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A Model of Factors Increasing Moral Hypocrisy Among Auditors in Professional Services: A Qualitative Approach

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ABSTRACT

The purpose of this study is to develop a model of the factors that increase moral hypocrisy among auditors in professional services. This study is qualitative in nature and adopts an exploratory–explanatory approach. The study population consisted of practicing auditors and experts in the field of auditing. Participants were selected through purposive and sequential sampling, with the sample size increased until theoretical saturation was achieved, using the snowball sampling technique. In total, 15 auditors and auditing experts participated in semi-structured, in-depth interviews. The interview data were analyzed using qualitative content analysis. To ensure the quality and trustworthiness of the qualitative findings, Lincoln and Guba's (1985) evaluation criteria, including credibility, transferability, dependability, and confirmability, were applied. Inter-coder reliability was also assessed, with the two coders achieving an overall agreement rate of 89%, indicating a good level of reliability. Interview coding was performed using MAXQDA 2020 software. The findings revealed that the factors contributing to increased moral hypocrisy among auditors in professional services comprise financial and economic factors (17 indicators), organizational and institutional factors (10 indicators), professional and ethical factors (13 indicators), social and client-related factors (6 indicators), and legal and contractual factors (3 indicators). A precise understanding of these drivers and their relationships with auditors' ethical behavior can contribute to preventing moral hypocrisy and fostering a professional and ethical environment within the auditing profession.

Keywords: drivers (increasing factors), moral hypocrisy, auditors, professional services

Introduction

Auditing is fundamentally a trust-based professional activity whose legitimacy depends not only on technical competence, but also on the perceived integrity, independence, objectivity, and ethical consistency of auditors. Users of financial statements rely on auditors to reduce information asymmetry, enhance the credibility of reported information, and provide reasonable assurance that financial representations are free from material misstatement. Consequently, the value of auditing is inseparable from the ethical conduct of those who perform it. When auditors' stated ethical commitments diverge from their actual professional behavior, the credibility of assurance services may be undermined even if formal auditing procedures appear to have been completed. This issue has become increasingly important as audit environments grow more complex, technologically intensive, commercially competitive, and exposed to reputational, regulatory, and litigation risks. Contemporary research has therefore emphasized that the effectiveness of professional auditing systems depends on the interaction of technical quality, governance mechanisms, institutional controls, and ethical norms rather than on procedural compliance alone (1-



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3). At the same time, advances in artificial intelligence and data-driven auditing are transforming assurance services by increasing analytical capacity, speed, anomaly detection, and transparency, but these technological developments do not eliminate ethical vulnerabilities arising from human judgment, incentives, and professional relationships (4, 5). Accordingly, understanding the ethical mechanisms that influence auditors' behavior remains central to maintaining confidence in the auditing profession.

One of the most consequential but comparatively less examined ethical phenomena in professional environments is moral hypocrisy. Moral hypocrisy generally refers to a situation in which individuals seek to appear moral, ethical, principled, or socially responsible without consistently bearing the behavioral costs of acting in accordance with those standards. It therefore involves a discrepancy between moral claims, moral self-presentation, or moral judgments on the one hand and actual conduct on the other. Moral hypocrisy is not reducible to simple dishonesty, because it may emerge through self-justification, selective application of moral rules, impression management, or differential judgments of one's own conduct and the conduct of others. Philosophical analyses emphasize that hypocrisy is closely connected to questions of moral criticism, equality, agency, and the legitimacy of condemning others while failing to satisfy comparable standards oneself (6, 7). From an ethical perspective, the evaluation of hypocritical behavior also requires attention to the relationship among actions, agents, intentions, and consequences, because the moral meaning of conduct cannot always be determined solely by its observable outcome (8). Experimental and behavioral research further suggests that people can react differently to perceived moral hypocrisy depending on how they process inconsistency between moral statements and actual behavior, indicating that hypocrisy is a psychologically and socially salient form of moral violation rather than merely a semantic contradiction (9).

In organizational settings, moral hypocrisy becomes especially important because organizations frequently rely on explicit values, ethical codes, professional standards, and public commitments that are expected to guide employee behavior. Ethical accounting theory provides a particularly relevant framework for explaining how organizational members may simultaneously endorse ethical principles and engage in behavior that deviates from those principles. Under conditions in which organizational actors can maintain a morally favorable self-concept while reframing, compartmentalizing, or rationalizing questionable conduct, hypocrisy may become embedded in routine decision-making processes (10). This perspective is highly relevant to accounting and auditing because these professions are characterized by codified standards, formal ethical requirements, and strong expectations of independence and public responsibility. Iranian studies drawing on ethical accounting theory have likewise highlighted the possibility that discrepancies between stated ethical commitments and actual behavior can emerge in organizational accounting contexts, particularly when economic, managerial, and professional pressures create incentives to reinterpret ethical obligations (11, 12). Thus, moral hypocrisy should be considered not simply as an individual character flaw but as a behavior that may be produced, reinforced, or normalized through organizational and professional conditions.

The auditing profession is especially vulnerable to this tension because auditors operate within multiple and sometimes conflicting systems of accountability. On the one hand, they are expected to serve the public interest, comply with professional standards, maintain independence, exercise professional skepticism, protect confidentiality, and report material irregularities objectively. On the other hand, they work within commercial organizations that depend on clients for revenue, face time and budget constraints, compete for engagements, retain staff, respond to regulators, and manage the risks of client dissatisfaction or engagement termination. These

competing demands can create role conflict and may influence ethical sensitivity, professional judgment, and performance. Research has shown that auditors' professional ethical sensitivity interacts with factors such as role conflict, self-efficacy, emotional intelligence, and performance, suggesting that ethical conduct is shaped by both personal and contextual conditions (13). Similarly, evidence indicates that certified accountants' thinking styles and job stress can influence adherence to ethical codes and professional conduct, demonstrating that formal ethical standards do not automatically translate into consistent ethical behavior under pressure (14). Such findings provide an important basis for considering moral hypocrisy as a potential outcome of the gap between normative expectations and the actual pressures experienced in professional service environments.

