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The Effect of Accounting Code of Ethics on Business Decisions: A Case Study on Multinational Companies

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Abstract

This study examines the impact of the accounting code of ethics on the business decisions of multinational companies. The accounting code of ethics provides a framework for professional conduct, with the objective of influencing the integrity of business decision-making, particularly in the context of accounting and financial reporting. This study employs a case study approach, focusing on multinational companies that have a robust and internationally recognized accounting system. Through the analysis of qualitative and quantitative data, this study identified that the implementation of the accounting code of ethics plays a significant role in maintaining transparency, accountability, and preventing unethical practices in the business decision-making process.

Keywords: Accounting Code of Ethics, Business Decisions, Multinational Corporations, Business Ethics, Transparency

INTRODUCTION

Multinational corporations (MNCs) are organizations that conduct business activities in multiple countries. They often operate in diverse legal jurisdictions and cultural environments. In contrast to companies operating in a single country, MNCs are confronted with a multitude of intricate challenges pertaining to the regulations, legal systems, business practices, and social and cultural expectations inherent to each country. Each nation has its own distinct set of laws, tax regulations, accounting standards, and business policies, that can vary considerably. Consequently, MNCs are often required to navigate this diversity in their daily business decision-making processes.

The diversity introduced by these factors introduces a significant number of risks to multinational companies. These include legal uncertainty, inconsistencies in financial reporting, and potential cultural conflicts that could affect business decisions. Therefore, it is crucial for these companies to implement clear and uniform guidelines for decision-making. These should be designed to ensure compliance with global standards of professionalism. A particularly important guideline is the Accounting Code of Ethics. This serves as a framework upon which decisions made by accounting professionals in different countries are based (J. Zhang, 2023).

The accounting code of ethics does not merely provide moral guidance to accountants. Moreover, it enables multinational companies to ensure that their decisions are made in a manner that complies with internationally recognized standards of professional practice. This is achieved by maintaining the integrity, transparency, and accountability of the company. In the context of companies operating in several countries with disparate regulations, the accounting code of ethics serves as an essential instrument for maintaining uniformity and consistency. This applies to both financial reporting and information management, both of which are of vital importance to stakeholders, including investors, regulators, and society.

Accounting codes of ethics play a pivotal role in multinational companies, where they inform decision making in a business environment characterized by significant ethical and legal challenges across multiple jurisdictions. This question elucidates the influence of such codes on decision making, particularly in instances where companies must navigate tensions between business interests and ethical principles (Haitam et al., 2022).

The decision-making processes of multinational companies frequently entail long-term implications that affect not only the company's profitability, but also its reputation and sustainability in the global marketplace. In such a situation, a code of ethics can maintain the integrity of financial information, avoid data manipulation, and ensure that every business decision reflects adherence to high ethical standards. This study aims to identify the extent to which the accounting code

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of ethics is a determining factor in ethical business decisions and its influence in directing companies to sustainable and responsible practices.

Multinational companies frequently operate in disparate countries with varying regulations and cultural norms, making the application of ethical accounting codes a complex undertaking. This challenge encompasses a multitude of factors, including internal and external pressures, as well as discrepancies in legal and social standards across the countries in which they operate.

Internal pressures, including demands to achieve financial targets, align with the interests of shareholders or demonstrate superior performance, can affect the implementation of codes of conduct. Conversely, external challenges, including discrepancies in national regulations, disparate financial reporting standards, and cultural divergences, can lead to the implementation of a uniform code of conduct across all company branches a challenging endeavour. This research project aims to investigate the strategies employed by multinational companies to navigate these challenges, with a particular focus on the integration of codes of conduct into their decision-making processes, ensuring that ethical principles are not subordinated to financial or operational interests (Indiasti & Junaidi, 2024).

The principal objective of this study is to ascertain the role of accounting codes of ethics in multinational companies' decision-making processes. It is anticipated that the implementation of a code of ethics will facilitate decision-making that is not solely based on short-term profits, but also takes into account long-term impacts and sustainability. This study seeks to identify the role of codes of conduct in complex decision-making situations, as well as the manner in which these codes influence decision criteria that focus on integrity, transparency, and social responsibility.

Furthermore, the analysis investigates whether the implementation of an accounting code of ethics can prevent the manipulation of financial statements and assist companies in maintaining a positive reputation. This study provides insights into the impact of codes of conduct on decisions made in a dynamic multinational business environment in which ethical compliance is often highly anticipated (K. Zhang, 2024).

