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THE ROLE OF ACCOUNTING VALUES IN THE PROCESS OF ISSUING ACCOUNTING STANDARDS AND THEIR REFLECTION ON SUSTAINABLE DEVELOPMENT: AN EXPLORATORY STUDY OF THE OPINIONS OF A SAMPLE OF ACADEMICS AND PRACTITIONERS IN THE KURDISTAN REGION OF IRAQ

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ABSTRACT

This study examines how accounting values shape perceptions of the accounting standards issuance process and how a credible, value-led standard-setting process is reflected in sustainable development in the Kurdistan Region of Iraq. The study addresses an emerging-economy setting where professional practice and enforcement capacity are still evolving, while expectations for trustworthy and comparable sustainability information are rising. Data was collected through a structured questionnaire distributed to 164 accounting academics and practitioners. Accounting values were measured through five dimensions (secrecy and trust, objectivity and integrity, transparency, high efficiency, and professional responsibility). The standards issuance process was treated as a mediating construct and sustainable development as the outcome. Responses were captured on a five-point Likert scale and analyzed using descriptive statistics, Pearson correlations, and linear regression. The findings show strong support for accounting values among respondents and generally positive perceptions of the standards issuance process. Accounting values are significantly associated with the perceived quality of standards issuance and explain a substantial share of its variation. At the dimension level, professional responsibility shows the strongest explanatory power, followed by objectivity and integrity. The standards issuance process is also positively associated with sustainable development and significantly predicts it, suggesting that respondents view credible standard setting as part of the institutional foundation for sustainability-oriented accountability and more disciplined decision-making. The study is limited by its cross-sectional, perception-based design and single-region context. Even so, the results provide practical signals for standard setters, regulators, and professional bodies: strengthening professional responsibility, integrity, transparency, and due process can support more credible standards and, in turn, sustainability outcomes.

KEYWORDS: Accounting values; Accounting standards; Sustainable development; Standard setting

1. INTRODUCTION

Accounting can often be called the language of business but it's just as much a tool for accountability. It makes day to day transactions into signals that investors, regulators and communities can read and act on and creates a trail that can be audited when trust is questioned. When the talk turns from short term profit to long term resiliency then that infrastructure of accounting becomes even more important because sustainable development is based on what organizations measure, disclose and are ready to be judged on. In the case of many organizations what is not measured just does not get managed (Weinberger et al., 2015; Cardoni et al., 2020).

Over the last decade sustainability reporting has evolved from voluntary reporting tool in the form of narratives, to something closer to formal reporting. There are increasing expectations of firms to provide information about how climate risk, resource use, human capital and social impact are affecting performance and long run viability, not just in glossy statements, but in disclosures that stand up to scrutiny. This change has been brought about by international efforts such as the GRI standards, and the introduction of disclosure standards on sustainability under the IFRS Foundation (Initiative, 2021; Gbadebo, 2023). The direction is there, but in terms of quality, completeness and comparability of sustainability information, there is still a wide range of practices between firms and jurisdictions, particularly as reporting systems and assurance practices continue to be developed (KPMG, 2022)

One reason being that the standards don't work, on paper, that is. They are made through institutional processes, translated into guidance, discussed by stakeholders and enacted by professionals who have to make judgement calls in real-time. The credibility of that entire pipeline is important, especially things like sustainability where measuring it is complicated and there can be big reputational incentives. In practice, however, weak processes may un-do good technical standards while credible processes may help to improve the quality of implementation in even difficult environments. This makes the standard setting procedures a governance as opposed to an administrative issue (DiMaggio and Powell, 1983; IASB, 2018).

This is where the accountancy values come in the picture. Values are not abstract slogans, but are reflected in day-to-day decisions on estimates, classifications and disclosures and on how professionals respond to pressure in cases where rules allow scope for judgement. Professional codes are the basis of trust and are focused on integrity,

objectivity, confidentiality, competence and professional behavior (IFAC, 2014; IESBA, 2023). Gray's accounting values perspective adds the fact that the contexts can be weighted towards secrecy or transparency and that preferences affect the development and accounting systems and acceptability of the degree of disclosure (Gray 1988). In terms of sustainability reporting, these value preferences may be one factor in deciding whether the reporting practices are candor, comparability and decision-useful or merely selective and symbolic.

The Kurdistan Region of Iraq is a good place to investigate these connections. The region has increased its interaction with international partners and that has come along with increasing demand for similar and credible reporting, especially in the case of organizations seeking funding and partnerships. At the same time institutional capacity, enforcement and training opportunities may vary from one sector to another and professional networks are just consolidating. Sustainability challenges are also not new, ranging from resource dependency to environmental pressure, to the need for inclusive socio-economic development which does not come at long-term resilience (Gbadebo, 2023; UNESCAP and CSIRO, 2015).

