

RELATIONSHIP BETWEEN CULTURAL VALUES AND PROFESSIONAL COMMITMENT AND ETHICAL IDEOLOGIES IN THE ACCOUNTING SYSTEM OF IRAN

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Abstract

The current study aims to investigate the relationship between cultural values and professional commitment and ethical ideologies in the accounting system of Iran. The cultural values criteria in this study include Power Distance Index (PDI), Uncertainty Avoidance Index (UAI), Individualism (IDV), and Masculinity (MAS). In order to measure the cultural values, the questionnaire developed by Hofstede (1991); for measuring professional commitment, Clikeman and Hening's (2000) standard questionnaire were used, and for measuring ethical ideologies, Forsyth's (1980) ethical position questionnaire is employed. The sample for research includes 115 listed companies on the Tehran Stock Exchange during 2004-2010. In order to test the hypotheses, the ordinary least squared regression model has been employed. Research findings indicate that variables such as individualism and masculinity have a weak positive relationship with professional commitment. Further, idealism and relativism ethical ideologies and the indicator of uncertainty avoidance regarding the future has a weak positive relationship with professional commitment and relativism ideology has a weak negative relationship with idealism ideology. Finally, power distance has a weak positive relationship with professional commitment and idealism ideology has a weak negative relationship with relativism ideology. Also among the variables of cultural values, the masculinity index has the most impact on idealism ideology and the individualism index has the least impact on professional commitment.

Keywords: Individualism, Masculinity, Uncertainty Avoidance, Power Distance, Professional Commitment and Idealism and Relativism Ethical Ideologies.

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INTRODUCTION

The culture of every country is one of the important factors influencing the accounting values in the national and international level that must be taken into much consideration in accounting researches (Salehi, 2008). In recent years, there has existed much tendency toward using behavioral theories in accounting researches, which confirms the interaction of accounting and environment. The differences in the national cultural values can be considered as the probable factor of discrepancy in the accounting precedents. Therefore, it is expected that the cultural environment as a national or regional system including language, custom, religion, law, education and social organizations, technology, and material culture has a complex interaction with accounting components. By reviewing the investigations performed on the culture and variables of accounting, we notice that a lot of investigations have considered the influence of cultural values on the accounting variables, but, much less investigation can be found that has considered the subject of ethics which at the present time is one of the most important and controversial subjects in accounting. Inspired from the results of other investigations, the current study tries to introduce ethics in the study related to the culture and accounting variables. In other words, in the current research, the relationships between cultural values and ethics components including professional commitment, idealism and relativism ethical ideologies in the accounting system of Iran are discussed.

THEORETICAL ISSUES

A. Culture

Ethical and social values affect business decisions and behavior. Since the ethical values of business managers are embedded within their cultures, as well as being influenced by global business norms, it is necessary to understand the social and cultural contexts within each country that influence the similarities and differences in ethical interpretation and practice.

Hosmer (1994) has suggested that ethical principles are not subjective measures that vary with cultural, social, and economic conditions; they are objective statements that transcend countries, religions, and times. They are the basic rules or first principles that have been proposed to ensure a 'good' society. A 'good' society is one in which people willingly cooperate for the benefit of all.

Although it would seem that everybody should have the same understanding of the meaning of culture, and concepts like opinions, values and beliefs should naturally come to mind about culture, in the social science of anthropology, it turns out that there are many different definitions of culture. In one definition, the culture is a collection of values, beliefs, perception and inference and methods of thinking and reflection, which the members of an organization have in common, and this is the same thing that is taught to the new coming members as a right phenomenon. The culture is the unwritten and tangible part of the organization. Here, we allude to the definition of Hofstede (1991). He believes that the culture is the collective plan that

separates the members of one group from the other. During the years from 1980 through 1991 and by doing a comprehensive investigation, Hofstede (1991) put forward four instances of the dimensions of cultural values, and he presented the fifth dimension as follows:

Uncertainty Avoidance Regarding the Future: Avoiding the uncertainties means the degree of agitation and anxiety of individuals of a society. The presence of economical prohibitions and the commercial restrictions on the country and the non-existence of long-term programs and goals, influence the degree of individuals' hope toward the future and their uncertainties about the future. In other words, the degree of superiority of structured positions relative to the unstructured ones on the part of individuals of a society is defined as the avoidance of uncertainty about the future (De Mooij and Hofstede, 2010).

