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Framework of Creative Accounting with a Focus on Financial Reporting and Managerial Decision-Making

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ABSTRACT

In today's competitive environment, the quality of financial reporting plays a critical role in transparency, accountability, and the improvement of managerial and investment decision-making. One of the fundamental challenges in this domain is the use of creative accounting practices, which—depending on managerial intent—may lead either to a more realistic presentation of information or to the distortion of financial data. This study was conducted using a qualitative, data-driven approach, and data were collected through semi-structured interviews with 14 financial experts. Data analysis was performed using a three-round Delphi technique to identify common creative accounting practices, managerial motivations, and the effects of these practices on financial reporting. The findings indicate that techniques such as altering the timing of revenue and expense recognition, adjusting estimates, and selecting specific measurement methods can either enhance transparency or mislead stakeholders. Ultimately, the study emphasizes the necessity of the responsible use of creative accounting and the development of effective regulatory frameworks.

Keywords: Decision-making effectiveness, ethical values, creative accounting, sustainable financial data, financial reporting quality.

Introduction

Creative accounting has become one of the most debated issues in contemporary accounting and financial management because it stands at the intersection of managerial discretion, financial reporting quality, governance mechanisms, and stakeholder trust. In competitive and resource-constrained environments, managers are increasingly pressured to present favorable financial outcomes, maintain firm value, attract investors, comply with debt obligations, and signal stability to the market. Under such pressures, accounting choices may move beyond neutral representation and become instruments for shaping perceptions of organizational performance. The growing body of literature shows that creative accounting is not a marginal or isolated phenomenon; rather, it is a multidimensional practice embedded in organizational incentives, reporting systems, internal controls, and broader institutional arrangements (1-3). For this reason, understanding the framework of creative accounting is essential not only for accounting theory, but also for explaining how managerial decisions are translated into financial reports and how these reports subsequently influence economic judgments.

At the conceptual level, creative accounting refers to the exploitation of flexibility within accounting standards, estimation techniques, classification choices, timing decisions, and presentation methods in order to achieve

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intended reporting outcomes. Although some scholars distinguish between legitimate professional judgment and opportunistic manipulation, the boundary between the two is often difficult to define in practice. This ambiguity is one of the reasons why creative accounting continues to attract scholarly attention. Literature reviews have emphasized that the phenomenon is multifaceted, involving technical, behavioral, ethical, and governance-related dimensions (2, 4). Recent work has also shown that creative accounting evolves with institutional contexts, industry conditions, and regulatory pressures, making it necessary to analyze it not merely as a set of isolated techniques but as a structured framework of motives, mechanisms, and consequences (5, 6). Such a framework is especially relevant when the focus shifts from pure earnings management to the broader implications for reporting credibility and managerial decision effectiveness.

One of the central concerns in the literature is the effect of creative accounting on the reliability, credibility, and transparency of financial reporting. Financial statements serve as a primary source of information for investors, creditors, regulators, auditors, and managers. When these statements are influenced by accounting practices aimed at cosmetic improvement rather than faithful representation, their decision usefulness can be weakened. Several recent studies have reported that creative accounting methods can directly undermine the credibility of financial statements and the reliability of reported outcomes, particularly when managerial incentives dominate professional ethics and oversight mechanisms remain weak (7-9). At the same time, some studies suggest that not all nonstandard accounting choices necessarily produce harmful consequences; under certain conditions, managerial discretion may be used to communicate private information or adapt reporting to complex business realities. However, the persistent risk is that such discretion may slide toward distortion, opacity, and stakeholder misinterpretation (1, 10). Therefore, the issue is not merely whether creative accounting exists, but under what conditions it enhances or damages financial reporting quality.

The quality of financial reporting has long been recognized as a core determinant of effective organizational decision-making. High-quality reports reduce information asymmetry, improve comparability, support performance evaluation, and strengthen accountability systems. Conversely, low-quality reporting can produce flawed investment choices, poor operational planning, and misaligned strategic decisions. Research in accounting has shown that internal audit effectiveness, information transparency, and comparability of financial statements significantly influence the usefulness of accounting information for decision processes (11, 12). Within this context, creative accounting becomes highly consequential because it can alter the informational environment upon which managerial and external decisions depend. When reported numbers reflect selective timing, biased estimates, or aggressive classification, they may create an appearance of financial health that is not supported by underlying reality, thereby exposing decision-makers to hidden risk (8, 13). Accordingly, any attempt to understand decision-making effectiveness in organizations must consider the role of creative accounting in shaping the quality of the information base.

The relationship between creative accounting and decision-making effectiveness has recently received greater empirical attention. Studies conducted in firm settings have indicated that creative accounting functions can influence the effectiveness of managerial decisions both directly and indirectly through the quality of financial reporting. Where financial reports are clearer, more timely, and more credible, managers tend to make more accurate and strategic decisions. Where reports are distorted, decision outcomes may be inefficient even if they initially appear favorable (14). This connection is particularly important because the consequences of creative accounting do not stop at compliance or disclosure issues; they extend into resource allocation, market positioning, investment planning, and organizational survival. In other words, creative accounting is not simply an accounting problem; it is also a managerial decision problem. This is why examining it through the combined lens of financial reporting and decision-making provides a more comprehensive analytical perspective than studying it only as a technical reporting issue (10, 15).

A major line of explanation in the literature concerns the motives and antecedents of creative accounting. Organizational pressures related to profitability, liquidity constraints, financing needs, executive performance expectations, and market valuation can encourage managers to adopt creative accounting practices. Internal company factors, especially ownership structure, performance pressure, governance weakness, and managerial incentives, have been found to shape the tendency toward accounting manipulation or cosmetic adjustment (16, 17). Research has also sought to identify the underlying causes and thematic stimuli of creative accounting, showing that the phenomenon arises from interconnected institutional, behavioral, and structural drivers rather than from a single isolated cause (3, 6). Studies using clustering and modeling approaches further indicate that creative accounting stimuli can be categorized into meaningful patterns, which reinforces the need for a framework-based analysis capable of linking motivations, techniques, and outcomes (5, 18). Such findings support the argument that creative accounting should be investigated as a systemic phenomenon embedded in broader managerial and reporting architectures.

Financial constraints and post-reporting pressures provide another important context for understanding creative accounting behavior. When firms operate under distress, uncertainty, or constrained access to capital, the temptation to shape reporting outcomes may become stronger. Evidence suggests that difficult reporting conditions and financial distress affect how accounting events are recognized and interpreted, thereby increasing the room for aggressive or opportunistic reporting choices (19). In emerging economies in particular, the prediction of creative accounting appears strongly associated with governance weakness, institutional instability, and economic pressures (5). These findings are relevant because they imply that the prevalence and intensity of creative accounting are influenced not only by ethical character or technical accounting capacity, but also by environmental pressures that alter managerial incentives. Therefore, a robust framework must include both internal and contextual factors if it is to explain why creative accounting emerges and how it affects reporting and decision-making outcomes.

Corporate governance is consistently identified as one of the most powerful mechanisms for constraining opportunistic accounting behavior. Effective governance systems create oversight, align interests, strengthen transparency, and reduce the capacity of managers to use reporting discretion for self-serving purposes. Recent studies highlight the preventive role of governance in limiting cosmetic accounting and reinforcing the integrity of financial reporting (15, 20). Governance variables such as board independence, audit committee expertise, managerial ownership, and independent monitoring are particularly important in this regard. For example, board independence and audit committee expertise have been shown to moderate earnings management and reduce the likelihood that managerial discretion will result in misleading financial statements (21). These findings align with broader discussions in the governance literature suggesting that the organizational location of control matters greatly in determining whether accounting flexibility is used responsibly or abusively. Thus, creative accounting cannot be properly studied without attention to corporate governance practices as institutional safeguards.

