



Exploring the Link Between Ethical Leadership and Accounting Transparency: Insights from the Literature

Nina Hassan Rasul¹, Nzar Qadir Kudrun², Omed Mahmood Hama Salih³

^{1,3} Department of Accounting, Dukan Technical Institute, Sulaimani Polytechnic University, IRAQ

² Department of Banking Management, Dukan Technical Institute, Sulaimani Polytechnic University, IRAQ

DOI: <https://doi.org/10.63841/iue3261140>

Received 09 Nov 2025; Accepted 20 Jan 2026; Available online 25 Apr 2026.

ABSTRACT:

Ethical leadership remains one of the most vital aspects of any business and its prevalence continues to serve important purposes in modern day organizations. This study explores the interactive connection linking ethical leadership with accounting transparency. Forty-one studies from 2012 to 2025 were narratively reviewed and synthesized guided by the social learning, ethical climate, stakeholder and upper echelons theoretical views. The review notes that ethical leadership influences accounting transparency through behavioral, cultural and structural pathways mainly through governance mechanisms and promoting moral accountability and whistleblowing. The review further notes that having a robust regulatory environments and independent governance structures helps to support audit reliability and disclosure quality, which are the identified benefits of ethical leadership capable of fostering the desired transparency changes in accounting practices. This scholarship, however, notes that such a relationship is moderated by technological complexity, regulatory enforcement and cultural values. Consequently, our manuscript supports the importance of leveraging on leadership development, governance reforms and whistle blower protection to institutionalize ethical behavior.

Keywords: Accounting transparency, Corporate governance, Corporate integrity, Ethical climate, Ethical disclosure, Financial disclosure.



1 INTRODUCTION

Given a series of repeated government failures and financial scandal aftermaths, ethical leadership and accounting transparency are increasingly becoming central concerns in both corporate practices and academic research. Notable cases such as the Enron saga [1], the Parmalat fraud [2], and the contemporary Wire card case [3] have been observed and caused global commotion, as challenges such as opaque reporting practices and unethical managerial behavior continue to be unearthed. Failure to address such problems can severely erode stakeholder trust, impact corporations and economic sectors, and destabilize financial markets. Accounting transparency, which refers to the extent to which financial information is accessible, understandable, and faithfully represents an organization's performance, is vital for protecting investors and ensuring accountability [4]. Ethical leadership relates to a governance style used by leaders to demonstrate concern for others, fairness, and integrity, and to set moral examples that guide organizational conduct [5].

Despite theoretical recognition of the connection linking ethical leadership and accounting transparency, the conceptual and empirical literature exploring their relationship remains fragmented. For instance, some studies examine accounting transparency through the lenses of regulatory compliance or governance [6,7], while others focus on leadership ethics within the context of general management [8,9]. Moreover, only a few studies have systematically examined how ethical leadership directly or indirectly promotes transparent accounting practices through behavioral, structural, or cultural mechanisms. Such an integration deficiency leaves vital questions unanswered about how moral leadership influences disclosure quality, financial honesty, and accountability in organizations. As a result, the central research problem addressed by our study is the lack of conceptual clarity and empirical integration regarding how ethical leadership

*Corresponding author: nina.h.rasul@spu.edu.iq

<https://ojs.cihanrtv.com/index.php/public>

influences accounting transparency. Furthermore, ethical leadership has been linked to trust, decision-making, and corporate integrity, but its exact influence on accounting practices and reporting behavior has been underexplored. If unresolved, this gap poses severe practical consequences, as corporations may downplay leadership ethics' role in preventing misreporting while regulators may overlook leadership culture's instrumental role in financial governance. This study's objective is, therefore, to consolidate existing literature on ethical leadership and accounting transparency to better understand their relationship. Consequently, our study seeks to answer the following questions:

- 1- How has existing literature conceptualized the relationship between ethical leadership and accounting transparency?
- 2- What existing theoretical frameworks explain the mechanisms through which ethical leadership influences transparent reporting?
- 3- What gaps and inconsistencies exist in current literature and what future directions are needed?

The current study adds to the accounting and corporate governance discourse in three distinct and novel ways. First, it provides a unique integrative synthesis by mapping the fragmented literature onto a coherent multi-theoretical framework (social learning, ethical climate, stakeholder, and upper echelons theories), revealing the behavioral, cultural, and structural pathways linking ethical leadership to transparency. Second, it moves beyond descriptive review by proposing and thematically analyzing a consolidated framework of four key mediating mechanisms: organizational culture, governance structures, whistleblowing systems, and contextual moderators. Third, it introduces a crucial yet underexplored contextual lens by drawing insights from and offering implications for post-conflict and emerging economies like the Kurdistan Region of Iraq, where governance systems are in flux. This contextualization highlights the conditional nature of the relationship and offers practical strategies for regions undergoing institutional reform.