Masculinity vs. Femininity: The masculine is applied to the societies or organizations in which the social role of individuals is clearly separated according to their sexuality, and the bold and rough roles and emphasis on financial success are contemplated for men, and the emotional roles with emphasis on the quality of living is considered for women. On the other hand, the feminine is applicable to societies or organizations in which the social role of individuals is overlapping according to their sexuality, and both men and women are emotional and show interests in the quality of living, and thus, emotional and bold behavior can exist in both men and women.

Individualism vs. Collectivism: In individualist societies, people recognize only taking care of themselves and their first-

degree family as their duties. In other words, everyone considers only the profits of themselves or their families. While in collectivism, it is the group's profit that is under more consideration and people recognize the protection and care of the group and company as their duties (De Mooij and Hofstede, 2010).

Power distance: Power distance is the domain of participation of the individuals of a society in making decisions and policies. In societies with much power distance, inferior people do not incline to make a relationship with superior people. While the executives in societies with a low power distance are more responsive and have more feeling of responsibility for the society and all the people, inferior and superior individuals have a close and intimate relationship with each other (Etemadi et al. 2009). In other words, the degree of inequality between the individuals of a society, with the supposition of the society being normal, is called the power distance (De Mooij and Hofstede, 2010).

Long-Term Orientation vs. Short-Term Orientation: In long-term orientation, the values are pointed toward the future, such as savings and attention to durability and stability, while in the short-term direction and orientation, the values are pointed to the past and present, such as respecting the customs and carrying out the social commitments (De Mooij and Hofstede, 2010). Yeh and Lawrence (1995) believe that the long-term orientation is not separable from the criteria of individualism, and thus, in the current investigation, only the first four dimensions are considered and their relations with the cultural components are studied.

B. Ethics

In addition, by inspecting and studying the literature relating to ethics, it is distinguished that scholars and professional society are highly interested in the issue of ethics. These investigations are divided into two parts: 1) the investigation related to ethics education, 2) the investigations related to the development of ethics in the professional level. The literature pertaining to the development of ethics in the professional level alludes to the study of the rate of application of ethical considerations by practitioners of the profession, and from among the noted investigators in this field, we can hint to works of Kohlberg, (1984); Forsyth, (1980) and Clikeman and Henning, (2000).

Jefferey (2006) explains the structure of ethical decision in the investigations pertaining to ethics as follows: 1. Recognition of ethical issues, 2. Analysis of ethical issues, 3. Formation of ethical intentions, and 4. Commitment in ethical issues.

Porter et al., (1974) believe that professional commitment originates in three sources: 1. Acceptance of and belief in professional principles, 2. Considerable at-

tempt in the direction of the profits of the profession, and 3. Motives and the desire of the members of the profession toward loyalty to and remaining in the profession. Schlenker and Forsyth (1977) believe that the individual ethical ideology is an influential factor in the determination and explanation of the differences in the ethical judgments of people. Forsyth (1980) separates the individual ethical ideologies according to Table 1. Idealism alludes to the importance of the effects of the individual's decisions on the welfare of others. People with a high idealism believe that their behaviors must have positive consequences for others, and people with a low idealism do not always believe that their behaviors must have positive consequences for others.

Relativism alludes to the degree that the individuals ignore the general ethical principles. People with a high relativism do not believe in absolute ethical truths and believe that the individual's ethical deeds depend on the nature of the circumstances and the people involved in them. On the other hand, people with a low relativism prefer actions which are in accordance with the general principles and laws.