The importance of professional codes of ethics in public accounting is therefore not limited to establishing formal behavioral expectations; such codes also serve as mechanisms for protecting the profession's legitimacy and the public's trust. Ethical codes articulate principles such as integrity, objectivity, professional competence, due care, confidentiality, and professional behavior, but their effectiveness depends on the extent to which practitioners internalize and consistently implement them (2). Research on ethical corruption in accounting has identified a broad range of individual, organizational, economic, and cultural influences that may weaken ethical conduct and facilitate misconduct, indicating that moral failure often develops through cumulative pressures rather than a single isolated cause (15-17). In addition, anti-corruption approaches to accounting systems emphasize that ethical safeguards must be embedded within organizational processes, internal systems, control structures, and accountability mechanisms if they are to influence behavior meaningfully (18). These arguments are directly relevant to moral hypocrisy because the presence of ethical codes without effective institutional reinforcement may produce symbolic compliance, in which professionals publicly endorse ethical standards while adapting actual behavior to economic or organizational incentives.

At the organizational level, moral hypocrisy may also be associated with structural and managerial conditions that encourage ethical inconsistency. Qualitative research on ethical hypocrisy in human resources has demonstrated that the phenomenon can be conceptualized through identifiable dimensions and drivers, including organizational conditions, managerial practices, individual motivations, and environmental influences (19). Related research examining factors that reduce ethical hypocrisy among managers has emphasized the importance of value-based leadership, ethical commitment, accountability, and organizational mechanisms capable of aligning professed values with actual decision-making (20). These insights are relevant to auditing because audit firms function as professional organizations in which ethical behavior is influenced not only by personal values but also by compensation systems, promotion criteria, quality-control practices, client portfolios, leadership behavior, institutional expectations, and competitive pressures. If organizational arrangements reward client retention, revenue generation, speed, or commercial success more strongly than ethical consistency, auditors may become vulnerable to rationalizing behavior that conflicts with their stated professional obligations. In such circumstances, moral hypocrisy may emerge as an adaptive response to conflicting expectations rather than solely as an intentional effort to deceive.

The broader institutional environment of the accounting profession can further strengthen or constrain such tendencies. Professional accounting associations are expected to support quality assurance, professional development, ethical regulation, disciplinary oversight, and the credibility of practitioners, but these institutions may face challenges in expanding their activities, enforcing standards, and responding effectively to changing professional conditions (3). Weaknesses in institutional monitoring, professional governance, market regulation, or

enforcement may reduce the perceived costs of ethical inconsistency. From a wider governance perspective, the effectiveness of regulatory and legal systems depends on the interaction between substantive rules, institutional structures, and social expectations concerning justice, certainty, and accountability (21). Although this perspective originates in legal analysis, it has direct implications for auditing because professional behavior occurs within systems of regulation that define responsibilities, sanctions, and enforcement mechanisms. Where legal or institutional rules are weakly enforced, inconsistent, or primarily symbolic, professionals may perceive greater latitude to present themselves as compliant while selectively departing from ethical requirements in practice.

The changing nature of audit work adds another layer of complexity. Digitalization, artificial intelligence, automated analytics, and algorithmic decision-support systems are increasingly being incorporated into financial auditing. These technologies can enhance accuracy, transparency, consistency, and the ability to detect anomalies or suspicious patterns, and they may contribute to stronger client trust when properly integrated into auditing services (4, 5). However, technological sophistication does not automatically resolve underlying ethical tensions. Automated tools still operate within organizational systems designed and used by human decision-makers, and choices concerning sampling, materiality, data interpretation, documentation, and the scope of assurance remain vulnerable to strategic behavior or selective application. Research on independent audits and systemic risk assessments in digital regulatory environments shows that audit quality depends substantially on sampling design, legal content analysis, methodological choices, and the consistency with which evaluative criteria are applied (22). This indicates that technological and methodological modernization can improve audit capability while simultaneously increasing the importance of transparent, ethically consistent decision-making.

Another important source of ethical tension concerns the auditor–client relationship. Audit firms are economically dependent on professional engagements, yet auditors are simultaneously expected to maintain independence from the organizations that compensate them. This structural relationship creates an enduring tension between commercial dependence and professional responsibility. Auditors may also anticipate legal and reputational consequences arising from inaccurate estimates, inappropriate judgments, or audit failures, which can influence risk perception and decision-making (1). When the perceived costs of losing a client, challenging management, reporting unfavorable findings, or investing additional time in audit procedures become high, the gap between formal ethical commitment and actual conduct may widen. This does not imply that economic dependence inevitably produces unethical behavior; rather, it suggests that financial incentives, market structure, client behavior, and professional accountability mechanisms should be examined collectively when explaining moral hypocrisy. The ethical risks are likely to become particularly significant when low fees, high workloads, personnel shortages, insufficient training, and competitive pressures occur simultaneously.

Moral hypocrisy in auditing may therefore arise from an interconnected system of financial, economic, organizational, institutional, professional, ethical, social, client-related, legal, and contractual conditions. Research on ethical corruption in accounting consistently points to the importance of contextual drivers, including material incentives, weak ethical culture, inadequate controls, and organizational pressures (15-17). Moreover, efforts to strengthen accounting systems through anti-corruption ethical approaches demonstrate that sustainable ethical conduct requires more than personal morality; it requires institutional architecture that supports transparency, accountability, supervision, and effective control (18). In this sense, moral hypocrisy can be regarded as a multidimensional professional phenomenon whose causes cannot be adequately understood through a single-factor explanation. Individual values may matter, but their behavioral expression is mediated by economic

constraints, organizational routines, professional norms, regulatory structures, client relationships, and the broader social environment.