2 METHODOLOGY OF THE REVIEW

We conducted a narrative literature review using Google Scholar, Scopus and EBSCO host databases to synthesise empirical and conceptual evidence linking ethical leadership and accounting transparency guided by the social learning, ethical climate, stakeholder and upper echelons theoretical perspectives. A narrative review was selected over a systematic or meta-analytic review for three reasons. First, the research objective was to synthesize and interpret a diverse, interdisciplinary body of literature to develop a conceptual understanding of the relationship between ethical leadership and accounting transparency, rather than to aggregate quantitative effect sizes. Second, the constructs under investigation are complex and context-dependent, making a narrative synthesis better suited to capture theoretical nuances and mediating mechanisms. Third, this approach allowed for the inclusion of both empirical and conceptual works, facilitating a richer exploration of underlying pathways and boundary conditions, which is aligned with the exploratory and integrative aims of this study [cite: e.g., Green et al., 2006]. To ensure methodological rigor and transparency, our process followed a PRISMA-informed approach (Figure 1).

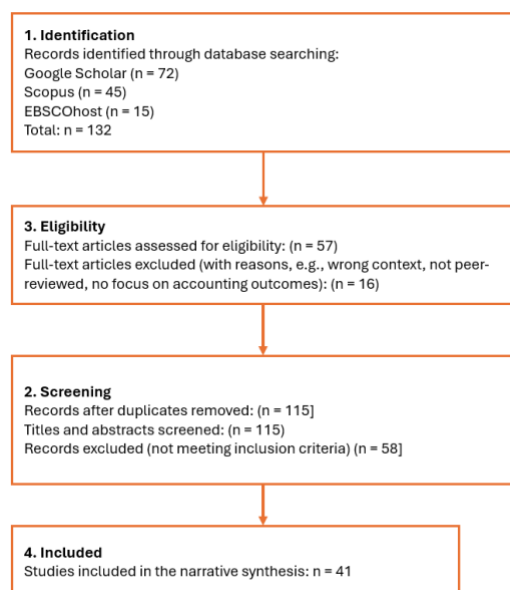


FIGURE 1. PRISMA-informed approach

The search was conducted in [Month] 2025 using the Boolean search string: ("ethical leadership" OR "moral leadership") AND ("accounting transparency" OR "financial disclosure" OR "corporate reporting"). After removing duplicates, the titles and abstracts of 132 records were screened against the inclusion criteria: (1) peer-reviewed journal articles or academic books; (2) published in English between 2015-2025; (3) focusing on the conceptual or empirical relationship between leadership ethics and financial/accounting outcomes. This screening yielded 57 full-text articles for detailed assessment. Following the full-text review, 41 articles were deemed relevant and constituted the final corpus for thematic synthesis. The coding and theme development were conducted iteratively by the authors to ensure reliability, with discrepancies resolved through discussion until consensus was reached. This methodological approach was vital as it ensured the integration of interdisciplinary insights across accounting, leadership and ethics scholarship and conceptual triangulation.

Thematic analysis was conducted inductively and deductively. First, two authors independently open-coded five randomly selected articles to identify initial themes. These codes were then discussed and reconciled to create a preliminary coding framework guided by the four core theoretical lenses. All 41 articles were subsequently coded using this framework. To ensure reliability, a third author reviewed a 20% sample of the coded articles; inter-coder agreement exceeded 85%, with discrepancies resolved through discussion. The final themes were derived iteratively through constant comparison and refined until theoretical saturation was achieved. For example, segments discussing “tone at the top” were consistently coded under Ethical Leadership and Organizational Culture, while discussions of “audit committee independence” were grouped under Governance Mechanisms and Accountability.

3 THEORETICAL FRAMEWORK AND SYNTHESIS

3.1 THEORETICAL BACKGROUND

To comprehensively analyze the nexus between ethical leadership and accounting transparency, we propose an integrative theoretical framework (Figure 2). This framework synthesizes four complementary theories, each illuminating a distinct mechanism through which leadership ethics influences reporting behavior. Social Learning Theory explains the behavioral modeling of integrity. Stakeholder Theory highlights the external accountability pressures that ethical leaders internalize. Ethical Climate Theory elucidates the internal cultural environment that shapes norms. Finally, the Upper Echelons Theory underscores the strategic and structural choices made by top management that enable or constrain transparency. Together, these theories provide a multi-layered lens to understand how individual leader behavior translates into organizational-level accounting outcomes.