Although research on the standards adoption and sustainability disclosure are extensive, there are less research on bringing the accounting values, the standard setting process and sustainable development into one empirical model, especially the research in emerging economies. That gap is important as even technically sound standards would be symbolic if values and conditions of implementation do not promote transparent and responsible practice. In other words, the ethical infrastructure surrounding the standard setting process can make the difference between standards being a tool of increased accountability, or a tool of the appearance of compliance. The current research takes values as part of the institutional mechanism through which standards can contribute to sustainable development (Cardoni et al., 2020; Bengo et al., 2021; Antonini and Gomez-Conde, 2024).

This study is aimed at filling this gap through conducting an exploratory survey of academics and accounting practitioners in the Kurdistan Region. The model gives links between accounting values to perceived quality of standards issuance process, perceived sustainable development outcomes to perceived quality of standards issuance process. Accounting values are reflected in five dimensions: secrecy and trust, objectivity and integrity, transparency, high efficiency and professional responsibility, both in terms of ethical commitment

and practical professional behavior. The underlying logic is that the values have an impact on how the professionals engage in the due process and their seriousness on taking the outcomes of setting the standards (IFAC, 2014; IESBA, 2023).

The contribution is both practical and empirical one. The analysis identifies the value dimensions that are most strongly associated with perceptions to credible standard setting as well as showing that respondents are more strongly associating standard setting with sustainable development outcomes. These insights speak to professional education, ethics training and design of standard setting procedures in the region, including how consultation, clarity and accountability can be improved in practice. One way of helping to identify where reforms might pay off the most is not only in relation to technicality rules, but also in relation to professional culture and capacity (IFAC, 2014; IESBA, 2023).

2. THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

2.1. *Accounting values as an ethical infrastructure for accounting practice*

Accounting values, as used here, are the professional orientations used in making judgement when standards are silent, ambiguous or open to interpretation. In actual reporting work, there is no way to avoid discretion, whether it is regarding provisioning, impairment, materiality or the narrative around risks and uncertainties. Values are what determines how that discretion will be used, how conflicts of interest will be dispelled and whether the users can trust what they are reading when the performance is under pressure. They also influence the way the professionals think about disclosure boundaries and the defensibility of withholding information (FRAMEWORK, 2018; IFAC, 2014; IESBA, 2023).

Professional bodies have always considered ethics as the foundation of credibility. The major codes merge on a common set of principles including integrity, objectivity, professional competence and due care, confidentiality and professional behavior (IFAC, 2014; IESBA, 2023). These principles are not just about keeping out of sanctions. They are the behavioral safeguards to ensure that reporting is consistent with the public interest and that the reliability of the information used in the markets and in public decision making is protected. When they are weak, reporting is likely to become more negotiable and less trustworthy.

In reporting with respect to sustainability, the role played by values becomes even more evident. Many

measures for sustainability involve forward-looking assumptions, scenario analysis and indicators which can be challenging to verify, especially when data systems are still being built up. The absence of a solid ethical foundation may lead to slipping disclosures in either the direction of cherry-picking or in the most extreme case greenwashing. Values help discipline the process (integrate; discourage misrepresentation; objectivity; balanced disclosure; help improve the quality of the measurement and documentation through increased competence). For the practitioners, the values sometimes dictate whether the uncertainty is disclosed honestly or veiled behind the ambiguous phrase (Gbadebo, 2023; KPMG, 2022).

Gray's accounting values framework provides another way of viewing by relating the practice of reporting to value preferences that run deeper and are related to different contexts (Gray, 1988). These preferences influence what is acceptable disclosure and/or how strongly professionals favor uniformity or flexibility regarding the application of standards. Of special concern in the context of sustainability is the tension between secrecy and transparency. A secrecy-oriented environment can maintain the tight hold of information while a transparency-oriented environment tends towards broad disclosure, stakeholder engagement and external accountability. This struggle does not exist in theory but in practice, it influences the day to day reporting decisions and how regulators and users apply them.

In this research, accounting values are translated into five dimensions, which reflect both ethical commitments and practical professional behavior: secrecy and trust, objectivity and integrity, transparency, high efficiency and professional responsibility. Together, these dimensions describe the way in which accountants deal with sensitive information, how they can deal with their biases and conflicts of interest, and how they approach reporting as a public interest duty. They are also a means of discussing values in operational terms that can be measured and compared between respondents. This operationalization is important as it guides the discussion from the general ethics to specific professional priorities (Gray, 1988; IFAC, 2014; IESBA, 2023).

Secrecy and trust issues are related to disciplined treatment of confidential information and reliability of professional relationships. In standard setting, trust is important because often consultation and implementation involves the sharing of information that organizations may not otherwise wish to share, such as confidential estimates and internal processes. At the same time, secrecy can become a problem if it

is resorted to as a reason to avoid disclosing what is materially important to stakeholders. The practical challenge is to ensure confidentiality without compromising transparency expectations particularly where the impacts of sustainability are to communities and public resources (Gray 1988; IFAC 2014).