Closely related to governance is the role of external auditors and audit quality in identifying and limiting creative accounting. Auditors occupy a critical position because they act as intermediaries between management-generated reports and stakeholder assurance. Bibliometric and empirical research indicates that the relationship between creative accounting and external auditing has become increasingly prominent in recent years, with growing emphasis on how auditor competence, independence, and professional attributes affect the detection of questionable reporting practices (4, 22). Where audit quality is weak or auditor attributes are inadequate, creative accounting may remain undetected or insufficiently challenged. Conversely, strong auditing functions can improve reporting discipline and increase confidence in disclosed information. This is especially important in contexts where accounting standards themselves offer flexibility, since the auditor's role then shifts from simple verification to critical assessment of managerial judgment. Hence, the literature suggests that any analytical framework of creative accounting should explicitly incorporate audit-related variables as part of the chain linking reporting practice to reporting quality.

Ethics constitutes another foundational dimension of the debate. Because creative accounting often operates within legally permissible boundaries while potentially violating the spirit of truthful representation, professional ethics become essential in distinguishing acceptable judgment from manipulative intent. Studies on accounting ethics emphasize that ethical dilemmas arise precisely in those gray areas where technical compliance does not guarantee substantive fairness or transparency (23). Reviews of corporate governance and compliance trends likewise conclude that ethical practices are integral to maintaining trust in accounting systems and preventing the normalization of deceptive reporting behaviors (24). In the Iranian context as well, professional ethics and audit behavior have been associated with perceptions of creative accounting and its acceptability among practitioners and investors (25, 26). These studies suggest that technical controls alone are insufficient; ethical culture, professional responsibility, and value-based decision-making must also be incorporated into any explanatory model of creative accounting.

Despite the growing literature, important gaps remain. Much of the prior work has focused on either the technical characteristics of creative accounting, its causes, or its consequences for isolated dependent variables such as profit management, firm value, or statement credibility (7, 15, 17). Other studies have emphasized identification, ranking, or bibliometric mapping of indicators rather than developing an integrated framework that simultaneously links creative accounting to financial reporting quality and decision-making effectiveness (4, 27). Furthermore, many studies are context-specific and concentrate on particular industries, sectors, or national settings, which limits the broader conceptual integration of findings (13, 14). Although these contributions are valuable, they leave room for qualitative, exploratory research designed to uncover the dimensions, criteria, and sub-criteria that structure the phenomenon from the perspective of informed experts. Such an approach is particularly useful where the phenomenon is complex, context-sensitive, and shaped by interaction among formal and informal factors.

A qualitative exploration is also justified because creative accounting is not fully observable through numerical indicators alone. Many of its drivers and consequences are embedded in perceptions, rationalizations, governance experiences, ethical judgments, and organizational routines that are better captured through expert-based inquiry. Recent modeling efforts have shown that creative accounting in emerging economies can be predicted and classified, yet the interpretive depth needed to explain how experts understand the links among financial data management, political ties, ethical values, governance structures, reporting quality, and decision-making remains underdeveloped (5, 6). Moreover, the literature increasingly acknowledges that accounting outcomes are influenced by broader organizational ecosystems rather than by technical rules alone (2, 16). Therefore, a qualitative framework-building study can make a significant contribution by identifying the dimensions that experts regard as most central to the operation and consequences of creative accounting.

The practical significance of this line of inquiry is substantial. Organizations rely on credible reports to attract investment, manage stakeholder relations, comply with regulations, and formulate future-oriented strategies. If creative accounting weakens report quality, it can erode trust, increase information asymmetry, and impair the very decisions that organizations seek to optimize. On the other hand, if the determinants and manifestations of creative accounting are better understood, policymakers, managers, auditors, and governance bodies can design more effective monitoring systems, ethical safeguards, and reporting frameworks. The study of creative accounting is therefore directly linked to the quality of organizational governance, the sustainability of financial information systems, and the effectiveness of managerial action (11, 12, 20). In this sense, the topic is of theoretical, methodological, and practical relevance for management and accounting research alike.

Given these considerations, the existing literature strongly supports the need for an integrated investigation of creative accounting that moves beyond narrow technical definitions and examines its connection with financial reporting quality and managerial decision-making within a comprehensive conceptual framework (1, 9, 10, 14). The aim of the present study is to identify and explain the framework of creative accounting with a focus on financial reporting quality and decision-making effectiveness.

Methods and Materials

This study was conducted using a qualitative, exploratory approach, with the aim of achieving an in-depth understanding and explanation of the framework of creative accounting with a focus on financial reporting and decision-making. The central focus of the study was to answer the question, “What is the framework of creative accounting with a focus on financial reporting and decision-making?” as well as three subsidiary questions concerning the identification of the criteria and sub-criteria of creative accounting, financial reporting quality, and decision-making effectiveness. The statistical population consisted of university faculty members, managers, and professional specialists who possessed substantial experience and knowledge in the subject area of the research. The participants were selected purposively and deliberately so that individuals capable of providing accurate and valuable information would be included in the study. To increase the diversity of perspectives, maximum variation sampling was employed, and data collection continued until theoretical saturation was reached; that is, after a certain point, no new or meaningful information was obtained from the responses.

In this study, 14 relevant experts and specialists participated in semi-structured interviews. Among them, 4 were university faculty members holding the academic ranks of instructor and assistant professor, and the remaining 10 consisted of professional experts with extensive work experience and managers with relevant backgrounds. Although some interviewees did not report their academic degrees, their qualifications were assessed on the basis of clear and explicit criteria of professional experience and expertise. These criteria included relevant work experience, research experience, positions and responsibilities related to the topic of the study, and prior specialized activities. Accordingly, even participants without managerial roles were able, through their specialized and research-based knowledge, to provide documented and precise viewpoints regarding the dimensions, components, and indicators of the study. The primary data collection instrument was the semi-structured interview, which included both open-ended and closed-ended questions and enabled participants to present detailed and in-depth perspectives. The data collection process included preliminary planning, providing full explanations to the experts about the objectives and process of the research, collecting responses, and conducting an initial analysis.

The data were carefully organized so that patterns and key concepts could be extracted and prepared for final analysis. The Delphi method was used for the analysis of the qualitative data. In this method, a panel of experts provided sequential feedback and evaluations across several rounds so that the main and subsidiary factors of the study could be identified and refined. In each round, the results of the preliminary analysis were presented to the experts, and their feedback was used to revise and improve the findings. This multistage process continued until theoretical consensus was reached regarding the dimensions, components, and indicators. The level of agreement among panel members was measured using Kendall's coefficient of concordance to ensure that the evaluation of the priorities and importance of the factors was aligned and valid across experts. The extracted findings are directly related to the subsidiary research questions. The criteria and sub-criteria identified for each domain, including sustainable financial data, political connections, company ethical values, company future orientation, corporate governance practices, creative accounting, financial reporting quality, and decision-making effectiveness, directly address the research questions, and the final framework provides a comprehensive and valid analytical model for understanding the dimensions of creative accounting and its effect on financial reporting and decision-making. With this structure, the study not only collected valid and reliable qualitative data, but also enabled an in-depth and precise examination of the topic and ensured that the results are substantively valid, well documented, and usable in the subsequent stages of analysis and the design of the proposed model.