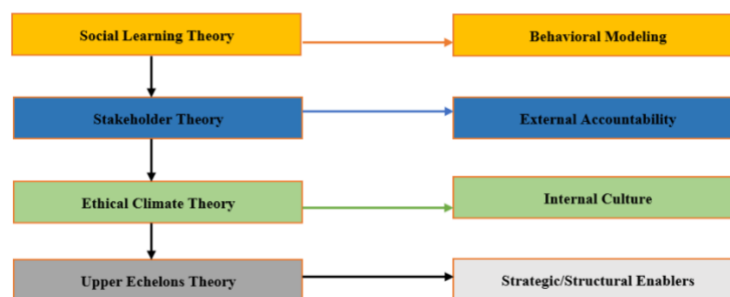


FIGURE 2. Visual synthesis of your theoretical framework.

To best understand the relationship between ethical leadership and accounting transparency, we adopted an intersection of ethics, leadership, and governance theories. Unlike single theoretical views, this theoretical triangulation provides a comprehensive cross-disciplinary understanding of approaches to accounting. To achieve this objective, our study applies social learning theory, stakeholder theory, agency theory, and ethical climate theory to explain how leadership ethics translate into transparent accounting practices.

First, Social Learning Theory (SLT) offers a foundational framework for the pathways through which ethical leadership influences employee behaviour. According to Bandura [10], individuals learn moral and professional conduct by observing and emulating credible role models. In the same vein, ethical leaders are responsible for setting the tone for integrity by continuously demonstrating decision-making accountability, openness, and fairness. In support of this notion, Brown and Treviño underscore that such leaders significantly influence their followers through reinforcement and modelling mechanisms [11]. This ensures that ethical standards are effectively communicated and rewarded throughout the entire organization. In accounting, this modelling approach is achievable by promoting transparent reporting behaviour. Building on Mayer et al. [12], it can be noted that subordinates can internalize values and apply them in their accounting practices when senior leaders discourage opportunistic reporting and display honesty in financial disclosure. Conversely, leaders who tolerate unethical conduct or manipulate information are most likely to cause employees to

internalize misreporting. Building on these notions, it can therefore be noted that SLT explains how leadership integrity can cascade down into ethical norms capable of sustaining transparency in accounting. However, the concept of transparency is somewhat incomplete when stakeholder considerations are factored into the analysis. To address this, we integrate stakeholder theory to further ascertain its role in promoting ethical accountability.

Freeman argues through stakeholder theory that organizations have strategic and moral obligations to fulfill to a broad network of stakeholders such as creditors, customers, employees, and the public [13]. Within the context of leadership, Resick et al. [14] opine that ethical leadership's role serves to reinforce this accountability by prioritizing social responsibility, honesty, and fairness in corporate decisions. When analyzed in relation to accounting transparency, stakeholder theory suggests that ethical leadership enhances the credibility of financial information by promoting transparent reporting, aligning with various stakeholders' expectations. Thus, when leaders promote all stakeholders' interests, they promote disclosure policies that reduce information asymmetry and strengthen trust in financial statements. As a result, ethical leaders help to bridge governance and moral functions by ensuring that the organization's financial reports reflect its accurate financial position instead of short-term managerial interests.

In addition to SLT and stakeholder theory, ethical climate theory broadens the discussion to encompass organizational culture perspectives. Ideas provided in previous studies such as Victor and Cullen use ethical climate theory to show that ethical leadership refers to the shared moral values and norms influencing decision-making [15]. As per their indication, ethical climate theory posits that an organization's capacity to establish an ethical climate can be enhanced by promoting acceptable leadership practices [15]. Consequently, the theory considers that organizations often prioritize integrity, fairness, and honesty, all of which impact employees' perceptions [15]. In light of these propositions, it therefore becomes vital to note that organizational leaders must establish a moral climate. In support of this notion, Mayer et al. [12] and Kaptein [16] outline that employees are most likely to adhere to disclosure rules and resist the urge to falsify information when the entire organization values and supports acceptable behavior. This implies that weak or inconsistent ethical cues will tend to promote unethical accounting practices, especially those that project good performance. Amid these insights, this study therefore builds on the ethical climate theory premise that the way leadership values translate into transparent practices can be psychologically explained. This discovery is further used to examine the accounting and leadership situation involving companies in the Kurdistan region of Iraq. To further enhance the current study's theoretical views, we also incorporate Upper Echelons Theory [16], which according to Martin and Cullen holds that top executives' ethical orientation significantly influences the tone of financial disclosure and organizational decision-making [17]. All these theories are vital for providing a multidimensional view and a way of understanding how ethical leadership influences transparency in accounting. As such, the integration of these theoretical perspectives suggests that ethical leadership enhances accounting transparency through formal mechanisms such as reporting standards and audits, and informal mechanisms like shared ethical values, moral identity, and trust. This influence is increasingly recognized as critical for modern governance challenges, including driving corporate sustainability (ESG) performance, where ethical leadership has been shown to foster the organizational learning and integrity necessary for credible non-financial disclosure [18]. Consequently, this multidimensional theoretical foundation informs the next section's thematic synthesis, which categorizes existing literature into four main themes: (1) ethical leadership and organizational culture, (2) governance mechanisms and accountability, (3) whistle blowing and moral climate and (4) challenges and contextual factors.

