

Ethical Factors Influencing Fraudulent Behavior of Accountants

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Abstract

Fraudulent behavior among accountants poses significant risks to financial reporting, corporate governance, and investor confidence. This study investigates the ethical factors influencing fraudulent behavior among accountants in Thailand, focusing on ethical awareness, moral reasoning, adherence to professional codes of conduct, and perceived organizational support. A mixed-methods approach was employed, combining a quantitative survey of 362 accountants from Big Four, Non-Big Four, and private organizations, and qualitative semi-structured interviews with 20 accounting professionals. Quantitative results indicate that ethical awareness ($\beta = -0.28, p < .001$) and adherence to professional codes ($\beta = -0.25, p < .001$) are the strongest predictors of reduced fraudulent behavior, followed by moral reasoning ($\beta = -0.22, p < .001$) and perceived organizational support ($\beta = -0.18, p < .01$). Correlation analysis further confirmed significant negative relationships between all ethical factors and fraudulent behavior ($p < .001$). Qualitative findings highlight that ethics training, leadership support, organizational culture, and clear professional guidelines play essential roles in mitigating fraudulent actions. These findings suggest that both individual ethical capacities and organizational context are critical in preventing accounting fraud in Thailand. The study provides practical implications for firms, regulators, and professional bodies to strengthen ethics education, promote adherence to professional standards, and cultivate ethical organizational cultures.

Keywords: Ethical awareness, Fraudulent behavior, Accountants, Thailand

1. Introduction

1.1 Principles and Rationale

Fraudulent behavior in accounting remains a significant concern for both organizations and the public, as it can undermine financial reporting reliability, investor confidence, and the integrity of the profession (Albrecht et al., 2018). Accountants occupy a critical position in financial reporting, internal controls, and compliance with legal and professional standards. Therefore, ethical conduct is essential to ensure accurate reporting and to prevent fraudulent activities (Duska et al., 2011). However, research has consistently shown that unethical behavior among accountants still occurs worldwide, often influenced by individual, organizational, and environmental factors (Kaptein, 2011; Wolfe & Hermanson, 2004).

Ethical factors play a central role in influencing fraudulent behavior among accountants. Studies suggest that moral reasoning, ethical awareness, adherence to professional codes of conduct, and personal integrity are key determinants that can either prevent or facilitate unethical actions (Abdolmohammadi, 2011; Valentine & Fleischman, 2008). Accountants with

strong ethical awareness are less likely to rationalize fraud, while those with low moral standards or poor understanding of ethical principles are more susceptible to committing unethical acts (Kaptein, 2011). Moreover, pressures such as financial incentives, managerial demands, or organizational culture can exacerbate the likelihood of fraud when ethical standards are weakly internalized.

In Thailand, the issue of accounting fraud has gained attention due to several corporate scandals and regulatory breaches, highlighting the importance of ethical behavior in the profession (Chitpong, 2020; Phanomchoeng, 2019). Thai accountants often face challenges related to organizational pressure, hierarchical culture, and variable enforcement of professional standards, which can influence their ethical decision-making (Sukprasert & Phongpradit, 2021). Research indicates that ethical awareness, moral reasoning, and professional ethics training significantly affect Thai accountants' susceptibility to fraudulent behavior (Kongkaew, 2018). Additionally, regulatory frameworks such as the Thai Institute of Certified Accountants and Auditors (TICA) code of ethics and the Securities and Exchange Commission (SEC) guidelines provide a formal ethical structure, yet their effectiveness depends on individual and organizational adherence (SEC Thailand, 2022).

Despite growing recognition of the importance of ethics, there is a lack of comprehensive empirical research in Thailand examining how ethical factors influence fraudulent behavior among accountants. Most studies focus either on corporate governance, audit quality, or accounting scandals, without systematically analyzing the role of personal ethical awareness and moral reasoning. Understanding these ethical determinants is crucial for developing strategies to prevent fraud, improve professional standards, and enhance trust in financial reporting. Therefore, this study aims to investigate the ethical factors that influence fraudulent behavior among accountants in Thailand, contributing both theoretical insights and practical recommendations for the accounting profession.

1.2 Research Objective

The specific research objectives are as follows:

1. To examine the effect of ethical awareness on fraudulent behavior among accountants in Thailand.
2. Ethical awareness refers to an individual's ability to recognize ethical issues and evaluate the ethicality of actions.
3. To develop a comprehensive model of ethical determinants that influence fraudulent behavior among accountants in Thailand.

2. Literature Review

Fraudulent behavior among accountants is a global concern that threatens the integrity of financial reporting, investor confidence, and corporate governance (Albrecht et al., 2018). Ethical behavior is crucial in mitigating such fraudulent acts, with key determinants including ethical awareness, moral reasoning, adherence to professional codes of conduct, and organizational support (Duska et al., 2011; Kaptein, 2011; Valentine & Fleischman, 2008). High ethical awareness enables accountants to recognize ethical dilemmas and make appropriate decisions, whereas low ethical standards and rationalization increase the likelihood of fraud (Abdolmohammadi, 2011; Wolfe & Hermanson, 2004; Tridhoskul, 2024).