Table 1. Identified Criteria and Related Sub-criteria

Criterion	Sub-criteria Based on Previous Studies
Sustainable financial data	Identifying key decision-makers for financial data management
	Using steering committees to oversee financial data
	Training non-technical users and managers on the storage and use of financial data
	Regular evaluation of the value and costs of financial data
	Developing transparent policies for financial data ownership
	Using data management systems to reduce costs
	Integrating financial data across all organizational units
	Establishing standards for the storage and security of financial data
	Allocating budget to improve financial data infrastructure
	Holding training courses for personnel in the field of financial data
Political connections	Having board members with a background in governmental positions
	Presence of active members of the management team in political positions
	Existence of strong relationships with members of parliament or political parties
	Receiving legal support because of political connections
	Effect of political connections on strategic decision-making
	Political support in dealing with financial crises
	Leveraging political relationships for market development
	Managing risks associated with political influence
	Transparency in reporting political connections
	Effect of political connections on relationships with shareholders
Company ethical values	Developing transparent ethical policies
	Managers' adherence to the company's ethical values
	Evaluating unethical behaviors in the organization
	Existence of reward or disciplinary systems for ethical and unethical behavior
	Effect of ethical values on stakeholder trust
	Training employees on ethical standards
	Assessing the alignment of ethics with managerial decision-making
	Monitoring managers' ethical performance
	Promoting an ethical culture at organizational levels
	Using codes of ethics in performance evaluation
Company future orientation	Setting strategic objectives for the future

	Planning to achieve objectives
	Conducting cost-benefit analysis before implementing plans
	Considering environmental changes in decision-making
	Evaluating project progress based on scheduling
	Defining key performance indicators for future objectives
	Using modern technologies to improve performance
	Continuous evaluation of the outcomes of implemented programs
	Allocating resources to research and development
	Considering financial sustainability in future orientation
Corporate governance practices	Existence of a transparent structure for corporate governance
	Adherence to relevant laws and standards
	Commitment to ethical leadership and corporate citizenship
	Use of integrated reporting
	Effect of corporate governance on financial performance
	Improving information transparency for shareholders
	Existence of an independent audit committee
	Respect for minority shareholders' rights
	Preventing conflicts of interest in decision-making
	Enhancing competitiveness through corporate governance
Creative accounting practices	Using creative accounting to achieve profit targets
	Using creative accounting techniques in profit forecasting
	Effect of the absence of an audit committee on creative accounting
	Effect of weaknesses among external directors on creative accounting
	Evaluating the effect of creative accounting on managers' decision-making
	Analyzing the financial consequences of creative accounting
	Effect of creative accounting on report quality
	Transparency in the use of creative techniques
	Effect of creative accounting on investor trust
	Managing risks associated with creative accounting
Financial reporting quality	Identifying impairment losses of assets
	Recording warranty expenses in financial reports
	Compliance with international accounting standards
	Transparency in revenue recognition before project completion
	Proper recognition of restoration obligations
	Proper reporting of environmental costs
	Compliance of reports with tax laws
	Accurate recording of rehabilitation and renovation costs
	Analyzing the effect of reporting on managers' decision-making
	Transparency in reporting methods
Decision-making effectiveness	Improving decision quality through the use of sustainable financial data
	Increasing the speed of decision analysis
	Better identification of customers and competitors
	Improving accuracy in forecasting financial outcomes
	Reducing human error in decision-making
	Using technology to support decisions
	Improving strategic decision-making processes
	Effect of effective decisions on stakeholder trust
	Continuous analysis of data for better decision-making
	Using financial reports for more accurate decision-making

Findings and Results

Table 2 presents the experts' individual characteristics. In terms of age, the highest frequency belonged to the 30–40 age group, at 35.7% (5 individuals), followed by the 40–50 age group, at 42.9% (6 individuals). The older age groups (50–60 years and 60 years and above) had the smallest numbers, accounting for 14.3% (2 individuals) and 7.1% (1 individual), respectively. Regarding educational degree, 7.1% of the participants held a master's degree and 85.7% held a doctoral degree, while 7.1% (1 individual) did not answer this question. In terms of academic field, the majority of participants were in accounting, at 92.9% (13 individuals), and only 7.1% (1 individual) had studied auditing.

Most of the experts were employed as faculty members or university lecturers, accounting for 42.9% (6 individuals), followed by nongovernmental organizations and governmental organizations/agencies, each at 28.6% (4 individuals). In terms of academic rank, most experts were professors, at 78.6% (11 individuals), whereas 21.4% (3 individuals) were assistant professors. Finally, regarding executive position and responsibility, the largest group consisted of chief executive officers, at 50% (7 individuals), while other positions such as middle management and senior management accounted for smaller shares.

Table 2. Demographic Characteristics of the Experts

Demographic Variable	Category	Frequency	Percentage
Age	30–40 years	5	36%
	40–50 years	6	43%
	50–60 years	2	14%
	60 years and above	1	7%
Educational degree	Doctorate	12	86%
	Master’s degree	1	7%
	No response	1	7%
Academic field	Accounting	13	93%
	Auditing	1	7%
Workplace	Faculty member or university lecturer	6	43%
	Nongovernmental organizations	4	29%
	Governmental organizations and agencies	4	29%
Academic rank	Professor	11	79%
	Assistant Professor	3	21%
Executive position and responsibility	Chief Executive Officer	7	50%
	Senior Manager	1	7%
	Middle Manager	4	29%
	Other	2	14%
Total		14	

The Delphi method was used to analyze the qualitative section so that, through the use of expert opinions, the indicators and criteria for measuring the dimensions of the study could be identified and evaluated. First, the initial indicators were developed on the basis of the theoretical foundations and prior literature, and then, with the participation of specialists, the degree of agreement regarding their appropriateness was examined. Kendall’s coefficient of concordance was used to assess the level of agreement. The results of the Delphi rounds are presented in Table 3 and show the validity of the indicators or their need for revision from the experts’ perspective.

Table 3. Results of the Delphi Method Output

Dimension	Indicator	Round 1 Mean Rank	Round 1 Mean	Round 1 SD	Round 1 Min	Round 1 Max	Round 2 Mean Rank	Round 2 Mean	Round 2 SD	Round 2 Min	Round 2 Max	Round 3 Mean Rank	Round 3 Mean	Round 3 SD	Round 3 Min	Round 3 Max
Sustainable financial data	Identifying key decision-makers for financial data management	27.71	3.71	0.611	3	5	—	—	—	—	—	—	—	—	—	—
Sustainable financial data	Using steering committees to oversee financial data	36.61	3.93	0.917	2	5	31.93	3.79	1.122	1	5	32.89	4.00	0.877	2	5
Sustainable financial data	Training non-technical users and managers on the storage and use of financial data	34.39	3.79	1.051	2	5	28.11	3.71	0.994	2	5	18.21	3.14	1.292	1	5
Sustainable financial data	Regular evaluation of the value and costs of financial data	50.11	4.43	0.852	2	5	43.68	4.36	0.633	3	5	35.04	4.07	0.997	2	5
Sustainable financial data	Developing transparent policies for financial data ownership	53.39	4.50	0.760	3	5	41.25	4.21	0.699	3	5	30.25	3.93	0.917	2	5
Sustainable financial data	Using data management systems to reduce costs	56.07	4.64	0.497	4	5	42.68	4.36	0.633	3	5	43.04	4.50	0.519	4	5