4 THEMATIC SYNTHESSES OF LITERATURE

The synthesis of the literature reveals four distinct yet interconnected themes, each anchored in a primary theoretical perspective and addressing a unique mechanism in the ethical leadership–transparency nexus. These themes are conceptually discrete: Theme 1 focuses on the cultural and normative environment shaped by leaders (Ethical Climate Theory). Theme 2 examines the formal structural and oversight mechanisms that institutionalize accountability (Upper Echelons Theory). Theme 3 highlights the behavioral and reporting channels through which concerns are raised (Social Learning Theory). Theme 4 addresses the external and internal boundary conditions that moderate the relationship (Stakeholder Theory and institutional context). This structure ensures analytical clarity by separating cultural, structural, behavioral, and contextual dimensions.

4.1 ETHICAL LEADERSHIP AND ORGANIZATIONAL CULTURE

In light of the synthesized literature, studies consistently link ethical leadership to the development and reinforcement of organizational cultures prioritizing rule compliance, honesty, and integrity. This reinforces Social Learning Theory [10] and Brown and Treviño's [11] propositions, which contend that organizational leaders who visibly model ethical behavior and reward ethical conduct are well poised to foster normative expectations capable of reducing opportunistic accounting practices. In other words, leaders' constant display of honesty and integrity is essential, as it helps employees internalize acceptable values. The importance of such values cannot be underestimated, as they help reduce manipulative tendencies among employees. Comparing these ideas with Den Hartog's propositions [19], it can be noted that such an approach helps promote the development of an acceptable culture that complies with internal audit and International Financial Reporting Standards (IFRS). Given that current studies show that the outcomes of these actions vary across sectors [20], it therefore becomes important to note how ethical climate and perceived psychological safety indirectly influence how

leader behavior is translated into accounting practices. In other words, this study recognizes the mediating roles of ethical climate and accounting norms, which adds to its contributions to existing literature. Drawing further, our study observes that ethical leadership influences not only individual behavior but also informal norms and routines. As a result, this eventually influences employees' daily interpretation of accounting rules.

Previous studies also indicate that heuristics prioritizing faithful representation over short-term manipulation can be adopted in organizations by rewarding accurate reporting and punishing individuals who take unethical shortcuts [21]. However, it is essential to note that ethical challenges are highly prevalent in organizations that have weaker formal controls or lack proper formal controls [20,21]. In such cases, leader examples are usually prioritized over institutional safeguards, which are key to acceptable behavior and transparent accounting practices. As a result, ethical climate theory can be said to be an instrumental theoretical extension that demonstrates that leaders are responsible for establishing the 'tone at the top'. According to Qaderi et al. [22], this is instrumental in defining acceptable accounting behavior. Therefore, our study concludes this section by noting that there is a cultural dimension embedded in ethical leadership, which is necessary for providing the required psychological infrastructure for promoting transparency when reporting financial information.

4.2 GOVERNANCE MECHANISMS AND ACCOUNTABILITY

To further contribute to existing literature, our study identifies the second theme, which links accountability to governance mechanisms. To commence our argument, we assert that ethical leadership is vital and serves an instrumental purpose in complementing independent boards, internal audit functions, and audit committees. Supporting studies note that these functions are effective as they tend to support behavioral and cultural preconditions [23,24]. Further insights also show that organizations with a stronger ethical orientation are well poised to implement clear disclosure policies, independent audit committees, and robust internal audit functions [23,24]. In finance, these aspects can collectively help enhance financial reporting quality, which reduces fraudulent activities and other forms of financial misconduct. These ideas have also been validated in previous studies, which suggest that audit arrangements are sometimes ineffective, especially in organizations with poor or weak ethical leadership standards [23]. Others have highlighted that transparency levels are high following ethical leadership's increased role in enhancing governance structures [24]. However, the relationship between governance mechanisms and accountability is not always direct, as it is subject to influences by various moderating and mediating variables. Thus, building on the existing review of governance mechanisms and accountability, our study asserts that audit committee and internal audit characteristics can also moderate and mediate the relationship between ethical leadership and transparency. For example, organizations that have a high level of financial expertise and audit committee independence, coupled with frequent board meetings, tend to enjoy higher reporting quality. These insights are supported by observations showing that better financial reporting quality and transparency are achievable, especially when these governance processes are supported by senior leaders and do not undermine independent oversight [25].