Despite the growing literature on professional ethics, moral corruption, organizational hypocrisy, ethical accounting, and auditors' professional behavior, there remains a need for research that specifically identifies and organizes the factors that increase moral hypocrisy among practicing auditors in professional service settings. Much of the existing literature addresses ethics at a general level, focuses on corruption or misconduct rather than hypocrisy as a distinct construct, or examines managerial and organizational populations outside the auditing profession (19, 20). Likewise, studies on professional ethics in accounting often examine compliance, ethical sensitivity, codes of conduct, thinking styles, or anti-corruption mechanisms without developing a comprehensive explanatory model of the drivers that increase the discrepancy between auditors' professed ethical standards and their actual behavior (2, 13, 14). Theoretical work on hypocrisy offers a strong conceptual basis for recognizing the significance of this discrepancy, but context-specific qualitative evidence is required to determine how the phenomenon is produced within actual professional auditing environments (6, 7, 10). Such evidence can contribute to a more realistic understanding of ethical risk and can support audit firms, professional associations, regulators, and policymakers in designing interventions that address the structural sources of ethical inconsistency rather than relying exclusively on formal codes or individual moral exhortation.

Accordingly, the aim of this study is to develop a qualitative model of the factors that increase moral hypocrisy among auditors in professional services.

Methods and Materials

This study is qualitative in nature and adopts an exploratory–explanatory approach. The study population consisted of practicing auditors and experts in the field of auditing. Purposive sampling was employed in conjunction with the snowball sampling technique. Sampling continued until theoretical saturation was reached, namely, the point at which the inclusion of additional participants no longer contributed to the further development of the research model or theory (20). Theoretical saturation in the present study was achieved through 15 interviews.

The primary method of data collection in this study was the semi-structured in-depth interview. In this type of interview, the researcher identifies in advance the main elements and topics that need to be covered; however, the questions remain open-ended and general rather than being rigidly predetermined. Although similar questions are posed to all participants, respondents are free to provide their answers in whatever manner they consider appropriate. Accordingly, the coding and classification of participants' responses are undertaken by the researcher.

The data obtained from the interviews were analyzed using qualitative content analysis. Ultimately, the proposed model was validated and confirmed by experts. Interviews were conducted both face-to-face and by telephone with experts to identify the factors contributing to increased moral hypocrisy among auditors and to explore the nature of the concept. After the necessary arrangements had been made and interview appointments scheduled, all interviews were personally conducted by the researcher and, with the participants' consent, were audio-recorded. The interviews lasted an average of 58 minutes. Because recording participants' statements in writing during face-to-face interviews was relatively difficult, call-recording software was used to ensure that all statements made during the interviews were captured. At the end of each interview, the audio recording was transcribed and subjected to preliminary analysis in order to determine whether theoretical saturation had been achieved. By the thirteenth interview, theoretical saturation appeared to have been reached, as the responses were similar to those obtained

previously and did not add substantively new findings. Nevertheless, two additional interviews were conducted to confirm saturation, resulting in a total of 15 interviews. The data were coded through open coding, axial coding, and selective coding.

Interview coding was performed using MAXQDA 2020 software.

To establish adequate validity of the interview instrument, the interview findings were reviewed by specialists and university faculty members, and their comments and recommendations were incorporated. The identified conceptual model and its constituent items were also examined and reviewed by faculty members, resulting in several revisions and modifications. To evaluate the quality and establish the trustworthiness of the qualitative findings, the criteria proposed by Lincoln and Guba (1985)—credibility, transferability, dependability, and confirmability—were employed.

To assess interview reliability using inter-coder agreement, an accounting faculty member was invited to participate as a research collaborator. Following the necessary training and explanations, the collaborator independently coded three randomly selected interviews. The coding conducted by the research collaborator was then compared with the coding performed by the researcher. Codes identified similarly by both coders were classified as “agreements,” whereas dissimilar codes were classified as “disagreements.” The inter-coder agreement percentage was subsequently calculated. The results indicated an overall agreement rate of 89% between the two coders, representing a good level of reliability (Table 1). In addition, to assess test–retest reliability in the present study, three interviews were randomly selected from among the completed interviews and each was coded twice by the researcher at a 30-day interval. Stemler (2001) regarded reliability coefficients greater than .60 as acceptable.

Table 1. Test–Retest Reliability of the Interviews

No.	Interview	Total Number of Codes	Number of Agreements	Number of Disagreements	Test–Retest Reliability (%)
1	P4	15	7	1	93
2	P7	11	5	1	90
3	P10	12	5	2	83
Total	—	38	17	4	89

Findings and Results

In this study, interviews were conducted with 15 experts, including practicing auditors and specialists in the field of auditing, over a four-month period during the second half of the period extending from September 2023 to March 2024. The data were coded in three stages. First, the complete contents of all interviews were transcribed, after which open coding was conducted using a key-point coding approach. The data collected from the interviews were transcribed in written form and subsequently analyzed line by line and paragraph by paragraph to generate the initial open codes.

Table 2. Demographic Characteristics of the Experts

Characteristic	Category	Frequency	Percentage
Gender	Female	5	33.3
	Male	10	66.7
Education	Master’s degree	4	26.7
	Doctoral degree	11	73.3
Age	Under 50 years	8	53.3
	50 years and older	7	46.7
Professional experience	Under 20 years	6	40.0
	20 years and above	9	60.0

The open codes derived from the interviews are presented below after editing. These codes were derived from the participants' statements and, in some instances, consisted of the participants' exact expressions. Analysis of the 15 interviews yielded 108 meaningful statements, from which a total of 49 distinct open codes were extracted.