Sustainable financial data	Integrating financial data across all organizational units	41.57	4.14	0.949	2	5	40.79	4.29	0.825	3	5	34.25	4.14	0.949	3	5
Sustainable financial data	Establishing standards for the storage and security of financial data	50.61	4.43	0.852	2	5	47.68	4.50	0.519	4	5	37.61	4.29	0.726	3	5
Sustainable financial data	Allocating budget to improve financial data infrastructure	46.21	4.29	0.726	3	5	37.00	4.07	0.829	3	5	39.25	4.29	0.726	3	5
Sustainable financial data	Holding training courses for personnel in the field of financial data	48.07	4.43	0.756	3	5	45.39	4.36	0.842	2	5	45.04	4.57	0.646	3	5
Political connections	Having board members with a background in governmental positions	25.96	3.36	1.151	1	5	25.36	3.36	1.393	1	5	25.64	3.71	0.994	2	5
Political connections	Presence of active members of the management team in political positions	20.89	3.07	1.141	1	5	—	—	—	—	—	—	—	—	—	—
Political connections	Existence of strong relationships with members of parliament or political parties	29.32	3.43	1.284	1	5	—	—	—	—	—	—	—	—	—	—
Political connections	Receiving legal support because of political connections	35.18	3.71	1.139	1	5	33.64	3.86	1.167	2	5	22.96	3.71	0.726	2	5
Political connections	Effect of political connections on strategic decision-making	36.82	3.86	1.027	2	5	33.14	3.71	1.204	2	5	33.61	4.07	0.829	3	5
Political connections	Political support in dealing with financial crises	29.79	3.57	0.852	2	5	31.39	3.79	0.893	2	5	32.32	4.07	0.616	3	5
Political connections	Leveraging political relationships for market development	32.07	3.79	0.975	2	5	32.46	3.79	1.188	1	5	30.61	3.93	0.917	2	5
Political connections	Managing risks associated with political influence	36.04	3.93	0.917	2	5	31.00	3.86	0.864	2	5	29.39	3.93	0.730	3	5
Political connections	Transparency in reporting political connections	28.36	3.57	1.016	1	5	31.39	3.64	1.336	1	5	28.89	3.79	1.051	1	5
Political connections	Effect of political connections on relationships with shareholders	28.82	3.57	1.016	1	5	33.75	3.86	1.167	2	5	22.39	3.64	0.633	3	5
Company ethical values	Developing transparent ethical policies	36.82	4.00	0.679	3	5	46.50	4.43	0.938	2	5	27.89	3.86	0.864	2	5
Company ethical values	Managers' adherence to the company's ethical values	35.18	3.93	0.730	3	5	38.00	3.93	1.385	1	5	42.68	4.43	0.938	2	5
Company ethical values	Evaluating unethical behaviors in the organization	27.32	3.57	0.938	2	5	31.36	3.71	1.069	2	5	30.36	4.00	0.679	3	5
Company ethical values	Existence of reward or disciplinary systems for ethical and unethical behavior	23.75	3.43	0.938	2	5	—	—	—	—	—	—	—	—	—	—
Company ethical values	Effect of ethical values on stakeholder trust	31.64	3.79	0.802	2	5	36.50	3.93	1.328	1	5	39.64	4.29	0.825	2	5
Company ethical values	Training employees on ethical standards	38.29	4.00	0.877	2	5	49.54	4.57	0.756	3	5	30.36	4.00	0.877	2	5
Company ethical values	Assessing the alignment of ethics with managerial decision-making	44.82	4.29	0.726	3	5	34.36	3.93	1.141	1	5	21.54	3.64	0.633	2	4
Company ethical values	Monitoring managers' ethical performance	31.57	3.79	0.802	2	5	32.86	3.71	1.267	1	5	27.36	3.86	0.770	3	5
Company ethical values	Promoting an ethical culture at organizational levels	33.50	3.79	1.051	2	5	34.54	4.00	0.961	2	5	33.32	4.07	0.829	3	5
Company ethical values	Using codes of ethics in performance evaluation	22.54	3.43	0.756	2	4	32.25	3.93	0.997	2	5	26.14	3.79	0.802	2	5
Company future orientation	Setting strategic objectives for the future	46.82	4.29	0.914	2	5	39.68	4.21	0.802	3	5	45.07	4.50	0.941	2	5
Company future orientation	Planning to achieve objectives	49.07	4.43	0.514	4	5	45.32	4.43	0.852	3	5	46.71	4.57	0.756	3	5
Company future orientation	Conducting cost-benefit analysis before implementing plans	47.43	4.36	0.745	3	5	53.96	4.79	0.579	3	5	41.86	4.36	0.929	2	5
Company future orientation	Considering environmental changes in decision-making	47.86	4.36	0.745	3	5	45.96	4.50	0.650	3	5	33.29	4.07	0.730	3	5
Company future orientation	Evaluating project progress based on scheduling	47.43	4.36	0.842	2	5	45.96	4.43	0.938	2	5	33.43	4.14	0.535	3	5