Objectivity and integrity reflect the expectation that information be prepared in a fair manner without being biased or manipulated. These values are important in any reporting environment, but they are especially important where sustainability performance has become a matter of reputational capital, and the potential for disclosure to show responsibility. Standard-setting processes that are seen as being based on objective processes tend also to be seen as legitimate and less subject to capture by narrow interests, especially where the sub-interests of large stakeholders may be seeking favorable rules. Integrity also promotes the consistency of application by minimizing the temptation of negotiating standards (IESBA, 2023; Suchman, 1995).

Transparency reflects openness and clarity of disclosures and the accessibility of information to the users. It supports accountability, through enabling stakeholders to see performance, compare organizations and challenge inconsistencies. When the process of setting the standards is open, it enhances acceptance because it allows stakeholders to understand how decisions were made, how evidence was considered and why trade-offs were made. In the case of sustainability reporting, transparency also affects whether the disclosures are part of the decision-making process or simply public relations content (Martinez-Ferrero and Garcia-Sanchez, 2013; Oncioiu et al., 2020).

High efficiency and professional responsibility make up the picture. Efficiency relates to competent, timely and consistent implementation, which can reduce the perceived burden of applying Standards, and errors that lead to lack of trust. Professional responsibility focuses on accountability to the public interest and willingness to stand behind the outcome of reporting including the willingness to report uncomfortable facts. These dimensions are likely to influence the professional considerations around the nature of the standard setting process and the relationship between standard setting and sustainable development, where the longer-term consequences and expectations of stakeholders are key (IFAC, 2014; IESBA, 2023).

2.2. Accounting values and the process of issuing accounting standards

Standard setting is often accounted for in technical terms, but it is a legitimacy project also. This involves

deciding on what problems are important enough to regulate and what information needs are the most important, and how much judgement should be left to preparers and auditors. Those decisions are never value neutral. They are declarations of what are taken for granted beliefs about what is transparent, fair and the purpose of reporting, and become even more contentious when standards are about sustainability and long-term impact. Even decisions regarding the use of words and thresholds for disclosure can influence what firms are disclosing and what can be compared by users (Suchman, 1995; FRAMEWORK, 2018).

Agency theory provides one explanation of the role of values in this space. When managers are managing resources in the name of owners and other stakeholders, information asymmetry provides the scope for opportunism. Accounting standards help to limit that room as they provide recognition and disclosure rules that can help to improve comparability and verifiability (Jensen and Meckling, 2019). Still, standards cannot do the whole job when enforcement is uneven or incentives are misaligned, so values are an additional internal constraint on how behavior is shaped when rules are tested. They play a part in the way that professionals think about disclosure as an obligation or as a strategic option.

Stakeholder and legitimacy views imply a wider audience for reporting. Organizations need social acceptance and disclosure is a way of signaling accountability to stakeholders that bear or observe impacts (Freeman, 1984; Suchman, 1995). Sustainability reporting instead lies squarely in that legitimacy space, because not everything it is interested in are impacts for shareholders. If standard setting is seen to be opaque, rushed or captured it can destroy trust and encourage box-ticking instead of meaningful disclosure. On the other hand, credible due process may increase acceptance even with difficult disclosures necessary by standards.

Institutional theory is focused on the question as to why this should be particularly relevant in emerging economies. Formal adoption of standards can be rapid, but implementation of these standards will vary, in many cases, from one organization/sector to another. Professional norms, training and enforcement makes the difference between standards being a living practice or a symbolic exercise (DiMaggio and Powell, 1983). Values are therefore part of the institutional infrastructure for making standard setting work in the real world, especially where legal systems and capacity to monitor is still evolving. In real life, the values come in handy when the formal controls are weak or inconsistent and the holes have to be filled.

Empirical research on the quality of standards and reporting always shows that the results are contextual and the use of the standards and not what they say (Agbodjo et al., 2021; DINU, 2022). The same argument can be used to sustainability-based disclosure: when there is no reliable processes and competence in its application, the promise of comparability and accountability is not fulfilled. This is why it is not possible to stop the discussion with adoption but to include professional behavior, institutional trust and the quality of process. In cases where enforcement is not so strong, these factors are even more decisive.

Taken together, these arguments lead one to a rather clear expectation. Where the accounting values are better the process of issuing accounting standards is expected to be seen as more credible, consistent and consistent with the public interest. This expectation is formalized in the first set of hypotheses. Each of the value dimensions point to a slightly different road to credible standard setting, from disciplined confidentiality to transparency, workability and public interest responsibility.

H1. Each dimension of accounting values is positively associated with the process of issuing accounting standards.

- *H1a. Secrecy and trust is positively associated with the process of issuing accounting standards.*
- *H1b. Objectivity and integrity is positively associated with the process of issuing accounting standards.*
- *H1c. Transparency is positively associated with the process of issuing accounting standards.*
- *H1d. High efficiency is positively associated with the process of issuing accounting standards.*
- *H1e. Professional responsibility is positively associated with the process of issuing accounting standards.*

Beyond association, the model makes an expectation of an explanatory relationship. Values should contribute to the prediction of perceptions of quality of standards, because of the influence on attitudes of due process, participation in the consultations and commitment to implementation. In other words, there should be positive correlation between the level of support by respondents for accounting values and the level of support for the standards issuance process (even if they work in different organizational environments). This is the motivation of the second hypothesis (IFAC, 2014; DiMaggio and Powell, 1983).