METHODS

This research utilizes a case study and literature review approach to understand how accounting codes of ethics influence business decisions in multinational companies. These two approaches were chosen because they provide advantages in exploring complex phenomena through direct empirical data analysis (case study), as well as a comprehensive conceptual view (literature study).

A. Case Study Approach

The case study approach was chosen to examine the application of accounting codes of ethics in a real-world context, namely in multinational companies that have unique business challenges and dynamics. This case study allows researchers to analyze how the code of ethics is applied in the business decision-making process, especially in real conditions that require ethical considerations. Through case studies, research can observe the behavior, decisions, and impact of the implementation of the accounting code of ethics in depth and thoroughly. This case study also includes analyses of company policies, interview results, and annual reports that illustrate the real conditions of companies in integrating ethical values amid global business pressure.

B. Literature Study Approach

The literature study was conducted by reviewing academic sources, such as relevant journals, articles, and books, to gain a deeper understanding of the basic concepts and theoretical views related to accounting codes of ethics. This literature helps identify the main principles of the accounting code of ethics, the factors that influence its application, and its implications for business decisions. In addition, by studying previous studies, this study provides a strong foundation for understanding the theories underlying ethical decision-making in accounting, as well as in identifying variables that are important to consider in the context of multinational companies (Masse et al., 2023).

C. Data Sources

This study utilizes two main types of data sources: primary data and secondary data, which are obtained through a case study approach and a literature review (Zahid et al., 2024).

1). Primary Data

Primary data were obtained through interviews with accounting managers and decision-makers in two multinational companies operating in different sectors. In-depth interviews were conducted to explore the views, experiences, and challenges faced by these managers regarding the application of the accounting code of ethics in the business decision-making process. These primary data are essential for understanding how the code of ethics is practically applied in real conditions, and how the decisions taken are in line with the ethical principles contained in the company's code of ethics.

2). Secondary Data

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Secondary data include various internal company documents such as annual reports, internal policies, and code of conduct guidelines. These documents help highlight the formal structures in place within the company to support the implementation of the accounting code of ethics. In addition, the literature review included scholarly journals, articles, and books that discuss accounting codes of conduct, ethical business decision-making, and factors that influence compliance with codes of conduct in multinational companies. These secondary data provide a strong theoretical framework and serve as a reference to compare the results of the case study with those of previous research.

D. Data Analysis Technique

The Data analysis in this study used a qualitative approach with thematic coding techniques. This technique involves the following stages.

- Data Collection and Compilation
  Data obtained from interviews and documents were analyzed by arranging the raw data into categories or initial themes based on relevant topics, such as the implementation of the code of ethics, challenges in implementation, and the impact of the code of ethics on business decisions.
- Thematic Coding
  Thematic coding was performed by identifying the common patterns or themes that emerged from the data. This process involves filtering, categorizing, and organizing the data to identify key themes related to the influence of accounting codes of ethics. For example, key themes that may emerge are 'transparency in business decisions, "challenges of code implementation," and 'long-term interests vs. financial pressures.' Coding was performed systematically to ensure that each theme accurately reflected the views of the participants and the information in the documents.
- Thematic Analysis
  After coding, an in-depth analysis of the identified themes was conducted to understand the relationship between codes of conduct and business decision-making. At this stage, the emerging themes were analyzed to see how codes of conduct contribute to more ethical decisions and positively impact the sustainability of the company. This analysis also includes comparing primary and secondary data to see if there is a match between the company's policy code of conduct and the results of the literature study.

RESULTS AND DISCUSSION

The accounting code of ethics comprises a number of fundamental principles that must be adhered to by accounting professionals globally, particularly those employed by multinational organizations. The most significant principles in the accounting code of ethics that directly influence business decision-making are the following:

D. Integrity

Integrity is a fundamental principle underpinnings acountants' ethical conduct. It entails adherence to a strict moral and professional code of conduct, characterized by honesty, fairness, and impartiality. In business decision-making, integrity requires the

Integrity is the foundation of all accounting activities. Accounting professionals must adhere to the highest standards of honesty and fairness in their work, ensuring that their judgement is not unduly influenced by personal bias or interests. In the context of business decision-making, integrity entails ensuring that the decisions taken are not only correct but also justifiable, even if they may not be financially beneficial in the short term. This is particularly crucial in a globalized market where companies are required to maintain their reputation and relationships with a diverse range of stakeholders (SeTin et al., 2024).

The concept of objectivity is paramount in accounting. This is a fundamental principle that underpins the integrity and credibility of financial statements and decisions made by accountants.