Company future orientation	Defining key performance indicators for future objectives	48.00	4.43	0.514	4	5	38.89	4.14	0.949	2	5	39.11	4.29	0.726	3	5
Company future orientation	Using modern technologies to improve performance	51.82	4.50	0.519	4	5	41.00	4.21	0.802	3	5	40.54	4.36	0.745	3	5
Company future orientation	Continuous evaluation of the outcomes of implemented programs	51.14	4.50	0.650	3	5	37.71	4.14	0.864	2	5	39.25	4.29	0.726	3	5
Company future orientation	Allocating resources to research and development	46.00	4.29	0.726	3	5	37.86	4.07	1.072	1	5	37.29	4.29	0.726	3	5
Company future orientation	Considering financial sustainability in future orientation	40.29	4.14	0.770	3	5	34.54	3.93	1.141	1	5	44.04	4.50	0.519	4	5
Corporate governance practices	Existence of a transparent structure for corporate governance	39.32	4.07	0.829	3	5	29.93	3.71	0.994	2	5	34.46	4.14	0.663	3	5
Corporate governance practices	Adherence to relevant laws and standards	43.68	4.29	0.726	3	5	41.68	4.29	0.726	3	5	36.68	4.21	0.699	3	5
Corporate governance practices	Commitment to ethical leadership and corporate citizenship	38.50	4.07	0.730	3	5	—	—	—	—	—	—	—	—	—	—
Corporate governance practices	Use of integrated reporting	43.14	4.21	0.579	3	5	35.18	4.00	1.038	1	5	41.21	4.43	0.756	3	5
Corporate governance practices	Effect of corporate governance on financial performance	42.11	4.14	0.770	3	5	22.79	3.29	0.994	2	5	—	—	—	—	—
Corporate governance practices	Improving information transparency for shareholders	48.50	4.43	0.646	3	5	30.11	3.79	0.975	2	5	42.14	4.43	0.514	4	5
Corporate governance practices	Existence of an independent audit committee	44.18	4.14	1.027	2	5	38.71	4.00	0.961	2	5	42.43	4.43	0.646	3	5
Corporate governance practices	Respect for minority shareholders' rights	38.54	4.00	0.961	2	5	33.71	3.86	1.099	2	5	35.57	4.21	0.699	3	5
Corporate governance practices	Preventing conflicts of interest in decision-making	38.32	4.00	0.961	2	5	42.61	4.21	1.188	1	5	35.14	4.14	0.663	3	5
Corporate governance practices	Enhancing competitiveness through corporate governance	36.43	4.00	0.679	3	5	35.68	3.71	1.541	1	5	35.39	4.14	0.663	3	5
Creative accounting practices	Using creative accounting to achieve profit targets	40.61	4.07	0.917	2	5	37.04	3.93	1.072	2	5	30.68	3.93	0.829	2	5
Creative accounting practices	Using creative accounting techniques in profit forecasting	43.57	4.21	0.893	2	5	36.64	4.00	0.877	3	5	32.07	4.00	0.877	2	5
Creative accounting practices	Effect of the absence of an audit committee on creative accounting	35.61	4.00	0.555	3	5	—	—	—	—	—	—	—	—	—	—
Creative accounting practices	Effect of weaknesses among external directors on creative accounting	36.00	3.86	0.949	2	5	34.54	3.93	1.072	2	5	29.46	3.93	0.730	2	5
Creative accounting practices	Evaluating the effect of creative accounting on managers' decision-making	45.39	4.21	1.122	1	5	26.00	3.57	1.158	1	5	—	—	—	—	—
Creative accounting practices	Analyzing the financial consequences of creative accounting	39.04	4.07	0.616	3	5	38.39	4.00	1.177	1	5	35.39	4.14	0.663	3	5
Creative accounting practices	Effect of creative accounting on report quality	44.54	4.29	0.469	4	5	37.36	4.00	0.961	3	5	34.00	4.07	0.730	3	5
Creative accounting practices	Transparency in the use of creative techniques	39.64	4.14	0.663	3	5	36.82	4.00	1.038	2	5	32.04	4.00	0.877	2	5
Creative accounting practices	Effect of creative accounting on investor trust	50.68	4.50	0.650	3	5	35.11	3.86	1.231	1	5	26.39	3.86	0.535	3	5
Creative accounting practices	Managing risks associated with creative accounting	42.79	4.14	0.864	2	5	34.25	3.86	1.099	1	5	26.11	3.79	0.699	3	5
Financial reporting quality	Identifying impairment losses of assets	30.25	3.71	0.825	2	5	34.14	3.79	1.188	2	5	27.36	3.79	1.051	2	5
Financial reporting quality	Recording warranty expenses in financial reports	33.61	3.86	0.770	2	5	—	—	—	—	—	—	—	—	—	—
Financial reporting quality	Compliance with international accounting standards	33.29	3.86	0.864	2	5	38.18	4.00	1.359	1	5	38.89	4.29	0.825	3	5
Financial reporting quality	Transparency in revenue recognition before project completion	29.07	3.64	0.929	2	5	33.11	3.86	1.027	2	5	31.14	4.00	0.784	3	5

Financial reporting quality	Proper recognition of restoration obligations	21.86	3.29	1.069	1	5	30.75	3.79	0.893	2	5	24.11	3.71	0.825	2	5
Financial reporting quality	Proper reporting of environmental costs	35.32	3.71	1.326	1	5	22.96	3.07	1.542	1	5	—	—	—	—	—
Financial reporting quality	Compliance of reports with tax laws	45.50	4.21	1.051	1	5	33.07	3.79	1.051	2	5	29.68	3.93	0.730	3	5
Financial reporting quality	Accurate recording of rehabilitation and renovation costs	43.61	4.14	0.949	2	5	31.00	3.71	0.994	2	5	26.21	3.79	0.802	2	5
Financial reporting quality	Analyzing the effect of reporting on managers' decision-making	51.32	4.43	0.852	2	5	36.36	3.93	1.072	2	5	36.32	4.21	0.893	2	5
Financial reporting quality	Transparency in reporting methods	38.04	4.00	0.784	3	5	35.29	4.00	0.679	3	5	33.82	4.14	0.535	3	5
Decision-making effectiveness	Improving decision quality through the use of sustainable financial data	47.68	4.36	0.633	3	5	38.32	4.21	0.802	3	5	30.43	4.00	0.555	3	5
Decision-making effectiveness	Increasing the speed of decision analysis	46.43	4.36	0.497	4	5	38.89	4.21	0.802	3	5	34.71	4.14	0.770	3	5
Decision-making effectiveness	Better identification of customers and competitors	57.79	4.71	0.469	4	5	38.96	4.07	1.207	1	5	40.82	4.36	0.745	3	5
Decision-making effectiveness	Improving accuracy in forecasting financial outcomes	52.14	4.50	0.650	3	5	44.54	4.36	0.929	2	5	36.11	4.21	0.699	3	5
Decision-making effectiveness	Reducing human error in decision-making	45.43	4.29	0.825	2	5	—	—	—	—	—	—	—	—	—	—
Decision-making effectiveness	Using technology to support decisions	49.93	4.43	0.646	3	5	41.79	4.29	0.825	3	5	37.18	4.29	0.726	3	5
Decision-making effectiveness	Improving strategic decision-making processes	48.68	4.43	0.645	3	5	37.18	4.00	0.961	2	5	33.29	4.07	0.829	2	5
Decision-making effectiveness	Effect of effective decisions on stakeholder trust	49.43	4.50	0.650	3	5	29.75	3.71	1.069	1	5	—	—	—	—	—
Decision-making effectiveness	Continuous analysis of data for better decision-making	53.46	4.57	0.514	4	5	30.82	3.79	1.051	1	5	—	—	—	—	—
Decision-making effectiveness	Using financial reports for more accurate decision-making	47.32	4.36	0.929	2	5	38.93	4.14	0.864	3	5	47.50	4.64	0.497	4	5
Statistic						Round 1			Round 2			Round 3				
Cronbach's alpha						0.916			0.972			0.958				
Kendall's coefficient (p value)						0.177 (0.000)			0.212 (0.002)			0.744 (0.000)				

In the first Delphi round, various dimensions affecting financial management and organizational governance were evaluated. Sustainable financial data was one of the most important dimensions, emphasizing the necessity of cost reduction, transparency in data ownership, and user training. Indicators with high mean values reflected the high importance of this dimension in optimizing financial resources. In the dimension of political connections, the role of political support and relationships with centers of power in strategic decision-making was highlighted. However, some indicators, such as "the presence of managers in political positions," had lower mean values, indicating disagreement about their importance. Ethical values were also recognized as one of the key pillars of organizational culture; emphasis on the development of transparent ethical policies, employee training, and managerial adherence were among the important findings of this section. Nevertheless, some indicators related to ethical reward and punishment were assigned lower priority. In the dimension of company future orientation, indicators such as setting strategic goals, planning, cost-benefit analysis, and the use of modern technologies demonstrated the essential role of this dimension in organizational growth and sustainability. All indicators in this section had high mean values and did not require elimination.

With regard to corporate governance, structural transparency, compliance with laws, and improvement of information for shareholders were emphasized. However, indicators such as "commitment to ethical leadership" had lower mean values and may therefore be assigned lower priority. In the dimension of creative accounting, the indicators showed that this approach can both improve financial performance and affect investor trust. The indicator "effect of the absence of the audit committee" was evaluated as less important than the others. Finally, in the dimension of financial reporting quality, accuracy in recording information and compliance with laws were identified as key factors affecting financial decision-making. Indicators such as "recording warranty expenses" had lower priority. The dimension of decision-making effectiveness, with emphasis on data analysis, customer identification, and error reduction, was also considered one of the key dimensions in improving organizational decision-making.