Table 3. Meaning Units and Open Codes for the Drivers (Increasing Factors) of Auditors' Moral Hypocrisy

No.	Meaning Unit	Open Code
1	Audit fees influence auditors' moral hypocrisy.	Audit fees
2	The cost of performing an audit affects auditors' moral hypocrisy.	Cost of audit engagement
3	The economic viability of performing an audit engagement may affect auditors' moral hypocrisy.	Economic viability
4	The economic structure may be regarded as one of the principal factors contributing to moral hypocrisy.	Economic structure
5	Material incentives are among the factors underlying hypocritical conduct, deception, fraud, and material misstatement of financial statements and may lead individuals away from compliance with the professional code of conduct.	Material incentives
6	According to auditors, inadequate financing is a source of moral hypocrisy.	Inadequate financing
7	Economic conditions represent the most important and influential factor contributing to moral hypocrisy.	Economic conditions
8	Economic crises affecting society in general, rather than merely the community of Iranian Certified Public Accountants, may contribute to auditors' moral hypocrisy.	Economic crises
9	A mismatch between income and expenses plays a major role in the emergence of hypocritical and unethical behavior among auditors.	Income–expense mismatch
10	In Iran, audit firms' financial dependence on clients is a driver of increased moral hypocrisy among auditors.	Financial dependence of audit firms
11	Economic pressure, including inflation, together with low auditors' salaries, constitutes a driver of increased moral hypocrisy among auditors.	Economic pressure and low auditor compensation
12	Low audit fees established for various levels of auditing constitute a driver of increased moral hypocrisy among auditors.	Low audit fees
13	An unfavorable economic market for the auditing profession in Iran, partly resulting from the absence of mandatory audits for all economic entities, is among the factors contributing to increased moral hypocrisy among auditors.	Unfavorable economic market for the auditing profession
14	High-revenue client companies are unwilling to pay fair and realistic audit fees, creating an audit-fee challenge.	Unfair payment of audit fees
15	Audit firms' narrow organizational perspectives toward auditors are among the factors contributing to increased moral hypocrisy.	Narrow organizational perspectives
16	When markets operate inefficiently, characterized by limited information flow, weak democratic institutions, and inadequate societal accountability regarding performance and conduct, the potential for hypocritical behavior increases among professional groups, particularly auditors.	Inefficient market conditions
17	The underdevelopment of political, social, economic, and cultural structures in Iran has substantially contributed to auditors' inclination toward moral hypocrisy.	Underdeveloped structures
18	Audit firms' inability to retain highly qualified employees and their replacement with lower-quality, less-qualified, and less-experienced personnel may contribute to increased moral hypocrisy among auditors.	Inability of audit firms to retain qualified personnel
19	Problems encountered by audit firms and their partners may act as drivers of increased moral hypocrisy among auditors.	Problems faced by audit firms and partners
20	Because audit firms face problems such as inadequate alignment between workload, available time, and human resources, they may lack sufficient time to provide employees with adequate pre-engagement and on-the-job training. This may contribute to increased moral hypocrisy among auditors.	Insufficient time for staff training
21	Audit reports are not utilized adequately and are often prepared merely to satisfy formal requirements. Such conditions may contribute to increased moral hypocrisy among auditors.	Insufficient effective use of audit reports
22	A cultural problem exists whereby criticism and identification of deficiencies are discouraged and praise is preferred. Moreover, facts discovered by auditors may not produce sufficient effects. Even when auditors perform their responsibilities properly, they may receive no support and may even lose their positions or engagements. Society may also display inadequate acceptance of transparency and proper professional conduct. These issues may contribute to increased moral hypocrisy among auditors.	Cultural problems and inadequate encouragement of transparency

