and encourage respectful communication. Ethical cultures also reduce uncertainty and perceptions of injustice, which are major sources of emotional tension and workplace aggression. This finding corresponds with previous research indicating that ethical leadership and organizational support

reduce destructive workplace behaviors and emotional exhaustion [6, 9]. Satoh et al. found that imbalance between effort and reward contributes to emotional instability and job dissatisfaction, whereas supportive organizational environments improve psychological adjustment and occupational commitment. The present findings suggest that ethical organizational cultures may mitigate negative emotional responses by strengthening fairness and reducing professional conflict among auditors.

The present study also found that business ethics reduced effort–reward imbalance among auditors. Effort–reward imbalance refers to the perception that the effort invested in professional activities is not adequately compensated by organizational rewards, recognition, or support. Such imbalance is a major source of occupational stress and psychological dissatisfaction. Ethical organizational cultures appear to reduce this imbalance by promoting fairness, accountability, and transparent reward systems. Auditors who perceive ethical behavior within organizations are more likely to believe that professional efforts are recognized and valued appropriately. This finding is consistent with the results reported by [9], who emphasized that perceptions of fairness and occupational commitment mediate the relationship between workplace conditions and psychological well-being. Ethical environments strengthen employees' trust in organizational systems and improve perceptions of justice, thereby reducing stress associated with effort–reward imbalance.

The findings further demonstrated that business ethics negatively influenced positive attitudes toward fraud and unethical financial behavior. Ethical organizational cultures appear to strengthen auditors' professional skepticism, moral awareness, and commitment to transparency and accountability. Auditors working in ethical environments are less likely to tolerate fraudulent practices because ethical norms reinforce professional integrity and responsibility. This result supports previous studies highlighting the role of ethics in improving fraud detection responsibility and professional accountability [4, 20]. Rustiarini et al. argued that ethical responsibility is central to auditors' effectiveness in detecting and reporting fraud. Similarly, Riyadi et al. found that professional ethics significantly improves audit quality by strengthening objectivity and independence. The findings of the present study therefore suggest that ethical organizational climates contribute not only to psychological well-being but also to greater professional responsibility and resistance to unethical practices.

The current findings are also important in light of recent technological changes in the auditing profession. The increasing use of artificial intelligence and digital auditing systems has introduced new ethical challenges related to accountability, professional judgment, and transparency. Auditors are now expected to combine technological competence with ethical reasoning and professional skepticism. Ethical concerns associated with artificial intelligence adoption may increase psychological pressure on auditors, particularly regarding responsibility for automated decisions and data interpretation. Studies conducted by [12] and [13] emphasized that despite the growing role of artificial intelligence in auditing, human ethical judgment and accountability remain essential components of professional practice. Ethical organizational cultures may therefore play an even more critical role in helping auditors manage technological pressure and maintain psychological resilience in digitally transformed work environments.

Another noteworthy aspect of the findings relates to the broader organizational and social context of auditing. Social trust, organizational culture, and professional standards significantly influence auditors' ethical responsibility and psychological stability. In organizations where ethical standards are clearly defined and socially reinforced, auditors are more likely to experience professional confidence and emotional security. This interpretation is supported by the findings of [14], who highlighted the importance of social trust structures in shaping auditors' ethical responsibility. Similarly, [15] demonstrated that organizational culture and adherence to

auditing standards significantly influence professional behavior and ethical accountability among auditors. These findings suggest that ethical culture functions as both a professional and psychological support mechanism in auditing organizations.

The present findings also support theoretical perspectives emphasizing the relationship between ethical leadership, organizational justice, and employee well-being. Ethical organizations encourage transparency, fairness, and accountability, which strengthen interpersonal trust and reduce emotional tension in workplaces. Such conditions improve professional relationships, increase organizational commitment, and enhance emotional resilience among employees. Furthermore, ethical organizational climates help auditors maintain independence and professional objectivity in situations involving conflict of interest or external pressure. This interpretation aligns with the studies conducted by [5] and [11], both of which emphasized the importance of ethics-oriented organizational systems in promoting professional responsibility and ethical decision-making. Ethical training and professional codes of conduct may therefore serve as important tools for improving auditors' psychological conditions and professional effectiveness.

In general, the findings of the present study indicate that business ethics is not merely a professional or organizational requirement but also a critical determinant of auditors' psychological well-being and professional flourishing. Ethical environments contribute to emotional stability, reduce psychological distress, improve self-regulation, and strengthen professional responsibility among auditors. Given the sensitive role of auditors in ensuring financial transparency and organizational accountability, strengthening ethical cultures within auditing firms may improve both employee well-being and audit quality. The findings are particularly important in the Iraqi context, where auditors face complex economic, organizational, and regulatory challenges that may intensify professional stress and ethical dilemmas.

One limitation of the present study was the use of self-report questionnaires, which may increase the possibility of response bias and socially desirable answering patterns. In addition, the study was conducted only among auditors employed in audit firms in Iraq, which may limit the generalizability of the findings to other professional or cultural contexts. The cross-sectional nature of the research design also restricted the ability to establish causal relationships between business ethics and psychological conditions. Furthermore, psychological variables may have been influenced by external organizational and personal factors not examined in the present study.

Future research is recommended to examine the relationship between business ethics and psychological conditions using longitudinal and experimental designs in order to better identify causal relationships. Researchers may also investigate the moderating roles of organizational culture, leadership style, emotional intelligence, and technological adaptation in the relationship between ethics and psychological well-being. Comparative studies across different countries and professional contexts could provide broader insight into the influence of cultural and organizational differences on auditors' ethical behavior and mental health. Additionally, future studies should examine the psychological implications of artificial intelligence adoption and digital transformation within auditing environments.

From a practical perspective, audit firms and professional organizations should prioritize the development of ethics-oriented organizational cultures that promote transparency, fairness, accountability, and professional support. Managers should implement ethical training programs, strengthen organizational justice, and provide psychological support systems to reduce occupational stress and improve auditors' well-being. Organizations are also encouraged to establish clear ethical guidelines and supportive leadership practices that enhance auditors' professional confidence and emotional stability. Improving ethical standards within auditing firms may ultimately

contribute to better audit quality, reduced fraudulent behavior, stronger organizational trust, and improved psychological health among auditors.

Authors' Contributions

Authors equally contributed to this article.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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