The results for Cronbach's alpha and Kendall's coefficient relate to the data collected in this study. Cronbach's alpha, with a value of 0.916, generally indicates high internal validity and acceptable internal consistency among the measurement instruments, meaning that the collected data have high reliability. This value shows that the research instrument was able to maintain a high degree of consistency across different questions and dimensions of the study. On the other hand, Kendall's coefficient, with a value of 0.177 and a significance level of 0.000, also statistically indicates the existence of a significant correlation among the different rankings. This value of Kendall's coefficient in particular reflects a weak to moderate correlation among the various data evaluations. Therefore, after eliminating some indicators, the experts were surveyed again, and the Delphi process moved to the second phase.

In the second phase of the Delphi method, the results show that the mean ranks of most dimensions remained at a high level, indicating their overall importance in organizational decision-making. "Sustainable financial data" had the highest mean, and indicators such as "developing transparent policies for financial data ownership" and "establishing storage and security standards" played key roles. In addition, "ethical values" and "political connections" also had substantial importance, especially in relation to training in professional ethics and the effect of political relationships on stakeholders. In contrast, some dimensions such as "corporate governance" and "creative accounting" had lower means, indicating challenges or ambiguity regarding their importance. Indicators such as "the effect of corporate governance on financial performance," "reporting environmental costs," and "evaluating the effect of creative accounting on managers' decision-making" had the lowest means and may therefore be considered candidates for elimination or revision. Ultimately, focusing on dimensions with high means and reexamining low-priority indicators may improve organizational decision-making.

In the second Delphi round, Cronbach's alpha was 0.972, indicating very high and stable alignment among the indicators and different dimensions in measuring the variables under study. This result suggests that the instrument used has high reliability and that its results can be trusted. In addition, Kendall's coefficient was 0.212, which, given the significance level of 0.002, indicates the existence of a significant correlation among the different ranks and evaluations. These values show that the results are significantly different from chance and that the indicators have relatively good correlation and agreement. However, the value of Kendall's coefficient in particular indicates a weak to moderate correlation among the various data evaluations. Therefore, after removing some indicators, the experts were surveyed again, and the Delphi process advanced to the third phase.

In the third phase of the Delphi method, indicators such as "using financial reports for more accurate decision-making," "holding training courses for personnel," and "planning to achieve objectives" gained the highest priority, with means above 4.5, indicating strong consensus on their importance. On the other hand, indicators such as "training non-technical users and managers," "assessing the alignment of ethics with decision-making," and "proper recognition of restoration obligations" had the lowest means and require reconsideration or reinforcement. In addition, some indicators, such as "training non-technical users" and "transparency in political reporting," had high standard deviations, indicating serious disagreement among the experts. In summary, indicators with low means, high dispersion, or weak minimum scores, such as “legal support because of political connections,” “recording restoration costs,” and “managing creative accounting risks,” were introduced as candidates for elimination or revision. The results of the third Delphi round show that Cronbach’s alpha reached 0.958, indicating very high reliability of the questionnaire and strong internal consistency among the items. Kendall’s coefficient of 0.744 also reflects a relatively high level of agreement among the experts. Given the degrees of freedom of 66 and the significance level of 0.000, these results are statistically significant and indicate that the data possess sufficient reliability and agreement. According to the Delphi results after the three-stage analysis, consensus was reached among the experts, and the final indicators for the quantitative phase of the research are as follows.

Table 4. Final Indicators

Dimension	Indicator
Sustainable financial data	Using steering committees to oversee financial data
	Regular evaluation of the value and costs of financial data
	Developing transparent policies for financial data ownership
	Using data management systems to reduce costs
	Integrating financial data across all organizational units
	Establishing standards for the storage and security of financial data
	Allocating budget to improve financial data infrastructure
	Holding training courses for personnel in the field of financial data
Political connections	Having board members with a background in governmental positions
	Effect of political connections on strategic decision-making
	Political support in dealing with financial crises
	Leveraging political relationships for market development
	Managing risks associated with political influence
	Effect of political connections on relationships with shareholders
Company ethical values	Developing transparent ethical policies
	Managers’ adherence to the company’s ethical values
	Evaluating unethical behaviors in the organization
	Effect of ethical values on stakeholder trust
	Training employees on ethical standards
	Monitoring managers’ ethical performance
	Promoting an ethical culture at organizational levels
	Using codes of ethics in performance evaluation
Company future orientation	Setting strategic objectives for the future
	Planning to achieve objectives
	Conducting cost-benefit analysis before implementing plans
	Considering environmental changes in decision-making
	Evaluating project progress based on scheduling
	Defining key performance indicators for future objectives
	Using modern technologies to improve performance
	Continuous evaluation of the outcomes of implemented programs
	Allocating resources to research and development
	Considering financial sustainability in future orientation
Corporate governance practices	Existence of a transparent structure for corporate governance
	Adherence to relevant laws and standards
	Use of integrated reporting
	Improving information transparency for shareholders
	Existence of an independent audit committee
	Respect for minority shareholders’ rights
	Preventing conflicts of interest in decision-making
	Enhancing competitiveness through corporate governance
	Using creative accounting to achieve profit targets
	Using creative accounting techniques in profit forecasting
	Effect of weaknesses among external directors on creative accounting
	Analyzing the financial consequences of creative accounting
	Effect of creative accounting on report quality
	Transparency in the use of creative techniques

Financial reporting quality	Identifying impairment losses of assets
	Compliance with international accounting standards
	Transparency in revenue recognition before project completion
	Compliance of reports with tax laws
	Analyzing the effect of reporting on managers' decision-making
	Transparency in reporting methods
Decision-making effectiveness	Improving decision quality through the use of sustainable financial data
	Increasing the speed of decision analysis
	Better identification of customers and competitors
	Improving accuracy in forecasting financial outcomes
	Using technology to support decisions
	Using financial reports for more accurate decision-making