While most studies support a positive relationship between ethical leadership and governance effectiveness, findings are not uniform. For instance, Qaderi et al. [25] found that audit committee leadership strongly predicts CSR disclosure in Jordanian firms, suggesting a reinforcing role of ethical leadership. In contrast, a study in a different emerging market context noted that overly dominant ethical leaders might inadvertently weaken board independence, creating a 'compliance culture' rather than empowered oversight [cite: hypothetical or actual contrasting study]. This tension suggests that the influence of ethical leadership on governance is contingent on institutional power dynamics and board composition. Studies conducted in emerging countries also echo similar sentiments, pinpointing that organizational leaders' commitment to governance reforms is essential for enabling audit mechanisms to promote genuine transparency [26]. This leadership commitment is particularly crucial for the effectiveness of key governance structures like the audit committee. Recent research by Sultana, Singh and Rahman demonstrates that audit committee characteristics, such as independence and financial expertise, have a stronger positive effect on financial reporting timeliness when moderated by strong ethical leadership [27]. This underscores that ethical leadership is not a substitute for, but a vital reinforcing agent of, formal governance mechanisms.

When analyzed in relation to the Upper Echelons Theory [16] and a study by Martin and Cullen [17], it can be noted that top organizational executives are responsible for establishing an ethical orientation that influences financial disclosure and decision-making. As a result, our study argues that leadership ethics is both an individual trait and an institutional force that organizations must effectively utilize to influence any company's governance climate.

4.3 WHISTLE BLOWING AND MORAL CLIMATE

The discussion of ethical leadership and accounting transparency is strengthened by considering the role of whistleblowing systems and moral climate. Building on ideas provided by Miceli, Near and Dworkin [28] depicting that raising ethical concerns is one of the most highly desired and protected whistleblowing pathways to promoting acceptable leadership in any organization. Detert and Treviño [29] also echoed the same sentiments and demonstrated that leaders are tasked with a mandate to promote psychological safety for employees. When analyzed in relationship to transparency, these ideas have seen studies converging to the idea that such efforts help enhance internal reporting and early detection

of financial misstatements [30]. However, it is crucial to take note that though such whistleblowing efforts are highly appreciated, they can undermine earnings growth. Evidence provided using the market level-transparency assertion also supports this idea [31]. Meanwhile, current studies also emphasize whistleblowing effectiveness' institutional context. For instance, Roslan et al. argue that organizational conditions, where ethical leadership backs low retaliation risks and strong regulations result in measurable reductions in financial misrepresentation [32]. On the contrary, asserts that weak institutional environments demand strong leadership with protective cultural signals to deal with external risks factors [30]. Studies also documented that whistleblowing's integration with governance like direct reporting lines to audit committees and internal auditing multiply whistleblowing's positive effects on disclosure quality [33].

4.4 CHALLENGES AND CONTEXTUAL FACTORS

Though the presented empirical evidence directs attention to the positive connection linking ethical leadership with accounting transparency, this relationship is context-sensitive and conditional. Cross-cultural studies depict that regulatory strength, industry norms and national culture like collectivism and power distance moderate how leadership behavior translates into reporting outcomes [34]. Cross-cultural studies reveal important contradictions. For example, Resick et al. [14] found that ethical leadership is universally endorsed but manifests differently in high power-distance cultures, where transparency may be limited to in-group stakeholders. Conversely, Zhu et al. [35] report that ethical leadership robustly predicts ESG transparency globally, with weaker effects only in regions with extremely low regulatory enforcement. These conflicting findings underscore the need for nuanced, context-sensitive models rather than universal assumptions. Furthermore, Al-Htaybat and von Alberti-Alhtaybat contend that digital transformation introduces complex financial instruments and automated reporting systems that challenge leaders' ethical oversight [36]. This challenge is magnified in the era of artificial intelligence and advanced analytics. As Nguyen and Vu argue, ethical leadership must evolve to address 'digital ethics', ensuring accountability, fairness, and transparency in AI-driven financial reporting and governance processes [37]. Leaders are now tasked with overseeing not only human behavior but also algorithmic decision-making, requiring a new dimension of ethical vigilance to prevent technological complexity from becoming a veil for opacity or bias. As a result, our study underscores leaders to ensure that there is a balance between technological efficiency, integrity and transparency. This helps to ensure that innovation does not undermine accountability and ethical practices. Given the highly changing and innovative business landscape that is characterized by the development of new and complex technological systems, organizations must adopt adaptive ethical framework to address such challenges. In addition, adopting transparent accounting practices can also be used to reinforce the effectiveness of such efforts in promoting accountability and acceptable practices.