Table 1: Classification of ethical ideologies in the view of Forsyth (1980)

Ethical ideologies	Criteria	Ideology Characteristics
Situationists	High relativism and high idealism	The general ethical rules are ignored and the personal analysis of every situation and condition is the base of judgment.
Subjectivists	High relativism and low idealism	The general ethical rules are ignored and the personal values and perception is the base of ethical judgment.
Absolutists	Low relativism and high idealism	Those actions are considered ethical that, with regard of the general ethical rules, have positive consequences.
Exceptionists	Low relativism and low idealism	The accordance with ethical rules is considered favorable but not absolutely and without exceptions.

LITERATURE REVIEW

Studying the investigations on cultural values and ethics, we observe that a lot of investigations have been done in both fields separately, but there are fewer investigations that have considered the two fields together. Thus, to better understand the subject, a previous precedence is presented as follows.

Goodwin et al. (2000) stated that there is a relation between individualism values and power distance on the hand and the process of making ethical decisions in corporations on the other hand, so that the people in the countries with a higher power distance consider the management of profit as unethical and accept it less. They believe that if the profit management devices are taken as tools for the achievement of material goals, then one can expect that in the societies with a high masculinity, profit management is more accepted. They also came to the conclusion that the relationship between avoiding future uncertainty and the profit management behavior is to some extent vague, so that if the profit management procedures are considered as tools for the achievement a specified level of profit, then one can expect that in the cultures with an avoidance from a high uncertainty regarding the future, the management of profit is more and more desired. On the contrary, if the profit management procedures are taken as tools for the minimization of coming opportunities, profit management is less accepted.

In an investigation, using the cultural components of Hofstede (1991), Vitell et al. (2003) examined the perception of people in relation to ethics and social responsibility, and came to the conclusion

that a low power distance, avoiding a high uncertainty, is positively related to the perception of the importance of ethics and social responsibility.

Tsui and Windsor (2001) studied the ethical reasoning of auditors from different cultures and found that there are outstanding differences between ethical reasoning among the auditors.

Clements et al. (2010) in a study came to the result that in the organizations with masculinity and high uncertainty avoidance, there is little probability that the issue of ethical standards is transferred to an international and foreign organization.

Kim and Kim (2010) in an investigation on the comparison of the effects of traditional conceptions and cultural values on the perception of social responsibility in Korean corporations concluded that the influence of the foundational and traditional conceptions and beliefs on responsibility perception of corporations is more important than Hofstede's (1991) cultural values influence.

Ford et al. (2005) in the study of the viewpoints of American and Lebanon students about the value systems and ethics of the consumer perceived that there are outstanding differences between the ethical beliefs of students which are due to their different cultures.

Cohen et al. (1995) present evidence that the cultural value of individualism is related to the ethical judgments of auditors, such that people with the individualism viewpoint come to different ethical results than people with the collectivism viewpoint. If individuals act in the direction of their personal benefit, it is expected that people with a high degree of individualism consider profit management as a way

to achieve personal benefit.

Smith and Hume (2005) studied the relation between culture and ethics in a cross-cultural investigation among six countries with different degrees of cultural components, and found that most accountants have paid more attention to the cultural component of individualism in their responses to the ethical questions (Smith & Hume, 2005). Shaub et al. (1993) found in their investigation that there is less probability for relativist auditors than idealist auditors to discover unethical issues. In an investigation, Jauch et al. (1978) studied the professional commitment in an academic setting and concluded that there is a positive relation between professional commitment of professors and the number of their printed articles.

Rashid and Ibrahim (2008) found that in the first place, culture and religiousness influence the business, and in the second place, this influence is different between Malaysian, Chinese and Indian students.

Marques and Pereira (2009) came to the conclusion that long-serving accountants have more inclination to the relativism ideology than short-serving accountants. Also among the other interesting results of this study, we can refer to these:

1. In their ethical judgments, male accountants are less fettered in ethical principles than female accountants.

2. In their ethical judgments, educated accountants have more binds to ethical principles than uneducated ones.

RESEARCH HYPOTHESES

According to the above mentioned lit-

erature the following hypotheses are postulated in the study:

Main Hypothesis (1)

There is a meaningful relation between cultural values and professional commitments in the accounting system of Iran.