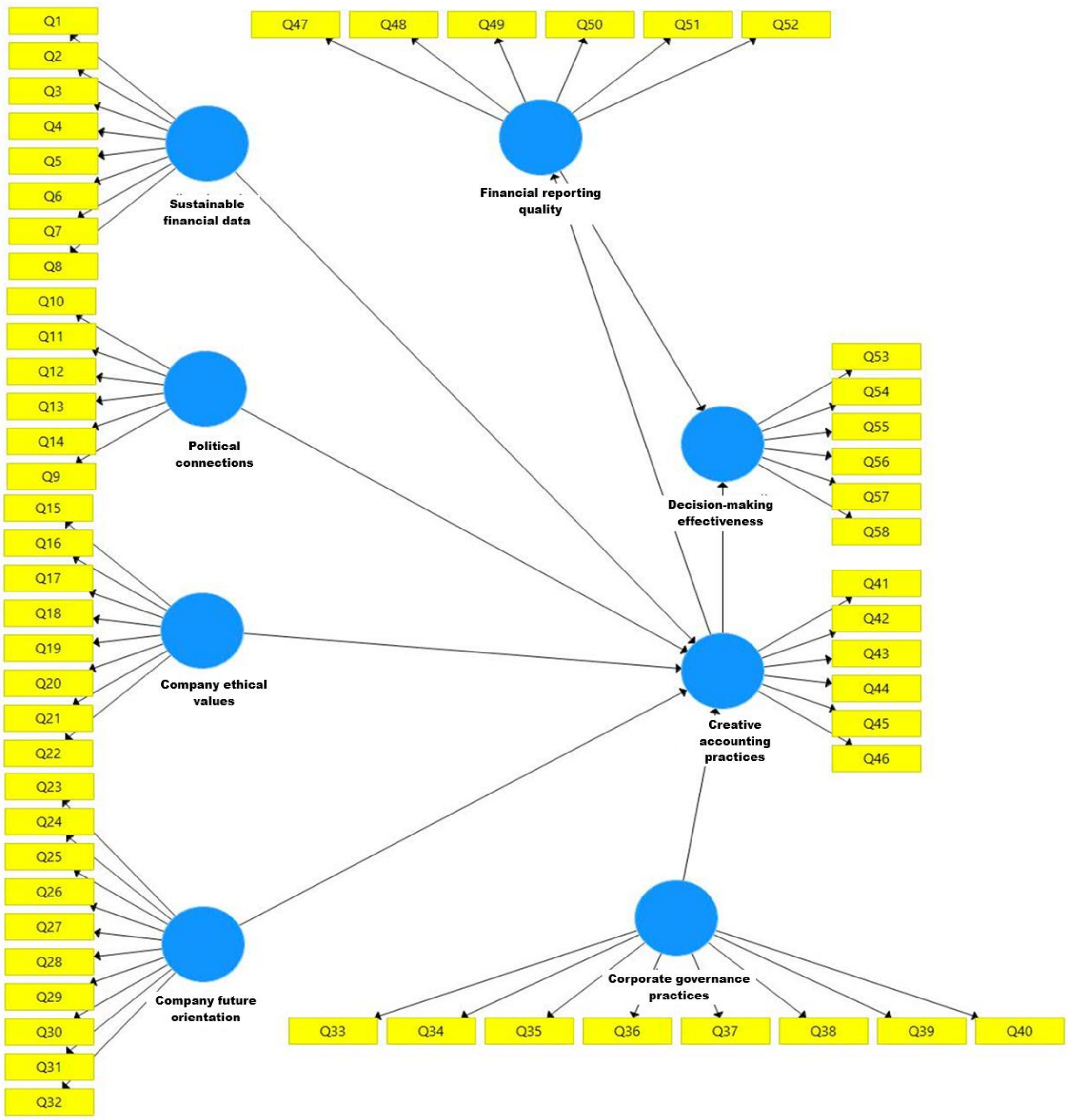

Figure 1. Framework of creative accounting with a focus on financial reporting and decision-making: Extracted from the Delphi results.

Discussion and Conclusion

The findings of this study showed that the framework of creative accounting with a focus on financial reporting and decision-making is not reducible to a single technical accounting practice, but is instead formed through the interaction of several interrelated dimensions, including sustainable financial data, political connections, company ethical values, company future orientation, corporate governance practices, creative accounting practices, financial reporting quality, and decision-making effectiveness. The Delphi results demonstrated that, across three rounds, the experts gradually moved toward stronger consensus, as reflected in the increase in Kendall's coefficient from the first to the third round and the consistently high Cronbach's alpha values. This pattern indicates that the proposed framework has both internal coherence and expert validity. In substantive terms, the experts' convergence suggests that creative accounting should be understood as a multidimensional organizational phenomenon shaped simultaneously by informational infrastructure, managerial incentives, ethical context, governance quality, and strategic decision environments. This interpretation is consistent with the literature that conceptualizes creative accounting as a multifaceted and evolving phenomenon rather than a mere collection of isolated earnings-management techniques (1-3).

One of the most important findings of the study was the strong position of sustainable financial data in the final framework. Indicators such as the use of steering committees for supervising financial data, regular assessment of data value and cost, transparent ownership policies, standardized storage and security, integrated data across organizational units, and training personnel in financial data all remained in the final model. This result shows that the experts viewed the quality, governance, accessibility, and integrity of financial data as a foundational condition for both sound reporting and effective decision-making. In practical terms, this means that organizations become more vulnerable to creative accounting when their financial data systems are fragmented, weakly governed, or poorly understood by users. When financial data are standardized and institutionally governed, opportunities for opportunistic manipulation decline and the capacity for analytical decision-making improves. This finding aligns with studies indicating that the information environment, reporting comparability, and internal information quality are central to the usefulness of accounting outputs and the reduction of opacity and asymmetry (11, 12). It also supports the argument that creative accounting in emerging contexts is better explained when underlying information systems and organizational data conditions are incorporated into the model (5).

The study also showed that political connections remained one of the relevant dimensions in the final framework, although not all initial indicators survived the Delphi process. The final indicators emphasized board members' governmental backgrounds, the effect of political connections on strategic decision-making, political support during financial crises, the use of political relationships for market development, the management of risks related to political influence, and the effect of political connections on shareholder relations. This pattern indicates that the experts did not treat political ties as inherently decisive in all cases, but they did recognize them as significant structural forces affecting the environment in which reporting and managerial judgment occur. The importance assigned to these indicators suggests that creative accounting may arise not only from internal profit motives, but also from external institutional incentives linked to power relations, regulatory shelter, legitimacy management, and market access. This interpretation is consistent with recent discussions emphasizing that creative accounting is shaped by contextual and organizational pressures rather than by technical discretion alone (6, 16). The finding also complements work showing that the impact of accounting choices on organizational value and reporting behavior is often mediated by governance and external institutional arrangements (15).

Another major result was the strong role assigned to ethical values. The final framework retained transparent ethical policies, managerial adherence to company ethical values, assessment of unethical behavior, the effect of ethical values on stakeholder trust, employee training in ethical standards, monitoring managerial ethical performance, organizational ethical culture, and the use of ethical codes in performance evaluation. This is a highly important result because it indicates that the experts did not consider creative accounting merely as a technical or regulatory problem; they considered it deeply embedded in ethical culture and value-based organizational control. The removal of some lower-priority indicators but retention of the broader ethical dimension suggests that what matters most is not symbolic ethics, but operationalized ethics embedded in policy, training, evaluation, and culture. This finding strongly aligns with studies on ethical dilemmas in accounting and the role of ethics in governance and compliance, which argue that the distinction between legitimate judgment and manipulative reporting often depends on the ethical environment in which accounting choices are made (23, 24). It is also supported by findings from Iranian studies emphasizing the relevance of audit ethics and professional behavior principles in evaluating the use and implications of creative accounting (25, 26).

The company future orientation dimension was also one of the strongest parts of the final framework. The indicators that remained included strategic goal setting, planning to achieve objectives, cost-benefit analysis before implementation, sensitivity to environmental changes, project progress evaluation, key performance indicators, modern technology use, continuous evaluation of outcomes, allocation of research and development resources, and attention to financial sustainability. This result suggests that creative accounting must be interpreted within the broader horizon of strategic intent. In other words, managerial decisions concerning accounting are not made in isolation; they are often connected to future-oriented organizational narratives, investment expectations, and performance positioning. The experts' consensus in this area indicates that future orientation may play a dual role: it can encourage more disciplined and evidence-based planning, but it can also create incentives to cosmetically present current performance in order to support future legitimacy. This interpretation is consistent with studies showing that internal company factors, financial constraints, performance pressure, and strategic motives shape the emergence of creative accounting practices (16, 17, 19). It also resonates with literature showing that creative accounting is often connected to how management anticipates and frames future outcomes rather than only current-period reporting (1).