23	Structural deficiencies requiring auditors to obtain their own engagements, defend themselves, appear before courts, and respond personally to the Securities and Exchange Organization, the General Inspection Organization, and other authorities create complexities that may ultimately increase auditors' moral hypocrisy.	Structure intensifying complexity and auditors' moral hypocrisy
24	The imposition of individuals from outside the professional community of certified public accountants, particularly at macro-level decision-making positions, may contribute to increased moral hypocrisy among auditors.	Appointment of individuals from outside the professional accounting community
25	Lower-ranked audit firms, including Grade G firms and below, face problems such as unhealthy competition and problematic contractual rates, which may contribute to greater moral hypocrisy among auditors working in those firms.	Problems in lower-ranked audit firms
26	Because audit reports in Iran may lack sufficient enforcement mechanisms, this can contribute to increased moral hypocrisy among auditors.	Lack of enforceability of audit reports
27	A source of auditors' moral hypocrisy is the failure to comply in practice with the professional code of conduct. In other words, professional principles such as independence, integrity, honesty, confidentiality, and objectivity may be disregarded because of material incentives.	Noncompliance with the professional code of conduct
28	Failure by individuals at different professional levels to adhere to professional principles and ethics is a factor contributing to increased moral hypocrisy among auditors.	Nonadherence to professional principles and ethics
29	The absence of appropriate, high-quality, and timely supervision and quality control is a factor contributing to increased moral hypocrisy among auditors.	Inadequate supervision and quality control
30	Distortions and errors in auditors' professional judgments and audit reports may contribute to increased moral hypocrisy among auditors.	Distortion and error in audit reports
31	Lack of service diversification, whereby all or a substantial proportion of audit firms' revenues are derived from assurance services, particularly financial statement audits, may contribute to increased moral hypocrisy among auditors.	Lack of diversification of audit services
32	Failure to use technology and modernize audit firms, limited utilization of computers and information technology, and continued reliance on traditional document-based audit procedures constitute a technological challenge.	Failure to adopt technology and modernize
33	The absence of integrated systems and infrastructure available to the professional accounting community and its members, together with a lack of strong commitment to enabling the profession and its members to fulfill their statutory and inherent responsibilities, may contribute to increased moral hypocrisy among auditors.	Lack of serious commitment and organizational will
34	Collusion in auditing, particularly collusion between the auditor and the client, constitutes a factor contributing to increased moral hypocrisy among auditors.	Auditor–client collusion
35	Failure to resolve professional conflicts, including ineffective audit reports, fee undercutting, and the failure to adjust audit fees to inflation, may contribute to increased moral hypocrisy among auditors.	Failure to resolve conflicts and implement necessary changes
36	The manner in which professional quality control is exercised over member audit firms may itself constitute a challenge.	Professional quality-control challenge
37	Audit firms with high and adequate revenues may attract professional personnel from weaker firms, whereas financially constrained audit firms may be unable to retain their qualified professional employees.	Professional personnel in audit firms
38	In recent years, audit reports have lost some of their effectiveness in preventing harm to the public interest, reducing corruption, and promoting appropriate resource allocation. Financial statement audit reports are often prepared primarily to fulfill formal requirements and facilitate the continuation of clients' operations. These circumstances may result in auditors failing to fulfill their social responsibilities appropriately and may consequently contribute to moral hypocrisy.	Deficiencies in the impact of audit reports on auditors' behavior
39	Even a religiously committed auditor may disregard religious and value-based considerations in order to retain an engagement and avoid losing a client. This may constitute a factor contributing to increased moral hypocrisy among auditors.	Client retention
40	Audit firms serving small companies may be unable to fully comply with the professional code of conduct, for example with respect to advocacy threats and objectivity, which may contribute to increased moral hypocrisy among auditors.	Nonadherence to professional principles when serving small companies
41	Social factors and inequalities prevailing in society may contribute to the emergence of hypocritical behavior among auditors.	Social inequalities
42	Some auditing experts believe that the financial relationship between the auditor and the client is one of the principal factors underlying moral hypocrisy.	Financial relationship between auditor and client
43	Establishing a predetermined base salary for employees working in audit firms may potentially contribute to auditors' moral hypocrisy.	Determination of a base salary
44	Low auditor salaries constitute a factor contributing to increased moral hypocrisy among auditors.	Low auditor salaries
45	A lack of person–job fit in the auditing profession may contribute to increased moral hypocrisy among auditors.	Poor person–job fit

46	Monopoly within the professional community of certified public accountants and the procedures governing admission to the profession may contribute to increased moral hypocrisy among auditors.	Monopoly within the certified public accounting profession
47	Some auditing experts believe that client behavior is an important factor causing auditors to move toward moral hypocrisy.	Client behavior
48	Failure by the client to perform necessary procedures, prepare documentation, or establish appropriate files before transmitting them to the audit firm may contribute to hypocritical and unethical behavior among auditors.	Failure to perform procedures and prepare documentation
49	Failure by a client to renew or enter into an audit contract, and consequently the possibility of losing future engagements, may contribute to increased moral hypocrisy among auditors.	Failure to renew the audit contract

In the second stage, axial coding was performed. Axial coding refers to the process of relating categories to one another and establishing relationships among categories at the level of their properties and dimensions. At this stage, the categories, properties, and dimensions derived from open coding were reorganized and positioned systematically in order to generate deeper knowledge regarding their interrelationships. In other words, axial coding results in the development of categories and subcategories. During this stage, all finalized open codes were re-examined and compared with the research literature. Ultimately, based on expert opinions, five main factors were confirmed, as presented in Table 4.

Table 4. Open and Axial Codes for the Drivers (Increasing Factors) of Auditors' Moral Hypocrisy

Open Codes	Axial Codes
Audit fees; cost of audit engagement; economic viability; economic structure; material incentives; inadequate financing; economic conditions; economic crises; income–expense mismatch; financial dependence of audit firms; economic pressure and low auditor compensation; low audit fees; unfavorable economic market for the auditing profession; unfair payment of audit fees; narrow organizational perspectives; inefficient market conditions	Financial and economic factors
Underdeveloped structures; inability of audit firms to retain qualified personnel; problems faced by audit firms and partners; insufficient time for staff training; insufficient effective use of audit reports; cultural problems and inadequate encouragement of transparency; structure intensifying complexity and auditors' moral hypocrisy; appointment of individuals from outside the professional accounting community; problems in lower-ranked audit firms; lack of enforceability of audit reports	Organizational and institutional factors
Noncompliance with the professional code of conduct; nonadherence to professional principles and ethics; inadequate supervision and quality control; distortion and error in audit reports; lack of diversification of audit services; failure to adopt technology and modernize; lack of serious commitment and organizational will; auditor–client collusion; failure to resolve conflicts and implement necessary changes; professional quality-control challenge; professional personnel in audit firms; deficiencies in the impact of audit reports on auditors' behavior; client retention; nonadherence to professional principles when serving small companies	Professional and ethical factors
Social inequalities; financial relationship between auditor and client; determination of a base salary; low auditor salaries; poor person–job fit; monopoly within the certified public accounting profession	Social and client-related factors
Client behavior; failure to perform procedures and prepare documentation; failure to renew the audit contract	Legal and contractual factors

Table 5. Frequency and Percentage of Codes Extracted Using MAXQDA

Concepts and Axial Codes	Frequency	Percentage
Auditors' moral hypocrisy → Drivers → Financial and economic factors	17	35.00
Auditors' moral hypocrisy → Drivers → Organizational and institutional factors	10	20.00
Auditors' moral hypocrisy → Drivers → Professional and ethical factors	13	27.00
Auditors' moral hypocrisy → Drivers → Social and client-related factors	6	12.00
Auditors' moral hypocrisy → Drivers → Legal and contractual factors	3	6.00
Total	49	100.00