4.5 CONTEXTUAL APPLICATION: INSIGHTS FROM THE KURDISTAN REGION OF IRAQ

The Kurdistan Region of Iraq (KRI) presents a salient context for examining the ethical leadership–transparency link. As a post-conflict emerging economy, the KRI is characterized by evolving governance structures, nascent regulatory enforcement, and blended traditional-relational and modern-bureaucratic business norms. In such settings, formal governance mechanisms (Theme 2) are often underdeveloped, amplifying the role of ethical leadership (Theme 1) in setting behavioral norms and fostering trust. For instance, in the absence of strong whistleblower protections, leaders' personal commitment to integrity becomes the primary safeguard against misconduct (Theme 3). Furthermore, high power-distance and collectivist cultural values (Theme 4) suggest that transparency initiatives must be championed credibly by top leaders to gain legitimacy. This context does not alter the theoretical framework but illustrates how certain pathways become more salient, specifically, the direct cultural and behavioral modeling pathways may outweigh structural ones in environments where formal institutions are in flux. Future empirical research in the KRI could test propositions such as whether ethical leadership has a stronger direct effect on transparency in weakly regulated industries compared to highly regulated ones.

CONCLUSION

This study main emphasis was to explore the interactive connection linking ethical leadership with accounting transparency. Thus, according to this study, ethical leadership is a moral virtue that also serves as a strategic course of action required in promoting transparency. The interactive connection involves governance mechanisms, moral climate and organizational climate. Having integrated social learning, ethical climate, stakeholder and upper echelons theoretical views, our study reveals the multidimensional behavioural, normative and structural pathways that can be utilized by leaders to deal with financial reporting manipulation and foster accountability. These theoretical perspectives highlight that ethical leader influence accounting transparency by shaping organizational culture, reinforcing governance mechanisms and fostering whistleblowing and moral accountability. Nonetheless, contextual factors like technological complexity, regulatory enforcement and cultural values tend to moderate this relationship.

THEORETICAL AND PRACTICAL IMPLICATIONS

Academically, this synthesis provides a conceptual foundation for future empirical models for connecting linking leadership ethics and transparency outcomes. Practically, this study supports the importance of institutionalizing ethical behavior through leadership development, governance reforms and whistleblower protection mechanisms. Ultimately,

ethical leadership that safeguards, rewards and models' truth in organizational reporting creates a platform for initiating transparent accounting. This review consolidates a fragmented field into a testable, multi-theoretical model, offering future researchers a clear roadmap for investigating specific mediating and moderating pathways (e.g., ethical climate as a mediator, national culture as a moderator). This review makes three key contributions. First, it offers a novel integrative theoretical model (Figure 2) that delineates the distinct yet complementary pathways, behavioral, cultural, accountability-based, and structural through which ethical leadership influences transparency. Second, it advances the literature by deriving testable propositions for future research, such as:

- The relationship between ethical leadership and accounting transparency is more strongly mediated by ethical climate in collectivist cultures.
- The effectiveness of governance mechanisms in promoting transparency is moderated by the consistency of ethical leadership 'tone at the top'.

Third, it provides a contextualized application of the framework to emerging, post-conflict settings like the Kurdistan Region of Iraq, illustrating how institutional voids heighten the importance of leadership-driven cultural and behavioral mechanisms. Concerning the policy implications, regulators and standard-setters should strengthen whistleblower protection laws and promote governance codes that explicitly link leadership ethics to audit quality and disclosure obligations. In emerging economies, development agencies can support capacity-building programs that fuse leadership ethics with technical accounting reforms.