Sub-hypotheses

1. There is a meaningful relation between individualism and professional commitments in the accounting system of Iran.

2. There is a meaningful relation between masculinity and professional commitments in the accounting system of Iran.

3. There is a meaningful relation between uncertainty avoidance and professional commitments in the accounting system of Iran.

4. There is a meaningful relation between power distance and professional commitments in the accounting system of Iran.

Main Hypothesis (2)

There is a meaningful relation between cultural values and ethics ideologies in the accounting system of Iran.

Sub-hypotheses

1. There is a meaningful relation between individualism and idealism ethics ideology in the accounting system of Iran.

2. There is a meaningful relation between individualism and relativism ethics ideology in the accounting system of Iran.

3. There is a meaningful relation between masculinity and idealism ethics ideology in the accounting system of Iran.

4. There is a meaningful relation between masculinity and relativism ethics ideology in the accounting system of Iran.

5. There is a meaningful relation between uncertainty avoidance and idealism ethics ideology in the accounting system of Iran.

6. There is a meaningful relation between uncertainty avoidance and relativism ethics ideology in the accounting system of Iran.

7. There is a meaningful relation between power distance and idealism ethics ideology in the accounting system of Iran.

8. There is a meaningful relation between power distance and relativism ethics ideology in the accounting system of Iran.

RESEARCH METHODOLOGY

Statistical Population and Sample

The statistical community of the study contains all listed companies on the Tehran Stock Exchange during 2004-2010. The existence of some heterogeneity between the listed companies on the Tehran Stock Exchange caused us to consider some special conditions for the selection of testing companies, which are as follows:

1. The selected sample company must have been listed on the Tehran Stock Exchange since 2003.

2. The company has not had changed its financial period during the time period of the study.

Regarding the above conditions, 115 companies are selected as the sample of the study.

In order to gather the data pertaining to the ethical components, the standard questionnaire of Clikeman and Hinning

(2000) has been employed in order to accumulate data on professional commitment, and Forsyth's (1980) ethical position questionnaire has been used for accumulate data on ethics ideologies, and to accumulate the data on the variable of cultural values, Hofstede's (1991) standard questionnaire, because of its high stability and fluency, has been employed. In order to test the hypotheses, the ordinary least squares regression model has been employed.

The questionnaire on ethics and cultural components was distributed among 640 financial and accounting personnel of test companies, and finally, 540 usable questionnaires were received, finally data were analyzed by the econometric software EViews 6.

Results of the Study

As it is expressed before, in order to test the hypotheses, first we measured the investigation variables by the software Excel and then, using the statistical software Eviews, we tested the hypotheses. The descriptive statistics of investigation and the results of test and the statistical analysis of hypotheses are introduced in Table 2.

As it is observed in Table 2, among the independent variables, the variable of future uncertainty avoidance has a small stability, and in general, the scattering of data on independent variables is more than that of dependent variables, and this factor is one of the main reasons for the lowness of the correlation coefficient between variables of investigation, and this shows the influence of variables other than cultural ones on ethics.

Table 2: The descriptive statistics of the study

Dependent Variables				Independent Variables			
Descriptive statistics	Professional commitments	Idealism ethics ideology	Relativism ethics ideology	Individualism	Masculinity	Uncertainty avoidance	Power distance
Average	3.95	3.88	2.85	0.60	0.62	-0.75	2.47
Median	3.91	3.84	2.87	0.54	0.55	-0.63	2.44
Maximum	4.79	4.71	3.53	1.08	1.25	1.11	3.78
Minimum	3.63	3.48	2.33	0.28	0.33	-2.2	1.65
Skewness	1.33	0.83	0.05	0.69	0.21	-0.22	0.43
Elongation	4.97	4.02	2.31	2.60	3.33	2.95	3.02
Variation coefficient	0.06	0.06	0.09	0.32	0.34	-0.94	0.18