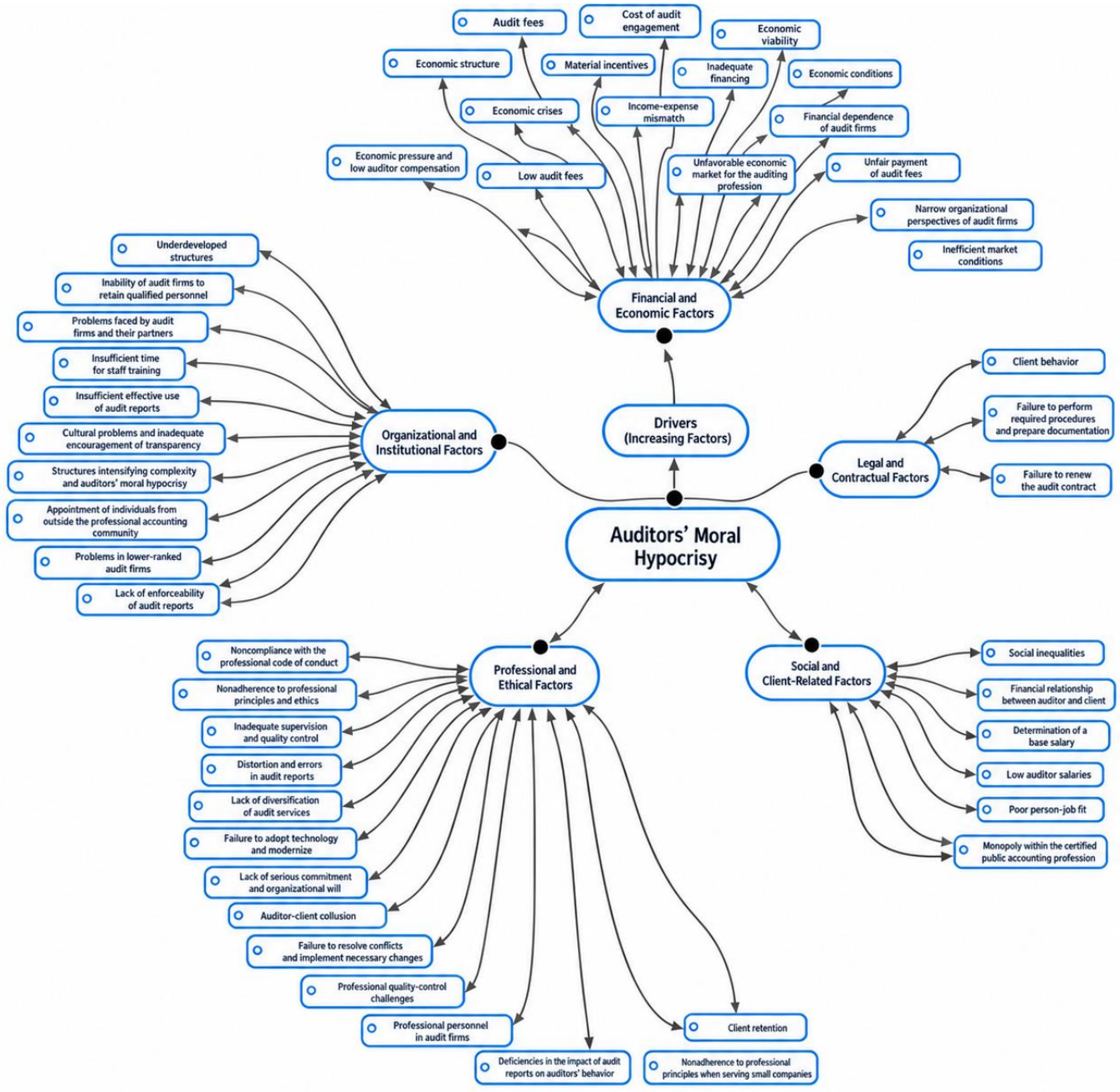


Figure 1. Open codes and drivers (increasing factors) of auditors' moral hypocrisy (output from MAXQDA).

Discussion and Conclusion

The present study developed a qualitative model of the factors that increase moral hypocrisy among auditors in professional services and identified five major categories of drivers: financial and economic factors, organizational and institutional factors, professional and ethical factors, social and client-related factors, and legal and contractual factors. Among these, financial and economic factors constituted the largest category, followed by professional and ethical factors, organizational and institutional factors, social and client-related factors, and legal and contractual factors. These findings indicate that moral hypocrisy among auditors is not attributable to a single personal or

attitudinal weakness; rather, it appears to be the outcome of an interconnected set of economic pressures, organizational arrangements, professional norms, client relationships, and institutional conditions. This pattern is consistent with the broader conceptualization of moral hypocrisy as a discrepancy between professed moral standards and actual behavior under conditions in which individuals attempt to preserve a positive moral self-image while responding to competing incentives and pressures (6, 7, 10). The findings therefore support a systemic interpretation of auditors' moral hypocrisy, according to which ethical inconsistency is shaped simultaneously by the characteristics of the individual auditor and by the professional environment in which judgments and decisions are made.