H2. Overall accounting values (as a composite construct) positively predict the process of issuing accounting standards.

2.3. Accounting standards and sustainable development

Sustainable development is widely regarded as development that meets the present needs without compromising the ability of future generations to meet their own needs. In organizational environments it is often addressed in terms of the integration of economic, social and environmental aspects of performance. Achieving progress on these dimensions requires measurement, monitoring and credible accountability, which is where reporting systems become part of the solution rather than a mere record of past activity. Without credible information, sustainability strategies are likely to be aspirational (Weinberger et al., 2015; Cardoni et al., 2020).

Accounting standards can contribute to sustainable development in at least 3 channels. First, they can increase the credibility and comparability of information used for investment and lending decisions with implications for the allocation of resources and for the pricing of risk. Second, they can increase governance by enhancing auditability and transparency, which reduce the scope for decision making hidden and opportunistic behavior. Third, they can help organizations quantify and disclose sustainability-related risks and opportunities that will improve risk management and support longer-term planning. Each channel is dependent on consistent implementation, which is determined by professional values (Bengo et al., 2021; Gbadebo, 2023; Jensen and Meckling, 2019).

The growing merging of financial and sustainability reporting reinforces such channels. Frameworks such as the GRI standards have given broad guidance for stakeholders, while more recent sustainability-related disclosure standards under the IFRS Foundation are trying to bridge the gap to sustainability-related matters and their connection to enterprise value and capital markets decision making (Initiative, 2021; Gbadebo, 2023). Even if local adoption is a slow process, because of this direction, expectations are created about what credible sustainability information should look like, and the bar is raised for governance and assurance. It also puts more pressure on standard setters to keep domestic practice in line with international developments.

At the same time, sustainability disclosure comes with risks of its own. Organizations can emphasize positive stories while minimizing negative impacts, report indicators that are difficult to verify, or use disclosure as public relations. Standards can reduce these risks by clarifying boundaries of disclosure,

metrics and expectations of assurance but the impact of these standards depends on how they are issued and applied. A weak issuance process can result in rules that look good but fails to change behavior especially if enforcement and professional judgement is not supporting substantive reporting (Suchman, 1995; Martinez-Ferrero and Garcia-Sanchez, 2013; Gbadebo, 2023).

Previous studies support associations between the quality of disclosure, governance and sustainability-related outcomes. Studies suggest that better reporting frameworks can increase transparency, stakeholder confidence, and that sustainability reporting is increasingly linked to performance and firm value (Martinez-Ferrero and Garcia-Sanchez, 2013; Oncioiu et al., 2020). At a policy level, integrated approaches to sustainable development also emphasize the need for the measurement tools that link accountability with decision making (Weinberger et al., 2015). These arguments are in support of the idea that credible standard setting should be linked to better sustainable development outcomes.

Based on this logic, the third hypothesis is proposed to have a positive relationship between the perceived quality of standards issuance and the outcomes of sustainable development in Kurdistan Region.

H3. The process of issuing accounting standards is positively associated with sustainable development.

2.4. Standard setting in the sustainability era: from reporting principles to sustainable value creation

A useful way of relating the standard setting process to sustainable development is to begin with what makes information useful. The IASB Conceptual Framework is concerned with relevance and faithful representation, supported by comparability, verifiability, timeliness and understandability (FRAMEWORK, 2018). Those qualities are by no means limited to traditional financial statements. Sustainability disclosures are most useful if they are decision-useful, consistent over time and supported by evidence that can be relied upon by the users of the disclosures, particularly if the disclosures have an impact on capital allocation and policy decisions. This is why discussions around sustainability reporting are looking more like discussions on the quality of financial reporting.

Research work on sustainable value creation supports this point. Sustainability is more about

measurement and governance than a marketing activity. Cardoni et al. (2020) show how literature has shifted towards structured measurement of sustainable value which requires information systems and institutional support. Whereas, when standard-setting processes are credible, they contribute to the translation of sustainability ambitions into reporting routines, internal controls and assurance practices that can be monitored. Credible standards also reduce fragmentation by suggesting what is similar disclosure.

Policy developments both point to the opportunities of regulation as well as unintended effects of regulation. Financial regulations and social impact measurement requirements can affect how sustainability information is generated and used especially where sustainable finance is emerging (Bengo et al., 2021). At the same time, disclosure rules can affect organizational control systems and innovation in complex ways that the quality of implementation is important and one-size-fits-all requirements can backfire (Antonini and Gomez-Conde, 2024). This makes a very good case for why the quality of a process and professional judgement should be taken seriously and not left as a secondary issue.