Table 3: Correlation coefficient between variables

	Professional commitments	Idealism	Relativism	Individualism	Masculinity	Uncertainty	Power distance
Professional commitments	1	0.31	-0.35	0.023	0.1	0.034	0.09
Idealism	0.31	1	-0.023	0.17	0.18	-0.18	0.059
Relativism	-0.35	-0.023	1	0.11	0.053	0.12	-0.22
Individualism	0.023	0.17	0.11	1	0.9	0.43	0.051
Masculinity	0.10	0.18	0.053	0.9	1	0.37	0.097
Uncertainty	0.034	-0.18	0.12	0.43	0.37	1	0.0088
Power distance	0.09	0.059	-0.22	0.051	0.097	0.008	1

As is observed from Table 3, between the variables of investigation, the greatest correlation coefficient conversely pertains to the variables of power distance and relativism ethics ideology, and the least correlation coefficient directly pertains to the variables of individualism and professional commitments.

The Results of Regression Analysis between the Investigation Variables

As it is observed in Table 4, at first the relation of and then the influence of the independent variable of individualism on the professional commitments and ethics ideologies have been tested and analyzed by the linear regression model. As we observe

in the column P-Value of the above table, the resulting quantity P-Value of all three above hypotheses is greater than 5% (the importance coefficient) and thus in all above hypotheses, the hypothesis H_0 has not been rejected by a probability 95%, and the hypothesis H_1 about the influence of individualism on professional commitments and the ethics ideologies of idealism and relativism is not confirmed. Due to the positive sign of β_1 in the estimative regression equation of the above hypotheses, we can say that considering the columns of correlation coefficient in the above table, although the correlation relation between the above independent and dependent variable is very weak, in spite of this, individualism has a very weak positive influence

Table 4: The results obtained from the testing of hypotheses 1, 2, and 3




Independent variable: Individualism				Dependent variables: Professional commitments and ethics ideologies		
Statistical method: Linear regression model				Number of statistical sample: 115 corporations		
The time period of investigation: Years 2004-2010				Probability Value: 95% Importance coefficient: 5%		
The hypothesis 1: There is a meaningful relationship between individualism and professional commitment in the accounting system of Iran.						
Statistic F	P- Value	Statistic t		Correlation coefficient		
		T	Sig. R		R square	Adjusted R square
0.0294	0.8645	0.1714	0.8645	0.075	0.000565	-0.01865
		36.4	0.0000			
$Y_i = B_0 + \beta_1 X_i$				$Y_i = 3.9362 + 0.029 X_i$		
The hypothesis 2: There is a meaningful relation between individualism and idealism ethics ideology in the accounting system of Iran.						
1.6476	0.2049	1.2835	0.2050	0.1752	0.03071	0.012072
		34.07	0.0000			
$Y_i = B_0 + \beta_1 X_i$				$Y_i = 3.7493 + 0.2214 X_i$		
The hypothesis 3: There is a meaningful relation between individualism and relativism ethics ideology in the accounting system of Iran.						
0.6397	0.4274	0.7998	0.4275	0.11	0.0121	-0.0068
		22.089	0.0000			
$Y_i = B_0 + \beta_1 X_i$				$Y_i = 2.7589 + 0.1566 X_i$		

on the professional commitments and ethics ideologies of idealism and relativism of personnel of the organizations, in the sense that with the increase of the individualism degree in the individuals of society, the degree of their professional commitments and ethics ideologies of idealism and relativism increases with a very weak correlation coefficient, which is due to the very weak correlation between the variables which can be ignored.

As it is shown in Table 5, at first the relation of and then the effect of the independent variable masculinity on professional commitments and ethics ideologies has been tested and analyzed by the linear regression model. As it appears from the column P-Value of the above table, the re-

sulting P-Value for all three of the above hypotheses is greater than 5% (the importance coefficient) and thus, in all the above hypotheses, the hypothesis H_0 is not rejected by a probability 95%, and the hypothesis H_1 about the influence of masculinity on professional commitments and ethics ideologies of idealism and relativism is not confirmed. Due to the positive sign of β_1 in the estimative regression equation of the above hypotheses, we can say that considering the columns of correlation coefficient in Table 5, although the correlation relation between independent and dependent variables is very weak, in spite of this, masculinity has a very weak positive influence on professional commitments and ethics ideologies of idealism and rela-