The findings related to corporate governance practices were likewise notable. The final framework preserved transparent governance structure, compliance with laws and standards, integrated reporting, improved transparency for shareholders, independent audit committees, protection of minority shareholder rights, prevention of conflicts of interest, and competitiveness enhancement through governance. These findings indicate that governance mechanisms are among the most important institutional constraints on opportunistic accounting behavior. The fact that the experts maintained governance-related indicators in the final model supports the view that creative accounting becomes more likely when oversight is weak, information channels are opaque, and conflicts of interest are insufficiently controlled. Conversely, when governance systems are transparent and participatory, managerial discretion is more likely to be disciplined. This finding is highly consistent with recent research that positions corporate governance as a critical barrier against cosmetic accounting and misleading financial practices (20). It also aligns with evidence indicating that governance arrangements such as managerial ownership, board oversight, and monitoring structures influence how accounting practices affect firm value and reporting outcomes (15). Moreover, the importance of independent audit committees in the final model is compatible with evidence that board independence and audit committee expertise can mitigate earnings management and constrain opportunistic reporting behaviors (21).

With respect to the creative accounting dimension itself, the final model retained the use of creative accounting to achieve profit targets, the use of creative techniques in profit forecasting, the effect of weak external managers on creative accounting, analysis of the financial consequences of creative accounting, its effect on report quality, and transparency in the use of creative techniques. This shows that the experts acknowledged both the instrumental and the risky aspects of creative accounting. On the one hand, creative accounting is perceived as being used deliberately in pursuit of financial targets and performance presentation. On the other hand, the same practices were recognized as having consequences for reporting quality and therefore for stakeholder interpretation. This duality is central to the literature: creative accounting is often described as operating in the ambiguous zone between strategic flexibility and reporting distortion (2, 9). The current findings support recent evidence that creative accounting affects the reliability of financial reports and can undermine the credibility of financial statements when it shifts from informative discretion to manipulative reporting (7, 8). At the same time, the retention of “transparency in the use of creative techniques” suggests that the experts implicitly distinguished between hidden manipulation and disclosed managerial judgment, which is a nuanced point also present in the conceptual literature (1, 4).

The financial reporting quality dimension in the final model was composed of impairment recognition, compliance with international accounting standards, transparency in revenue recognition before project completion, compliance with tax laws, analysis of the effect of reporting on managers’ decisions, and transparency in reporting methods. These indicators confirm that reporting quality was viewed by the experts as both a technical and a behavioral construct. It is technical because it depends on correct recognition, standards compliance, and method transparency. It is behavioral because reporting quality ultimately matters through its effect on managerial and stakeholder decisions. The importance of these indicators is in line with empirical findings showing that aggressive or creative accounting can reduce reporting quality, particularly when credibility, neutrality, and transparency are weakened (7, 13). Conversely, literature has also shown that higher-quality accounting reports improve the usefulness of financial information and can positively affect the effectiveness of reporting systems when they maintain coherence and transparency (10). The present study therefore reinforces the argument that financial reporting quality is not a peripheral consequence but a central mechanism through which creative accounting influences organizational outcomes.

The dimension of decision-making effectiveness was one of the clearest and most practically significant results of the study. The final indicators included better decision quality through sustainable financial data, increased speed of decision analysis, better identification of customers and competitors, improved accuracy in forecasting financial results, use of technology to support decisions, and use of financial reports for more accurate decision-making. This finding demonstrates that the experts understood the relationship between accounting and management in a highly integrated manner. The implication is that financial reports are not passive outputs produced merely for compliance; they are active inputs into managerial cognition, strategic analysis, and competitive judgment. Therefore, any deterioration in reporting quality due to creative accounting can directly impair decision effectiveness. This interpretation strongly supports prior empirical evidence showing that creative accounting practices affect decision-making effectiveness through their influence on the quality and credibility of financial reports (14). It also supports broader work indicating that accounting information affected by creative methods may alter how decision-makers evaluate organizational conditions and opportunities (9, 10).

An important feature of the results is that some indicators were removed through the Delphi process, especially those receiving lower mean scores or showing weaker agreement. This refinement is theoretically meaningful. It suggests that not every issue discussed in the literature holds equal relevance in this context, and that experts differentiate between core and peripheral elements of the framework. For example, some initially proposed indicators related to political position occupancy, ethical reward-punishment mechanisms, environmental cost reporting, or some specific consequences of governance and creative accounting did not remain in the final set. This does not necessarily mean that these issues are unimportant in absolute terms; rather, it suggests that within the experts' evaluative hierarchy, they were less central than the retained dimensions. This prioritization mirrors previous attempts to identify and rank creative accounting indicators and underlying causes, where certain drivers are consistently found to carry greater explanatory power than others (6, 27). In that sense, the present study contributes by moving from a broad universe of possible indicators to an expert-validated framework that is more analytically focused.

Taken together, the findings suggest that creative accounting should be understood as an organizational phenomenon emerging from the interaction of data infrastructure, governance quality, ethical culture, strategic orientation, and contextual pressures, and that its most important consequences unfold through financial reporting quality and decision-making effectiveness. This integrative view is consistent with bibliometric, conceptual, and empirical studies that portray creative accounting as a dynamic field connected to auditing, governance, ethics, and managerial incentives (4, 5, 22). It also supports the broader proposition that creative accounting cannot be adequately controlled through technical standards alone. Instead, effective containment requires coordinated attention to board oversight, audit quality, ethical internalization, transparent reporting methods, and the strengthening of sustainable financial data systems. The present study therefore extends prior research by offering a structured explanation of how these factors fit together into a coherent framework, while also clarifying why creative accounting has implications not only for accounting credibility but also for the quality of organizational management (20, 21, 24).

One limitation of this study is that it was conducted with a qualitative and expert-based design and therefore relied on the judgments, experiences, and interpretations of a limited number of specialists. Although the Delphi method was useful for reaching consensus and refining the indicators, the framework remains context-sensitive and should be interpreted with caution when generalized to other institutional settings, industries, or countries. In addition, some participants did not report all demographic details, and although their professional qualifications were carefully assessed, fuller background information could have strengthened interpretive precision. Another limitation is that the study focused on identifying dimensions and indicators rather than testing causal relationships quantitatively among the variables.

Future research can build on this study by testing the proposed framework in quantitative models across different sectors and organizational contexts. Researchers can examine the causal paths between creative accounting, financial reporting quality, and decision-making effectiveness using structural equation modeling or multi-group comparisons. Comparative studies across industries, ownership structures, or regulatory environments would also be valuable in determining which dimensions remain stable and which vary by context. It would also be useful to investigate the mediating or moderating roles of governance mechanisms, internal audit effectiveness, digital financial systems, and ethical climate in the relationship between creative accounting and managerial outcomes.

From a practical perspective, the findings suggest that organizations should not address creative accounting solely through formal accounting rules. Managers, boards, and regulators need to strengthen data governance, promote transparent ownership and security of financial data, and institutionalize training programs for financial information users. Companies should also invest in stronger governance structures, especially independent audit committees, integrated reporting systems, and mechanisms that reduce conflicts of interest. At the same time, ethical values must be operationalized through policy, monitoring, training, and evaluation, rather than remaining at the level of symbolic statements. Finally, organizations should improve the strategic use of financial reports so that accounting outputs become more accurate, transparent, and useful for timely and evidence-based decision-making.

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Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

The authors of this article declared no conflict of interest.

Ethical Considerations

All ethical principles were adheried in conducting and writing this article.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

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