Sustainability concerns are also passed along via value chains. The effects of sustainability on the supply-chain, consumer and external shock changes sustainability performance and risk in a manner that cannot be observed using firm-level financial figures alone. Work on value-chain sustainability suggests that being consistent in disclosure helps stakeholders to assess their exposure in a more realistic way and applies pressure on firms to improve its practices where impacts are concentrated (Rutitis et al, 2022). For the standard setters, this poses questions as to scope, boundary-setting and how to treat value-chain information in disclosure requirements.

Finally, the practitioners operate in an overcrowded reporting space with overlapping frameworks and guidance. Comparative advice from professional firms indicates that standard setting is also an education and capacity building exercise, since interpretation and transition is part of implementation (Deloitte, 2022; KPMG, 2022). Where there is good strength of professional values, there is more likely to be consistent application and sustainability disclosures that stakeholders can trust because of that capacity-building. Where values are weak, even the best guidance can be selectively utilized.

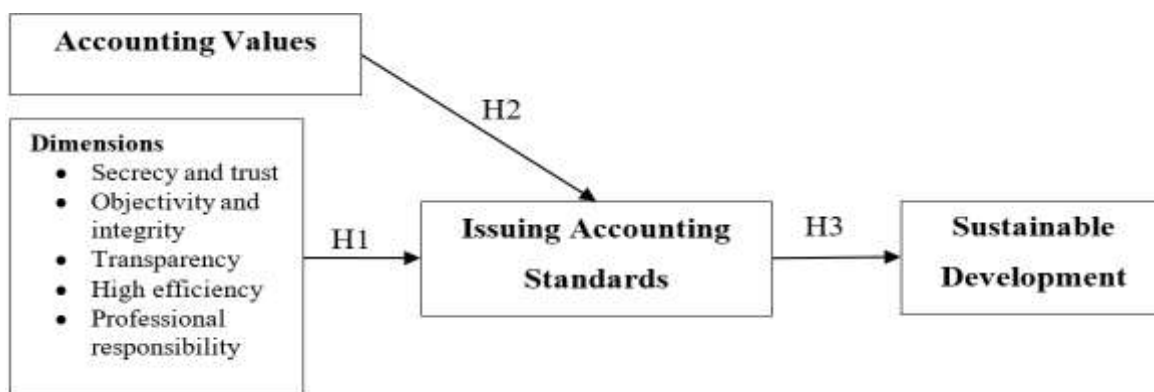


Figure 1: Conceptual Framework

3. RESEARCH DESIGN AND METHODOLOGY

3.1. Study context

The study is conducted in the Kurdistan Region of Iraq in which accounting practice is emerging with economic growth and growing interaction with foreign partners. In this environment, organizations face increasing demands for reporting that is similar and credible especially if they are seeking investment, loans or partnerships that require them to be transparent in their documentation. These expectations also apply to the disclosure of sustainability related matters, where stakeholders are seeking better evidence, not just broad claims.

At the same time, reporting practice is affected by unequal institutional capacity, disparity in training opportunities and varying rates of implementation in different sectors. Sustainable development priorities in the region include improved governance, economic diversification and environmental impacts. Accounting standards and the values on which they are based can contribute to these priorities by enhancing transparency, strengthening accountability and helping organizations to make more disciplined decisions in the long term. For that reason, perceptions from academics as well as practitioners are informative.

3.2. Population and sample

The target population included two major stakeholder groups engaged in the development and implementation of accounting standards in practice: academics in the accounting field in universities and colleges and practitioners working in organizations, audit firms and other related fields in the region, which were chosen as they jointly represent both the conceptual knowledge and the field experience to relevant standard-setting debates and constraints in implementation, such as pressured interpretations, and together represent two high-impact channels for standards diffusion through education and professional practice. A total of 165 questionnaires

were returned and after checking for completeness and consistency, 164 valid questionnaires were retained for correlation and regression analyses (used for inferential testing in the results section), and the full set was used to describe respondent characteristics.

3.3. Instrument development and measurement of variables

The research adopted a descriptive-analytical and cross-sectional survey design. The questionnaire was developed based on the previous work on professional ethics, accounting values, standard setting and sustainability reporting and was reviewed to ensure clarity for academics and practitioners. Items were phrased to reflect perceptions of practice and institutional process instead of abstract agreement with general statements and the instrument was tested for internal consistency prior to hypothesis testing.

Accounting values (AV) were measured using 25 items grouped into five dimensions and each dimension was measured using five items: secrecy and trust, objectivity and integrity, transparency, high efficiency and professional responsibility. This structure allows values to be explored as a whole and as unique behavioral priorities, which is useful when determining which ethical dimensions are most important in determining standard-setting credibility.

The standards issuance process (AS) was measured using 15 items related to perceptions of due process, clarity, consistency, stakeholder engagement and preparedness for implementation. Sustainable development (SD) was measured using 10 items which capture the perceived contribution of accounting and reporting to economic, social and environmental sustainability through transparency, planning and accountability. In both cases, the goal was to capture perceptions of the role of reporting in supporting governance and outcomes of sustainability.