Table 5: The results obtained from the testing of hypotheses 4, 5, and 6

Independent variable: Masculinity				Dependent variables: Professional commitments and ethics ideologies		
Statistical method: Linear regression model				Number of statistical sample: 115 corporations		
The time period of investigation: Years 2004-2010				Probability Value: 95% Importance coefficient: 5%		
The hypothesis 4: There is a meaningful relation between masculinity and professional commitments in the accounting system of Iran.						
Statistic F	P- Value	Statistic t		Correlation coefficient		
		T	Sig. R		R square	Adjusted R square
0.5833	0.4484	0.7637	0.4485	0.1045	0.011	-0.0079
		38.36	0.0000			
$Y_i = \beta_0 + \beta_1 X_i$					$Y_i = 3.8807 + 0.1174 X_i$	
The hypothesis 5: There is a meaningful relation between masculinity and idealism ethics ideology in the accounting system of Iran.						
1.9373	0.1698	1.3919	0.1699	0.1894	0.0359	0.01737
		36.317	0.0000			
$Y_i = \beta_0 + \beta_1 X_i$					$Y_i = 3.7479 + 0.2184 X_i$	
The hypothesis 6: There is a meaningful relation between masculinity and relativism ethics ideology in the accounting system of Iran.						
0.1466	0.7033	0.3828	0.7034	0.0529	0.0028	-0.0163
		23.8192	0.0000			
$Y_i = \beta_0 + \beta_1 X_i$					$Y_i = 2.8113 + 0.0687 X_i$	

tivism of personnel of organizations, in the sense that, with the increase of the masculinity degree of the individuals of society, the degree of their professional commitments and ethics ideologies of idealism and relativism increase with a very weak correlation coefficient, which is due to the very weak correlation between the variables which can be ignored.

As you observe from the above Table 6, in the above hypotheses, at first the relation of and then the effect of the independent variable uncertainty avoidance on professional commitments and ethics ideologies has been tested and analyzed by the linear regression model. As it appears from the column P-Value of the above table, the resulting P-Value for all three of the above hypotheses is greater than 5% (the impor-

tance coefficient) and thus, in all the above hypotheses, the hypothesis H_0 is not rejected by the probability 95%, and the hypothesis H_1 about the influence of uncertainty avoidance on professional commitments and ethics ideologies of idealism and relativism is not confirmed. On the other hand, due to the negative sign of β_1 in the estimative regression equation of the hypothesis 5, we can say that, although the correlation relation between the above independent and dependent variables is very weak, the uncertainty avoidance has a very weak negative influence on idealism ethics ideology of personnel of organizations, in the sense that, with the increase of the uncertainty avoidance degree in the individuals of society, the degree of their idealism ethics ideology decreases with a very weak

Table 6: The results obtained from the testing of hypotheses 7, 8, and 9




Independent variable: Uncertainty avoidance				Dependent variables: Professional commitments and ethics ideologies		
Statistical method: Linear regression model				Number of statistical sample: 115 corporations		
The time period of investigation: Years 2004-2010				Probability Value: 95% Importance coefficient: 5%		
The hypothesis 7: There is a meaningful relation between uncertainty avoidance and professional commitments in the accounting system of Iran.						
Statistic F	P- Value	Statistic t		Correlation coefficient		
		T	Sig. R		R square	Adjusted R square
0.0616	0.8049	0.2482	0.8049	0.0331	0.0011	-0.018
		82.384	0.0000			
$Y_i = \beta_0 + \beta_1 X_i$				$Y_i = 3.9626 + 0.0115 X_i$		
The hypothesis 8: There is a meaningful relation between uncertainty avoidance and idealism ethics ideology in the accounting system of Iran.						
1.778	0.1882	-1.333	0.1882	0.1816	0.033	0.01446
		78.443	0.0000			
$Y_i = \beta_0 + \beta_1 X_i$				$Y_i = 3.8361 - 0.063 X_i$		
The hypothesis 9: There is a meaningful relation between uncertainty avoidance and relativism ethics ideology in the accounting system of Iran.						
0.862	0.3574	0.9284	0.3575	0.1276	0.0163	-0.0026
		52.1337	0.0000			
$Y_i = \beta_0 + \beta_1 X_i$				$Y_i = 2.8918 + 0.0497 X_i$		

correlation coefficient. However, due to the very weak correlation between the variables, these influences can be ignored.