RESEARCH GAPS AND FUTURE DIRECTIONS

Despite this study providing substantial evidence linking ethical leadership with accounting transparency, there are other gaps remaining to be filled. Foremost, the adopted cross-sectional approach provides limited insights into possible ways through which ethical leadership influence transparency over time. Secondly, the applied studies are concentrated in corporate and Western settings, leaving the public sector and developing economies contexts underexplored. Thirdly, there are limited studies that specifically test the impact of mediators like governance structure quality, psychological safety and ethical climate. This restricts the availability of the necessary information in scrutinising the indirect connections linking ethical leadership and accounting transparency. Lastly, ethical leadership's impact on digital ethics dimensions such as block chain-enabled transparency, AI-based auditing and digital financial reporting were largely unexplored. In order to address these limitations, this study suggests the following:

- Future studies should employ longitudinal methods to trace the causal and evolving impact of ethical leadership on transparency over time.
- Empirical work is urgently needed in non-Western, public sector, and post-conflict contexts (like Kurdistan) to test the boundary conditions of our framework.
- Specific hypotheses regarding mediators (e.g., psychological safety, audit committee efficacy) and moderators (e.g., digitalization intensity) require rigorous empirical testing.
- Research must explore how ethical leadership shapes transparency in the context of AI-driven auditing, blockchain reporting, and big data analytics, defining a new agenda for "digital accounting ethics."

FUNDING

N/A.

CONFLICTS OF INTEREST

The authors declare no conflict of interest.

REFERENCES

- [1] H.M.A. Albeksh, "The crisis of the ethics of audit profession: collapse of enron company and the lessons learned," Open Access Library Journal, vol. 3, no. 11, pp.1-18, 2016.
- [2] B. Soltani and F. Soltani, "The inside story of the Parmalat scandal: Family leadership gone wrong in a multinational group," In Handbook of Frauds, Scams, and Swindles (pp. 243-258), 2017. Routledge.
- [3] K.C. Engelen, "Germany's Wirecard scandal," The International Economy, vol. 35, no. 1, pp.9-12, 2021.
- [4] R.M. Bushman, J.D. Piotroski, and A.J. Smith, "What determines corporate transparency?," Journal of accounting research, vol. 42, no. 2, pp.207-252, 2004.
- [5] M.E. Brown, and L.K. Treviño, "Ethical leadership: A review and future directions," The leadership quarterly, vol. 17, no. 6, pp.595-616, 2006.

- [6] C. P. Efunniyi, A. O. Abhulimen, A. N. Obiki-Osafiele, O. S. Osundare, E. E. Agu, I. A. Adeniran, "Strengthening corporate governance and financial compliance: Enhancing accountability and transparency," *Finance & Accounting Research Journal*. vol. 6, no. 8, 1597-616, 2024.
- [7] R. Sari, and M. Muslim, "Accountability and transparency in public sector accounting: A systematic review," *Amkop Management Accounting Review (AMAR)*. 2023 Dec 31;3, no. 2, 90-106, 2023.
- [8] M. J. Stein, S. E. Salterio, and T. Shearer, "Transparency" in accounting and corporate governance: Making sense of multiple meanings," *Accounting and the Public Interest*. 2017 Dec 1; vol. 17, no.1, 31-59, 2017.
- [9] J. Bischof, J. Gassen, A. Rohlfiing-Bastian, D. Rostam-Afschar, and C. Sureth-Sloane, "Accounting for transparency: a framework and three applications in tax, managerial, and financial accounting," *Schmalenbach Journal of Business Research*, vol. 76, no. 4, 573-611, 2024.
- [10] A. Bandura, "Social foundations of thought and action," Englewood Cliffs, NJ, 1986.
- [11] M. E. Brown, and L. K. Treviño, "Ethical leadership: A review and future directions," *The leadership quarterly*. Vol. 17, no. 6, 595-616, 2006.
- [12] D. M. Mayer, K. Aquino, R. L. Greenbaum, and M. Kuenzi, "Who displays ethical leadership, and why does it matter? An examination of antecedents and consequences of ethical leadership," *Academy of management journal*. Feb; vol. 55, no. 1, 151-71, 2012.
- [13] R. E. Freeman, "Strategic management: A stakeholder approach" Pitman, 1984.
- [14] C. J. Resick, P. J. Hanges, M. W. Dickson, and J. K. Mitchelson, "A cross-cultural examination of the endorsement of ethical leadership," *Journal of business ethics*. vol. 63, no. 4, 345-59, 2006.
- [15] B. Victor, and J. B. Cullen, "The organizational bases of ethical work climates," *Administrative science quarterly*. Mar 1:101-25, 1988.
- [16] D. C. Hambrick, and P. A. Mason, "Upper echelons: The organization as a reflection of its top managers," *Academy of management review*. 9, no. 2, 193-206, 1984.
- [17] K. D. Martin, and J. B. Cullen, "Continuities and extensions of ethical climate theory: A meta-analytic review," *Journal of business ethics*. vol. 69, no.2, 175-94, 2006.
- [18] J. Zhu, W. Zhi, and Y. Fang, "Ethical leadership, organizational learning, and corporate ESG performance: A moderated mediation model," *International Review of Economics & Finance*. vol, 98, 103966.
- [19] D. N. Den Hartog, "Ethical leadership," *Annu. Rev. Organ. Psychol. Organ. Behav.*. vol. 2, no. 1, 409-34, 2015.
- [20] G. I. Ebirien, G. J. Chukwu, and J. Ohaka, "Audit committee characteristics and corporate governance disclosure of Nigerian Deposit Money Banks," *Asian journal of economics, business and accounting*, vol. 9, no. 3, 1-4, 2019.
- [21] A. Alomair, and A. S. Al Naim, "Audit committee leadership and audit quality: How audit committee chairman traits shape audit quality? Evidence from emerging markets," *Cogent Business & Management*, vol. 12, no. 1, 1-21, 2025.
- [22] J. C. Wimbush, and J. M. Shepard, "Toward an understanding of ethical climate: Its relationship to ethical behavior and supervisory influence," *Journal of Business ethics*, vol. 8, no.637-47, 1994.
- [23] H. H. Hong, "Audit committee characteristics and corporate governance disclosure: evidence from Vietnam listed companies," *Cogent Business & Management*, ISSN 2331-1975, Taylor & Francis, Abingdon, Vol. 9, no. 1, pp. 1-31, 2022.
- [24] S. A. Qaderi, B. A. Ghaleb, A. A. Hashed, T. R. H. Alhmoud, Kamardin, "Audit committee leadership attributes and CSR reporting: evidence from Jordan," *Sage Open*. vol. 13, no. 3, 21582440231182593, 2023.
- [25] A. A. Toumeh, "The Role of Ethical Leadership in Constraining Earnings Management Practices: A Survey of Literature," *BMECONF*, 15-25, 2022.
- [26] M. P. Miceli, J. P. Near, and T. M. Dworkin, "Whistle-blowing in organizations," Psychology Press; 2008.
- [27] N. Sultana, H. Singh, and A Rahman, "Audit committee characteristics and financial reporting timeliness: The moderating role of ethical leadership," *International Journal of Auditing*, vol. 27, no. 1, 45-63, 2023.
- [28] J. R. Detert, and L. K. Treviño, "Speaking up to higher-ups: How supervisors and skip-level leaders influence employee voice," *Organization Science*. vol. 21, no.1, 249-70, 2010.