Table I: Operational definitions and measurement of constructs

Construct	Role in model	Operational definition (summary)	Measurement
Accounting values (AV)	Independent variable	Professional and ethical orientations that guide accounting judgments and behavior, reflected in secrecy and trust, objectivity and integrity, transparency, high efficiency and professional responsibility.	25 items across 5 dimensions; 5 items per dimension.
Issuing accounting standards (AS)	Process variable	Perceived quality of the process of issuing accounting standards, including due process, clarity, consistency and implementation readiness.	15 items
Sustainable development (SD)	Outcome variable	Perceived contribution of accounting and reporting practices to economic, social and environmental sustainability through transparency, accountability, planning and stakeholder decision making.	10 items

Table I summarizes the constructs and measurement approach. All items used a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree).

3.4. Reliability and validity procedures

Internal consistency was measured with Cronbach's alpha. The scales exceeded common thresholds and provided support of use of the measures in exploratory testing and addressing concerns that results are driven by unreliable items. Reliability was tested on the sum of values construct and on each of the five dimensions.

3.5. Analytical procedures

The analysis proceeded in three steps. First, descriptive statistics were used to summarize respondents' perceptions of the study variables. Second, Pearson correlation coefficients were computed to examine bivariate relationships among accounting values, the accounting standards issuance process, and sustainable development. Third, linear regression models were estimated to test the predictive effects. Regressions were run using the

overall accounting values construct and then repeated for each value dimension to identify which dimensions show the strongest links with standards issuance and sustainable development.

4. ANALYSIS AND RESULTS

4.1. Respondent profile

The profile of the respondents is summarized in Table II. The sample is mixed (academics and practitioners) with practitioners slightly being more represented. The combination of education and experience means that the responses are informed and offer views on professional values and the reality of standards implementation in the region, in contrast to theoretical opinions. The high level of reported training exposure is also an indication that respondents are familiar with standards language and discussions of ethics issues.

Table II: Respondent profile (n = 165)

Characteristic	Category	Frequency	Percent*
Gender	Male	110	66.7
	Female	55	33.3
Occupation	Academic	80	48.5
	Practitioner	85	51.5
Scientific title	Assistant lecturer	36	21.8
	Lecturer	9	5.5
	Assistant professor	14	8.5
	Professor	21	12.7
	No title	85	51.5
Highest qualification	Diploma	16	9.7
	Professional accounting certification	58	35.2
	Master's degree	50	30.3
	PhD	41	24.8
Years of experience	5-10 years	53	32.1
	11-15 years	51	30.9
	More than 15 years	61	37.0
Training in accounting values	Yes	96	58.2
	No	69	41.8
Training in accounting standards	Yes	106	64.2
	No	59	35.8

*Percentages may not sum to 100 due to rounding.

4.2. Descriptive statistics and relative importance

Table III shows that study constructs have been rated high by the respondents as scores are more than 4.00 on five-point scales. Secrecy and trust obtained the highest mean (4.276) which indicates high

sensitivity to confidentiality and professional dependability. Sustainable development also scored strongly (4.017) which shows the perception interest of respondents to the relevance of accounting and standards to the results of sustainability and

governance priorities. Overall, the described results indicate an overall fairly positive professional climate of values and setting standards.

Table III: Descriptive statistics and relative importance

Construct / dimension	Mean	Std. dev.	CV (%)	Relative importance	Rank
Secrecy and trust	4.276	0.536	12.5	85.5	1
High efficiency	4.174	0.589	14.1	83.5	2
Accounting values (overall)	4.147	0.495	11.9	82.9	3
Transparency	4.127	0.584	14.2	82.5	4
Professional responsibility	4.080	0.584	14.3	81.6	5
Objectivity and integrity	4.076	0.607	14.9	81.5	6
Issuing accounting standards	4.037	0.553	13.7	80.7	7
Sustainable development	4.017	0.486	12.1	80.3	8

Notes: CV = coefficient of variation. Relative importance is computed as mean/5.

4.3. Reliability analysis

As presented in Table IV, the scales have high levels of internal consistency across constructs and dimensions. The score of Cronbach alpha 0.943 and standards issuance standards 0.913, and sustainable

development scale 0.829 were seen as accounting values. These coefficients show that the items are traveling in some significant direction and are suitable in investigating an experimental hypothesis. Reliability (at the dimension level) is also agreeable as it argues the need to use dimension level regressions.

Table IV: Reliability statistics

Scale	Items	Cronbach's alpha
Secrecy and trust	5	0.807
Objectivity and integrity	5	0.813
Transparency	5	0.849
High efficiency	5	0.834
Professional responsibility	5	0.801
Accounting values (overall)	25	0.943
Issuing accounting standards	15	0.913
Sustainable development	10	0.829
All questionnaire items	60	0.966

Notes: Values above 0.70 indicate acceptable internal consistency for exploratory research.