As you observe from the above Table 7; as it appears from the column P-Value of the above table, the resulting P-Value for all three of the above hypotheses is greater than 5% (the importance coefficient) and thus, in all the above hypotheses, the hypothesis H_0 is not rejected by a probability of 95%, and the hypothesis H_1 about the influence of power distance on professional commitments and ethics ideologies of idealism and relativism is not confirmed. Due to the positive sign of β_1 in the estimative regression equation of the hypotheses 10 and 11, we can say that considering the columns of correlation coefficient in the above table, although the cor-

relation relation between independent and dependent variables is very weak, the power distance has a very weak positive influence on professional commitments and idealism ethics ideology of personnel of organizations, in the sense that, with the increase of the power distance degree in the individuals of society, the degree of their professional commitments and idealism ethics ideology increases with a very weak correlation coefficient. On the other hand, due to the negative sign of β_1 in the estimative regression equation of the hypothesis 12, we can say that, although the correlation relation between the above independent and dependent variables is very weak, power distance has a very weak negative influence on relativism ethics ideology of personnel of organizations, in the

Table 7: The results obtained from the testing of hypotheses 10, 11, and 12

Independent variable: Power distance				Dependent variables: Professional commitments and ethics ideologies		
Statistical method: Linear regression model				Number of statistical sample: 115 corporations		
The time period of investigation: Years 2004-2010				Probability Value: 95% Importance coefficient: 5%		
The hypothesis 10: There is a meaningful relation between power distance and professional commitments in the accounting system of Iran.						
Statistic F	P- Value	Statistic t		Correlation coefficient		
		T	Sig. R		R square	Adjusted R square
0.5166	0.4754	0.1787	0.4755	0.0989	0.0098	-0.0092
		20.0893	0.000			
$Y_i = \beta_0 + \beta_1 X_i$					$Y_i = 3.8244 + 0.0523 X_i$	
The hypothesis 11: There is a meaningful relation between power distance and idealism ethics ideology in the accounting system of Iran.						
0.1826	0.6708	0.4273	0.6709	0.1816	0.0035	-0.1566
		20.047	0.0000			
$Y_i = \beta_0 + \beta_1 X_i$					$Y_i = 3.8041 + 0.0322 X_i$	
The hypothesis 12: There is a meaningful relation between power distance and relativism ethics ideology in the accounting system of Iran.						
0.0333	0.0515	0.1276	0.0986	-1.6816	0.0986	2.8279
		15.364	0.0000			
$Y_i = \beta_0 + \beta_1 X_i$					$Y_i = 3.1985 - 0.1392 X_i$	

sense that, with the increase of the power distance degree in the individuals of society, the degree of their relativism ethics ideology decreases with a very weak correlation coefficient. However, due to the very weak correlation between the variables, these influences can be ignored.

CONCLUSION AND THE PROPOSALS OF INVESTIGATION

In this investigation, we have tried to

answer the question of whether Hofstede's (1991) cultural values can affect ethics in the accounting system of Iran or not. To answer this question, the degree of correlation between every one of Hofstede's cultural values, on one hand, and professional commitments and ethics ideologies, on other hand, was tested. A summary of the results obtained from the test of investigation hypotheses has been shown in Table 8.