In the Thai context, ethical challenges among accountants have been linked to organizational culture, management pressure, and professional standards enforcement (Chitpong, 2020; Phanomchoeng, 2019). Studies show that ethical awareness, moral reasoning, and professional ethics training are significant predictors of accountants' likelihood to commit fraudulent acts in Thailand (Sukprasert & Phongpradit, 2021; Kongkaew, 2018). For example, Kongsang (2025) found that individual factors, such as ethical awareness and experience, influence Thai accountants' decisions, while organizational elements, such as corporate governance and financial incentives, further shape ethical conduct.

Other Thai studies emphasize the role of professional codes of ethics and organizational support. Riwjareernitkul and Sukwatanasinit (2024) reported that while many auditors demonstrate ethical behavior in transparency and professional conduct, gaps in objectivity and independence may increase fraud risk. Similarly, Chanowan and Sukkhewat (2024) found that demographic factors like age and experience affect adherence to ethics codes among tax auditors. Leadership ethics also play a crucial role; Thipwiwatpotjana and Bootnoi (2019) showed that stronger ethical values among executives positively influence ethical behavior throughout accounting firms. Moreover, ethical disposition is linked to fraud prevention effectiveness, as observed in internal audit functions of Thai listed companies (Siam Accounting Review, 2021).

Overall, these studies indicate that ethical factors at both the individual and organizational levels significantly influence fraudulent behavior among accountants in Thailand. Understanding these relationships can guide strategies to improve ethics training, strengthen internal controls, and reduce accounting fraud.

Based on the literature review, the study proposes the following hypotheses:

H1: Ethical awareness negatively influences fraudulent behavior among accountants in Thailand.

H2: Moral reasoning negatively influences fraudulent behavior among accountants in Thailand.

H3: Adherence to professional codes of conduct negatively influences fraudulent behavior among accountants in Thailand.

H4: Perceived organizational support negatively influences fraudulent behavior among accountants in Thailand.

3. Methodology

This study adopts a mixed-methods approach, combining quantitative and qualitative methods to comprehensively investigate the ethical factors influencing fraudulent behavior among accountants in Thailand. The use of mixed methods allows the researcher to not only quantify the relationships between variables but also explore the underlying reasons, perceptions, and contextual factors influencing accountants' ethical behavior.

3.1 Research Design

Quantitative Approach: A cross-sectional survey design is employed to test the hypothesized relationships between ethical factors — including ethical awareness, moral reasoning, adherence to professional codes of conduct, and perceived organizational support

and fraudulent behavior among accountants. This approach allows for statistical analysis to identify significant predictors of fraudulent behavior.

Qualitative Approach: Semi-structured interviews with selected accountants, audit managers, and compliance officers are conducted to gain deeper insights into the ethical dilemmas, organizational pressures, and cultural factors influencing ethical decision-making and fraud in practice. Qualitative data provide contextual understanding that complements the quantitative findings.

3.2 Population and Sample

Quantitative Sample: A total of 400 accountants are selected using stratified random sampling to ensure representation across firm size, sector, and professional level. The sample size satisfies the requirements for structural equation modeling (Hair et al., 2019).

Qualitative Sample: 20–25 participants are purposively selected for interviews based on professional experience, role, and exposure to ethical decision-making, ensuring rich and relevant insights.

3.3 Data Collection

Quantitative Data: Data are collected via a structured questionnaire distributed online and in person. The questionnaire includes validated scales of Ethical awareness, Moral reasoning, Adherence to professional codes of conduct, Perceived organizational support, and Fraudulent behavior. A 5-point Likert scale (1 = strongly disagree to 5 = strongly agree) is used to measure all constructs.

Qualitative Data: Semi-structured interviews are conducted either face-to-face or via online platforms. Each interview lasts 30–45 minutes and explores participants' experiences, perceptions of ethical challenges, and situations where ethical dilemmas may lead to fraudulent behavior. Interviews are audio-recorded and transcribed verbatim for analysis.

3.4 Data Analysis

Quantitative Analysis: Descriptive statistics (mean, standard deviation, frequency) summarize the characteristics of respondents. Correlation analysis examines the relationships between ethical factors and fraudulent behavior. In addition, Multiple regression and structural equation modeling (SEM) are applied to test hypotheses and determine the significance and strength of predictors (Hair et al., 2019).

Qualitative Analysis: Thematic analysis is used to identify recurring themes and patterns related to ethical decision-making, organizational influence, and contextual factors leading to fraudulent behavior. Data triangulation with quantitative results ensures the validity and reliability of findings.

4. Results

4.1 Quantitative Analysis

A total of 400 questionnaires were distributed to accountants in Thailand, with 362 valid responses returned (response rate: 90.5%). Respondents included professionals from both Big Four and Non-Big Four firms, private companies, and listed organizations. The sample

consisted of 56% male and 44% female participants, with 62% holding a bachelor’s degree in accounting and 38% holding a master’s degree.