4.4. Correlation analysis

Correlation results in Table V provide the first support for the model. Accounting values have strong and positive relations with standards issuance process ($r = 0.738$, $p < 0.001$, $n = 164$) and standards issuance process has positive relation with

sustainable development ($r = 0.626$, $p < 0.001$). At the dimension level, all five values dimensions are positively correlated to standards issuance which is consistent with H1a to H1e. The correlations also indicate that standards issuance is not viewed as being independent from ethics but intermingled with it.

Table V: Pearson correlation results for hypotheses

Hypothesis	Variables	r	p-value	Result
H1	Accounting values (AV) - Issuing accounting standards (AS)	0.738	<0.001	Supported
H1a	Secrecy and trust - AS	0.570	<0.001	Supported
H1b	Objectivity and integrity - AS	0.656	<0.001	Supported
H1c	Transparency - AS	0.595	<0.001	Supported
H1d	High efficiency - AS	0.629	<0.001	Supported
H1e	Professional responsibility - AS	0.697	<0.001	Supported
H3	AS - Sustainable development (SD)	0.626	<0.001	Supported

Notes: All correlations are significant at $p < 0.01$ (two-tailed). $n = 164$ for inferential tests.

4.5. Regression analysis

Regression analysis confirms the proof of correlation. Accounting values add a lot to the variation on standards issuance process ($R^2 = 0.545$) with positive and significant slope ($B = 0.824$, $t = 13.949$, $p < 0.001$). This suggests that there is a relationship between stronger value endorsement and stronger perceptions of how standards are issued, including those dimensions of clarity,

consistency and due process that are measured by the scale.

Dimension level models exhibit a sharp trend where professional responsibility appears to be the most important predictor of standards issuance ($R^2 = 0.486$, $B = 0.660$) followed by objectivity and integrity ($R^2 = 0.430$, $B = 0.597$). High efficiency ($R^2=0.395$), transparency ($R^2=0.354$) and secrecy and trust ($R^2=0.325$) also make a significant contribution but

with less explaining power. The pattern is such that public interest orientation and integrity are seen to be particularly central to credible standard setting whereas the other values are helpful to support workability and trust.

The final model is testing the association to sustainable development. Sustainable development is predicted with the standards issuance process with

the positive coefficient ($B = 0.550$, $t = 10.223$, $p < 0.001$) and explain 39.2% variance ($R^2 = 0.392$). In practical terms, respondents do associate better process of standards issuance with better outcomes on sustainability although sustainable development is influenced by many factors other than accounting. This offers a ground for the discussion of the contribution of standard-setting reform to sustainable oriented governance.

Table VI: Regression results

Model	Dependent	Independent	Intercept (B0)	Slope (B1)	t (B1)	F	R ²
Panel A: Predicting issuing accounting standards (AS)							
1	AS	AV	0.619	0.824	13.949	194.573	0.545
2a	AS	Secrecy and trust	1.523	0.588	8.837	78.085	0.325
2b	AS	Objectivity and integrity	1.603	0.597	11.048	122.066	0.430
2c	AS	Transparency	1.711	0.564	9.245	88.837	0.354
2d	AS	High efficiency	1.573	0.590	10.291	105.906	0.395
2e	AS	Professional responsibility	1.345	0.660	12.375	153.130	0.486
Panel B: Predicting sustainable development (SD)							
3	SD	AS	1.797	0.550	10.223	104.519	0.392

Notes: Reported coefficients are unstandardized. All slopes are significant at $p < 0.001$. $n = 164$.

5. DISCUSSION

The findings tell a consistent story: Respondents who strongly endorse accounting values also describe the standard-setting process as being more credible and better organized. The result of correlation rate between accounting values and standards issuance was high ($r = 0.738$), while the result of regression model indicates that values explain more than half of variation in the perceived process of the issuance ($R^2 = 0.545$). This, in the context where rules and enforcement is still centralizing, is indicative of values as a pragmatic facade of governance to underpin standards in the day-to-day implementation, rather than only in formal declarations. It also suggests that the credibility of values might also lead to an increase in the credibility of standard setting even before major regulatory reforms enter into force.

The results on the level of dimension are particularly informative. Professional responsibility is the most important impetus to perceived standards issuance ($R^2 = 0.486$). This is not surprising. Standard setting depends upon a public interest orientation and willingness to be held accountable for reporting the results including uncomfortable disclosures that may be contrary to managerial narratives. When professionals are thinking about standards as a shared responsibility, and not a checklist, due process and consistency of application is a more realistic possibility. This finding also suggests that the reforms having to do with strengthening responsibility, such as certification requirements and continuing education, might have direct payoffs in terms of standard-setting legitimacy.

Objectivity and integrity also have a high explanatory power ($R^2=0.430$). In reporting

environments subject to political, organizational or market pressure these values are important as they influence the way accountants deal with grey areas such as estimates, provisions and disclosure boundaries. They also reduce the risk of standards being selectively used to serve narrow interests which is a classic concern in agency-based accounts of reporting behavior (Jensen and Meckling, 2019). In sustainability reporting, integrity is of particular importance as companies can have a great incentive to tell positive stories about their impact and hide negative indicators.