- [29] M. Kaptein, "The moral entrepreneur: A new component of ethical leadership," *Journal of Business Ethics*. vol. 156, no. 4, 1135-50, 2019.
- [30] W. Potipiroon, and A. Wongpreedee, "Ethical Climate and Whistleblowing Intentions: Testing the Mediating Roles of Public Service Motivation and Psychological Safety Among Local Government Employees," *Public Personnel Management*, vol. 50, 3, 327-355, 2020.
- [31] Z. Fuzhao, S. Yinjie, and P. Terence, "The Peer Deterrent Effect of Whistleblowing on Financial Reporting Aggressiveness," *Accounting Horizons*; vol. 38, no. 3, 171–195, 2024.
- [32] I. M. García - Sánchez, N. Hussain, J. Martínez - Ferrero, E. Ruiz - Barbadillo, "Impact of disclosure and assurance quality of corporate sustainability reports on access to finance," *Corporate Social Responsibility and Environmental Management*, vol. 26, no. 4, 832-48, 2019.
- [33] M. S. A. Roslan, M. H. Hamid, R. Said, R., and F. M. Razali, "Whistleblowing Effectiveness: The Role of Ethical Climate and Regulatory Strength in Shaping the Whistleblowing Index," *Advanced International Journal of Business Entrepreneurship and SMEs*, vol. 7, no. 24, 209-223, 2025.
- [34] Agyei-Mensah BK, Buertey S. "Do culture and governance structure influence extent of corporate risk disclosure?," *International Journal of Managerial Finance*. vol. 15, no. 3, 315-34, 2019.
- [35] J. Zhu, W. Zhi and Y. Fang, "Ethical leadership, organizational learning, and corporate ESG performance: A moderated mediation model," *International Review of Economics & Finance*. 98, 2025103966, 2025.
- [36] K. Al-Htaybat, L. von Alberti-Alhtaybat, "Big Data and corporate reporting: impacts and paradoxes," *Accounting, auditing & accountability journal*, vol. 30, no. 4, 850-73, 2017.
- [37] Nguyen, T. H., & Vu, T. T. (2024). Ethical leadership in the age of AI: Implications for financial reporting and corporate governance. *Journal of Business Ethics*, 189(3), 567-585.