The first and most prominent category identified in the study was financial and economic factors. This category included audit fees, the cost and economic viability of audit engagements, material incentives, inadequate financing, economic crises, mismatches between income and expenses, financial dependence of audit firms, inflationary pressure, low auditor compensation, unfavorable market conditions, unfair audit-fee payments, and inefficient market conditions. The predominance of these factors suggests that moral hypocrisy becomes more likely when auditors and audit firms face persistent economic strain and when the commercial logic of engagement retention conflicts with professional and ethical obligations. Under such circumstances, auditors may continue to present themselves as committed to independence, integrity, and professional standards while making compromises in practice to preserve income, clients, or organizational survival. This interpretation is compatible with ethical accounting theory, which explains how organizational actors may preserve a sense of ethical legitimacy while selectively rationalizing behavior that serves practical or material interests (10). The findings also align with studies on moral corruption in accounting, which have emphasized that financial motives, material pressures, and economic incentives can weaken adherence to professional ethics and increase the likelihood of questionable conduct (15-17).

The role of financial dependence is especially important in auditing because the auditor–client relationship contains an inherent structural tension. Audit firms receive fees from the same clients whose financial reporting they are expected to assess independently. The present results show that financial need, low fees, market competition, and the fear of losing future engagements can create conditions in which auditors experience pressure to maintain favorable client relationships even when doing so conflicts with strict ethical consistency. This finding is supported by research demonstrating that auditors' judgments are influenced by anticipated litigation and reputational consequences and that professional decisions are shaped by the costs associated with inaccurate or controversial judgments (1). The result is also consistent with evidence that job stress and professional pressures may influence adherence to ethical codes and professional conduct (14). Accordingly, financial pressure may not directly produce hypocrisy in every case, but it may increase the likelihood that auditors justify ethically inconsistent decisions while continuing to endorse professional values publicly.

The second major finding concerned organizational and institutional factors. Participants referred to underdeveloped structures, difficulty retaining competent personnel, problems faced by audit firms and partners, insufficient time for staff training, inadequate use of audit reports, cultural resistance to transparency, structural complexity, the involvement of individuals outside the professional community, problems in lower-ranked audit firms, and the lack of effective enforcement of audit reports. These findings indicate that moral hypocrisy may become institutionalized when organizational systems fail to provide sufficient resources, ethical support, training, enforcement, and professional protection. In such environments, auditors may perceive ethical compliance as

costly, ineffective, or unsupported. This result closely corresponds with qualitative research on ethical hypocrisy in organizations, which has shown that hypocrisy is driven not only by individual characteristics but also by organizational structures, managerial practices, and environmental conditions (19). It is also consistent with research on reducing ethical hypocrisy, which emphasizes the role of accountability, value-based leadership, and organizational mechanisms in narrowing the gap between professed values and actual behavior (20).

The finding that weak institutional structures can foster moral hypocrisy is also compatible with studies of professional accounting associations and regulatory systems. Professional accounting bodies are responsible for quality control, ethical governance, standard setting, professional development, and disciplinary oversight. When these institutions face limitations in performing such functions, ethical norms may become symbolic rather than behaviorally effective. Previous research has identified substantial challenges in the development and functioning of professional accounting associations and has emphasized the need for stronger professional structures and more effective institutional mechanisms (3). Similarly, broader governance research shows that rules and ethical expectations achieve legitimacy only when supported by clear institutional arrangements and meaningful enforcement (21). The current findings therefore suggest that moral hypocrisy may be partly a symptom of institutional weakness: when professionals are expected to demonstrate ethical compliance but operate in environments where ethical behavior is insufficiently supported or rewarded, symbolic conformity may replace substantive ethical practice.

Professional and ethical factors constituted another major category in the findings. These factors included failure to comply with the professional code of conduct, weak adherence to ethical principles, inadequate supervision and quality control, distortion and error in audit reports, limited diversification of services, failure to adopt technology, lack of organizational commitment, auditor–client collusion, unresolved professional conflicts, quality-control problems, deficiencies in professional staffing, weak effects of audit reports, client retention pressures, and failure to maintain professional principles when auditing small firms. This category directly reflects the tension between the normative standards of the profession and actual professional behavior. The code of ethics is intended to establish a clear framework of integrity, objectivity, independence, confidentiality, competence, and professional responsibility, but the findings suggest that formal standards are insufficient when they are not accompanied by effective monitoring and internalization. This interpretation is consistent with the literature emphasizing the central role of ethical codes in the public accounting profession while also acknowledging that the existence of a code does not automatically ensure ethical behavior (2).

The results concerning professional ethical sensitivity and behavioral inconsistency are also supported by studies showing that auditors' ethical performance is influenced by role conflict, self-efficacy, emotional intelligence, and professional sensitivity (13). In addition, the relationship between thinking styles, job stress, and compliance with professional codes indicates that ethical conduct can deteriorate when auditors experience cognitive and occupational pressures (14). From the perspective of moral hypocrisy, these findings are especially relevant because auditors may continue to recognize and verbally endorse ethical standards while selectively failing to apply them in difficult or costly situations. This pattern is compatible with theoretical work suggesting that moral hypocrisy frequently involves the selective application of moral principles rather than the complete rejection of morality (6, 7). Thus, the present findings reinforce the importance of distinguishing between knowledge of ethical standards and consistent ethical enactment.

Another important professional issue identified in the study was technological inadequacy. Failure to modernize audit firms and limited use of information technology were perceived as conditions that may indirectly foster moral hypocrisy by weakening audit quality, increasing reliance on traditional procedures, and constraining professional efficiency. This finding acquires particular significance in the context of the rapid development of artificial intelligence in auditing. Recent studies suggest that artificial intelligence can improve audit accuracy, transparency, anomaly detection, and assurance quality when appropriately integrated into professional practice (4). AI-based audit models have also been linked to stronger customer trust and improved service delivery (5). However, the present findings indicate that technological modernization should not be viewed as a substitute for ethical governance. Digital tools may reduce some procedural weaknesses, but they cannot eliminate intentional manipulation, selective interpretation, or client-related pressures if ethical and institutional problems persist. This interpretation is reinforced by research on independent audits and systemic risk assessments, which shows that audit quality depends on methodological choices, sampling approaches, legal interpretation, and transparency rather than technology alone (22).