Transparency is one of the major themes. Respondents associate greater transparency with a better process of standard-setting, which is consistent with the idea that legitimacy requires open procedures and easy communication. Transparency is also at the heart of the current frameworks for reporting on sustainability, which aim to reduce the asymmetry of information that is associated with the environmental and social risks and for making claims more verifiable (Initiative, 2021; Gbadebo, 2023). From a practical standpoint, transparency does make for better implementation since it does not just make clear what standards are trying to accomplish, but what standards require accomplishment.

The relationship of standards issuance to sustainable development is also important. The relation is strong ($r = 0.626$) and the results obtained from the regression analysis suggest that the perceived standards issuance is responsible for a considerable percentage of perceived sustainable development outcomes ($R^2 = 0.392$). Respondents seem to believe that standards are more than rules of technique. They see them as part of the accountability infrastructure needed to bring about sustainable

development where governance issues and data gaps are still a problem. This finding is useful in that it relates standard setting to broader issues of development priorities rather than making standard setting a narrow professional concern.

Three mechanisms will help to understand why this connection makes sense. First, credible standards can improve information base for allocation of resources to ensure investors and decision makers have a better way to assess long term risk and resiliency. Second, standards support governance by enhancing auditability and limiting the scope for hidden decision-making which is important for the social and institutional dimensions of sustainable development. Third, standards may help to normalize measurement and disclosure of sustainability-related information, which can help organizations to go beyond broad assertions to verifiable indicators (Weinberger et al., 2015). These mechanisms are consistent with the recent trend towards assurance ready disclosure of sustainability, and the increasing incorporation of issues relating to sustainability in mainstream governance systems.

In the Kurdistan case, the results also suggest the role of capacity building. Many of the respondents reported training in accounting values and standards and that makes sense as reporting in relation to sustainability in many cases involves new competencies and reporting routines. The pattern in the results indicates that building and strengthening competence for responsibility-oriented ethics has the potential to strengthen standard setting and strengthening of the sustainability relevance at the same time, especially since the international expectations are increasing. Training involving relating ethics to practical cases of reporting may be more effective than abstract discussion of ethics.

The strong mean for secrecy and trust is well worth a balanced read. On the one hand, disciplined confidentiality is a protection of sensitive information as well as a support of professional reliability, which is necessary in consultation and avoiding harmful leaks. On the other hand, sustainability reporting is based on the transparency of materials. The practical challenge is to take confidentiality as professional protection, but at the same time disclose what the stakeholders need to know so that they can judge when it comes to performance in terms of sustainability and quality of governance. Standard setters can help to achieve this balance by ensuring that they are clear as to what material sustainability information is and provide guidance on disclosure boundaries.

Overall, the evidence seems to suggest that it is

more likely that the sustainability benefits will be achieved if the standards are issued through credible processes and applied by professionals who take values seriously. For regulators and professional bodies, this means that there are concrete steps to be taken, including ethics as part of standard setting processes, improved consultation and communication, investing in training that bridges the gap between accounting practice and sustainability related disclosure requirements, supporting assurance practices that help to build credibility. For organizations, it also means that investing in ethical culture, is not an activity in addition to performance: It affects how stakeholders will interpret disclosures and whether reporting does contribute to sustainable development, rather than undermine it.

6. CONCLUSION

This study examined whether accounting values are linked to perceptions of the accounting standards issuance process, and whether that process is associated with sustainable development in the Kurdistan Region of Iraq. Using survey evidence from academics and practitioners, the results indicate a clear positive relationship between accounting values and the perceived quality of standards issuance, and a positive relationship between the standards issuance process and sustainable development. Taken together, the findings suggest that the contribution of standards to sustainability is not only a matter of regulation. It also depends on the professional culture and institutional credibility that shape how standards are issued, interpreted, and applied.

Across the value dimensions, professional responsibility showed the strongest connection, followed by objectivity and integrity. These dimensions reflect commitment to the public interest and disciplined professional behavior, which help standards carry weight in practice. Transparency also matters by supporting legitimacy, stakeholder confidence, and clearer implementation, especially where sustainability reporting faces skepticism and users demand consistent, comparable disclosures.

For policymakers and professional bodies, the implication is practical: strengthening accounting values is part of building institutional capacity. Ethics training, continuing professional education, and certification can reinforce responsibility and integrity. At the same time, clearer due process, wider stakeholder consultation, and better implementation guidance can increase trust in standard setting and reduce inconsistent application. Universities can support this agenda by teaching ethics and

sustainability reporting through cases alongside technical content.

The study is exploratory and perception-based, uses cross-sectional data, and focuses on one regional context, so causal claims are not appropriate. Future

research can link perceptions to observable sustainability disclosures and outcomes and use longitudinal and mixed-method designs to capture how values shape real standard-setting decisions and sustainability reporting practice.

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