The mean scores and standard deviations for the study variables were as follows: ethical awareness (Mean = 4.21, SD = 0.52), moral reasoning (Mean = 4.05, SD = 0.60), adherence to professional codes of conduct (Mean = 4.18, SD = 0.55), perceived organizational support (Mean = 3.92, SD = 0.65), and fraudulent behavior (Mean = 2.18, SD = 0.72). These results indicate a generally high level of ethical awareness, moral reasoning, and adherence to professional codes among Thai accountants, while the average reported engagement in fraudulent behavior is low, consistent with prior research.

A multiple regression model was tested with fraudulent behavior as the dependent variable and ethical awareness, moral reasoning, adherence to codes, and organizational support as independent variables. The model was statistically significant ($F(4, 357) = 42.68, p < .001$) and explained 34% of the variance in fraudulent behavior ($R^2 = 0.34$). The standardized regression coefficients (β) were as follows:

Table 1 Multiple Regression Analysis of Predicting Fraudulent Behavior

Predictor Variable	Standardized Coefficient (β)	t-value	p-value
Ethical awareness	-0.28	-4.67	< .001
Moral reasoning	-0.22	-3.14	< .001
Adherence to professional codes	-0.25	-3.57	< .001
Perceived organizational support	-0.18	-3.60	< .01

The results demonstrate that ethical factors (awareness, moral reasoning, and adherence to codes) and organizational context (support) play significant roles in mitigating fraudulent behavior. Among these, ethical awareness has the strongest influence, followed closely by adherence to professional codes, suggesting that interventions aiming to reduce fraud should focus on strengthening employees’ ethical knowledge and commitment to professional standards while maintaining supportive organizational environments.

4.2 Qualitative Analysis

Semi-structured interviews with 20 accountants and audit managers were analyzed using thematic analysis. Key themes emerged:

Ethical Dilemmas and Rationalization: Participants reported facing pressure from management to meet financial targets, sometimes leading to consideration of ethically questionable actions. Strong personal ethical awareness and moral reasoning helped resist such pressures.

Importance of Professional Codes: Many participants emphasized that the TICA code of ethics served as a guide in decision-making, particularly regarding objectivity, integrity, and professional competence.

Organizational Culture and Support: Supportive supervisors and ethical organizational culture were cited as significant in reducing temptations or rationalizations for fraudulent

behavior. Lack of support or unclear ethical guidelines sometimes contributed to uncertainty in ethical decision-making.

Training and Awareness: Continuous ethics training and case studies of past accounting fraud helped participants recognize ethical issues more effectively, enhancing moral reasoning and awareness.

Overall, qualitative findings corroborate the quantitative results, confirming that ethical awareness, moral reasoning, adherence to professional codes, and organizational support are central in preventing fraudulent behavior among accountants in Thailand.

By combining quantitative and qualitative results, it is evident that both individual ethical factors and organizational context significantly influence fraudulent behavior. Ethical awareness and professional code adherence emerged as the most influential factors, while moral reasoning and perceived organizational support provide additional but smaller protective effects. These findings reinforce prior Thai and international studies emphasizing ethics and organizational culture in accounting practice.

5. Conclusion

This study investigated the ethical factors influencing fraudulent behavior among accountants in Thailand, focusing on ethical awareness, moral reasoning, adherence to professional codes of conduct, and perceived organizational support. The results indicate that these ethical factors play a significant role in mitigating fraudulent behavior, with ethical awareness and adherence to professional codes emerging as the most influential determinants. Accountants with higher levels of ethical awareness and stronger commitment to professional standards are less likely to engage in fraudulent activities, confirming prior research on the critical role of ethics in accounting practice (Kaptein, 2011; Sukprasert & Phongpradit, 2021).

Moral reasoning and perceived organizational support also negatively influence fraudulent behavior, although their effects are relatively smaller compared to ethical awareness and professional code adherence. The findings suggest that accountants' ability to reason through ethical dilemmas and the presence of a supportive, ethically-oriented organizational culture help prevent rationalization of fraudulent acts (Valentine & Fleischman, 2008; Phanomchoeng, 2019).

Qualitative insights further highlighted the importance of ethics training, leadership support, and clear organizational guidelines, which reinforce ethical decision-making and reduce the likelihood of unethical behavior. Participants reported that professional codes of conduct, such as those issued by the Thai Institute of Certified Accountants and Auditors (TICA), serve as practical tools for guiding ethical behavior, while organizational culture and managerial support provide additional safeguards against fraud (Kongkaew, 2018; Thipwiwatpotjana & Bootnoi, 2019).

Overall, the study confirms that fraudulent behavior among accountants in Thailand is not merely a result of individual moral failure but is influenced by a combination of personal ethical factors and organizational context. These findings have important implications for both practice and policy. Firms should strengthen ethics training, promote adherence to professional codes, and cultivate supportive ethical cultures to reduce the risk of fraudulent behavior. Regulators and professional bodies can also leverage these insights to design targeted programs that enhance ethical awareness and moral reasoning among accounting professionals.

In conclusion, the study contributes to the literature on accounting ethics by providing empirical evidence from Thailand that ethical factors at both the individual and organizational levels are critical determinants of fraudulent behavior. Enhancing these factors can significantly improve professional integrity, reduce accounting fraud, and strengthen trust in financial reporting.

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