The fourth category, social and client-related factors, included social inequality, the financial relationship between auditors and clients, base-salary structures, low auditor salaries, poor person–job fit, and monopoly within the certified public accounting profession. These findings indicate that moral hypocrisy may emerge within a broader social context characterized by inequality, unequal access to professional opportunities, limited market mobility, and dependence on powerful clients or institutions. From this perspective, auditors' ethical behavior is influenced not only by organizational rules but also by perceptions of fairness, opportunity, occupational fit, and social legitimacy. If auditors perceive compensation systems or professional entry mechanisms as unfair or overly restrictive, their psychological commitment to professional norms may weaken. This result is compatible with broader ethical research indicating that judgments of moral legitimacy are affected by perceptions of equality and consistency in the application of standards (7). It also corresponds with the view that ethical conduct should be understood in relation to agents, actions, and consequences rather than as an isolated personal attribute (8).

The client-related dimension of this category is particularly important. Participants emphasized the material relationship between auditors and clients as a major source of moral risk. This supports the argument that moral hypocrisy may emerge when auditors simultaneously occupy two roles: independent professional evaluator and commercially dependent service provider. When the relationship with the client becomes financially salient, auditors may experience pressure to protect the engagement while maintaining an external appearance of independence. Such dual pressures can encourage selective moral reasoning and self-justification. Neural and behavioral research on moral hypocrisy suggests that individuals respond differently to perceived inconsistencies between moral claims and actual conduct, indicating that hypocrisy can be interpreted and rationalized in ways that preserve self-image (9). In professional auditing, such rationalization may take the form of construing concessions to clients as pragmatic, temporary, or commercially necessary rather than ethically problematic.

The final category comprised legal and contractual factors, including client behavior, failure to prepare required documentation, and non-renewal of audit contracts. Although this category included fewer codes, its significance should not be underestimated. Contractual uncertainty and client non-cooperation may increase pressure on auditors and create incentives to compromise professional judgment in order to secure future work. Similarly, weak legal enforcement may reduce the perceived consequences of ethical inconsistency. This interpretation is consistent with research emphasizing the importance of legal certainty and effective enforcement in shaping

responsible behavior within professional systems (21). It also aligns with evidence that auditors are sensitive to potential litigation and reputational consequences when making judgments (1). Where enforcement is weak or contractual incentives favor client retention over professional independence, moral hypocrisy may become easier to rationalize.

Taken together, the findings suggest that auditors' moral hypocrisy is best understood as a multilevel phenomenon emerging from the interaction of economic pressures, organizational conditions, professional standards, social relationships, and legal-contractual arrangements. The results are consistent with previous work on ethical accounting, organizational hypocrisy, moral corruption, and professional ethics, all of which indicate that ethical inconsistency becomes more likely when incentives and structures conflict with formal moral expectations (10-12, 18). The present study extends this body of knowledge by organizing these influences specifically within the auditing profession and demonstrating that moral hypocrisy cannot be adequately addressed through codes of conduct alone. Effective prevention requires simultaneous attention to fee structures, institutional governance, professional quality control, staffing, technology, client dependence, and enforcement mechanisms.

This study is subject to several limitations. First, the findings were derived from a relatively small purposive sample of 15 auditors and auditing experts, which is appropriate for qualitative saturation but limits statistical generalizability. Second, the data were based on participants' perceptions and self-reported professional experiences, making them potentially vulnerable to recall bias, social desirability, and selective disclosure. Third, the study focused on the auditing context of one national professional environment, and the relative importance of the identified factors may differ across countries with different regulatory, economic, and cultural systems. Fourth, although expert validation and inter-coder agreement were used to enhance trustworthiness, qualitative coding inevitably involves a degree of researcher interpretation. Finally, the present design identified and categorized factors associated with increased moral hypocrisy but did not test causal relationships, interaction effects, or the relative predictive power of the proposed dimensions.

Future studies should test the proposed model quantitatively using larger and more diverse samples of auditors from different types and sizes of audit firms. Developing and validating a psychometric instrument based on the identified dimensions would make it possible to assess the relative contribution of financial, organizational, professional, social, and legal factors to moral hypocrisy. Structural equation modeling could be used to examine direct and indirect relationships and to test potential mediators or moderators such as ethical climate, professional commitment, job stress, organizational justice, independence, and client importance. Comparative studies across countries, public and private audit organizations, and different professional ranks would help determine the contextual stability of the model. Longitudinal research would also be useful for examining whether moral hypocrisy changes over time in response to economic crises, regulatory reforms, technological adoption, or changes in audit-market conditions. Experimental studies could additionally investigate how auditors respond to specific ethical dilemmas involving fee pressure, client retention, time budgets, and conflicting professional obligations.

Audit firms and professional bodies should adopt an integrated strategy for reducing moral hypocrisy rather than relying solely on formal ethics training. Audit-fee structures should be designed to support sufficient time, staffing, and quality while reducing excessive financial dependence on individual clients. Firms should strengthen quality-control systems, provide continuous ethics and technical training, improve staff retention, and establish confidential mechanisms through which auditors can report client pressure or unethical practices without fear of retaliation. Professional associations should reinforce monitoring and disciplinary procedures, promote fair competition, and

strengthen the enforceability and practical use of audit reports. Audit firms should also invest in modern audit technologies and data-analytic tools while ensuring that technological adoption is accompanied by ethical oversight. Finally, performance evaluation and promotion systems should reward professional skepticism, transparency, independence, and ethical consistency rather than focusing predominantly on client retention, revenue generation, or speed of engagement completion.

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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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