As we observe in the above table, the results obtained from the current investi-

Table 8: Summary of the results of the findings on hypotheses

	Professional commitments	Idealism	Relativism
Individualism	Weak positive	Weak positive	Weak positive
Masculinity	Weak positive	Weak positive	Weak positive
Uncertainty	Weak positive	Weak negative	Weak positive
Power distance	Weak positive	Weak positive	Weak negative

gation is indicative of a very weak correlation between cultural variables and ethical components of professional commitments and ethics ideologies of idealism and relativism, which in the end leads to the rejection of the investigation hypotheses about the existence of a meaningful relationship between cultural values and ethical components.

Individualism: Regarding the positive, but very weak relationship between the variables of individualism and the ethical component professional commitment on the one hand, and also being cognizant that according to the ethical principle of the importance of regarding collective benefits, which means that collective benefits should not be sacrificed to individual benefits, one can infer that perhaps the managers of Iranian corporations seemingly and unrealistically consider themselves committed to professional ethical principles. On the other hand, according to the data pertaining to ethics ideologies and Forsyth's classification (1980) and regarding the lowness of idealism and relativism ideologies of managers of Iranian corporations, we can conclude that the managers of Iranian corporations, with respect to idealism and relativism ideologies, are placed in the exceptionists' level, therefore we can deduce from the existence of the positive yet very weak relationship between individualism and the ethics ideologies of idealism and relativism that perhaps the managers of Iranian corporations, in order to conceal the unethical status of some accounting procedures such as profit management, make compromises between idealistic and relativistic ethics ideologies, and for this reason are placed in the exceptionists' level.

Masculinity: Regarding the positive and very weak correlation between the variable masculinity and ethical components, we can infer that the managers of Iranian corporations, with increase in disposition to financial successes (manliness), evince a considerable effort in the direction of professional benefits and also fidelity and remaining in the profession. On the other hand, since the correlative relationship between the variable masculinity and idealism is stronger than its relationship to relativism, we can conclude that with the increase of manliness in Iranian corporations, sensitivity to the ethicality of accounting procedures, in order to protect the benefits of all beneficiaries, increases.

Uncertainty Avoidance with Respect to the Future: Due to the negative and very weak relation of uncertainty avoidance with respect to the future to idealism ethics ideology, and its positive and very weak relation to relativism ethics ideology, we can infer that with increase in the degree of vagueness and risk with respect to the future, the sensitivity of managers of Iranian corporation about the ethicality of accounting procedures is decreasing, and thus, in order to avoid the fact and make a positive appearance in the beneficiaries, they demonstrate themselves as committed to the profession.

Power Distance: as it appears in Table 3, the correlation coefficient between the cultural variable power distance and relativism ethics ideology is approximately 4 times greater than its relation to idealism ethics ideology, and this indicates that with the increase in the power distance in Iranian corporations and the concentration of organization decision making in the high

management levels, the sensitivity to the ethicality of accounting procedures is decreasing and it is expected that the responsibility and answerability of managers decrease. But according to the results of this investigation, the relation between power distance and professional commitment is a positive one, from which we may infer that Iranian managers, in order to attain the satisfaction of beneficiaries and in an outward and unrealistic manner, demonstrate themselves as committed to the profession. In general, because we have found any in-country or out-country investigation similar to the current one, comparison of the investigation results with other investigations was not feasible.

SUGGESTIONS OBTAINED FROM THE RESULTS OF INVESTIGATION

- Regarding the results obtained from the current investigation indicative of the lowness of the sensitivity of managers of Iranian corporations about accounting procedures, perhaps one of the reasons for the lowness of managers' ethical sensitivities is the lack of a coherent and integrated constitution in every domain of accounting. Therefore, it is suggested to the professional authorities in accounting, such as the audit organization and Tehran Stock Exchange and also the other responsible organizations in this connection, that in order to enhance the awareness of managers and preclude the occurrence of unethical procedures, they assemble constitutions appropriate for the conditions dominant in Iranian corporations.

- Regarding the results obtained

from the current investigation indicative of the influence of cultural factors on the perception of managers about the ethicality of accounting procedures, it is suggested to the incumbents in the Tehran Stock Exchange that, in their capital investment decisions, they do not pay attention only to the financial variables, and consider also other non-financial variables, such as cultural and ethical variables.

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