Accounting professionals must ensure that their decisions are objective and free of bias. They must also minimize the influence of conflicts of interest or pressure from outside parties. In the context of business decisions, the information used to make decisions should be based on objective data and facts, rather than on personal or external interests. Multinational companies, also adhere to the principles of transparency expected of various international markets (Ariail et al., 2024).

E. Professional Competence

The principle of professional competence emphasizes the importance of in-depth understanding and technical skills to make informed and accurate decisions. In a fast-moving business world, especially in an increasingly complex global environment, this competence is essential for accounting professionals to provide proper advice to manage the financial and accounting impact of any business decision. Without sufficient knowledge, business decisions can lead to dangerous mistakes, from both legal and financial perspectives (Etik & Setiyono, 2021).

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F. The principle of confidentiality

The principle of confidentiality requires all accounting professionals to maintain the confidentiality of the information they manage, except in instances where there is a legal or professional obligation to disclose said information. In the context of business, particularly for organizations operating across multiple jurisdictions with disparate legal systems, the maintenance of confidentiality is crucial to prevent the inadvertent leakage of sensitive information that could potentially harm the company and impair its competitive position (Sudjana, 2022).

G. The Impact of Accounting Code of Ethics on Business Decisions

The accounting code of ethics plays a pivotal role in multinational companies' decision-making processes. The primary consequence of implementing this code of ethics is to enhance transparency and accountability in the financial reporting and management of company resources. With a transparent and well-defined code of ethics, companies can ensure that their decisions are aligned with the highest standards of honesty and openness, which will mitigate the risk of corruption, manipulation of financial statements, and other unethical actions that can irreparably damage a company's reputation (Isti et al., 2024).

Furthermore, the implementation of an accounting code of ethics enables companies to respond more effectively to changes in international regulations. Multinational companies frequently encounter disparate legal challenges in the various countries in which they operate. Accounting codes of conduct provide transparent guidance to ensure that decisions comply not only with local laws, but also with higher global standards.

It is also important to note that accounting codes of conduct serve dual functions. They provide internal guidelines for companies and, at the same time, they constitute a tool for building trust and credibility in international markets. Investors, business partners, and customers are more likely to work with companies that have a good reputation and that can be trusted. In this case, the accounting code of conduct becomes a tool for maintaining the company's image before various external parties can affect long-term success (Pratono et al., 2024).

H. The implementation of the Accounting Code of Ethics in multinational companies

The implementation of an accounting code of ethics in multinational companies is crucial for maintaining the integrity and transparency of business operations and decision-making processes. In the context of multinational companies, where operations are conducted in a multitude of countries with disparate cultural norms and regulatory frameworks, the accounting code of ethics provides clear and structured guidance for accounting professionals and managers to maintain ethical standards and professionalism in the management of financial information and critical business decision-making. Based on the findings of research conducted on the two multinational companies used as case studies, it was determined that both companies have rigorous and explicit accounting codes of ethics, emphasizing integrity, transparency, and social responsibility (Fransisca & Kholipah, 2024).

1). Definition of Accounting Code of Ethics and its Significance in the Context of Multinational Companies

An accounting code of ethics can be defined as a set of principles, norms, and rules to which accounting professionals are expected to adhere in the performance of their duties. The objective of this code of ethics is to maintain the quality and accuracy of the financial statements produced, thereby ensuring that decisions based on financial information are legitimate, accountable, and do not harm any party. In multinational companies, the accounting code of ethics is of particular importance given that the company operates in a number of different jurisdictions with varying cultural backgrounds. Consequently, the consistent implementation of the code of ethics will create standards that bind all employees, particularly accountants and managers, to behave in accordance with the company's values, which emphasizes honesty, fairness, and professionalism (Kartini et al., 2024).

2) An Examination of the Accounting Code of Ethics in the Context of Multinational Companies: A Case Study of Company X

In the initial case study company, the accounting code of ethics places a premium on integrity in all financial decision-making. Integrity represents a fundamental value that serves as the bedrock for business decision-making, particularly those pertaining to accounting and finance. In this company, integrity encompasses two primary aspects: honesty in financial reporting and honesty in decision-making that affects all company operations, from asset management to accountability to stakeholders.

The implementation of integrity in accounting decision-making at the company is outlined in a number of internal policies and guidelines. The company's accounting team is required to prepare financial statements that accurately reflect the company's financial condition and are free from any manipulation of data or concealment of information. Furthermore, every transaction and event that affects the company's financial position must be reported responsibly and without favoring the interests of individuals or management groups (Becker et al., 2023).

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A company's managerial and executive personnel are obliged to make decisions in accordance with accurate and reliable data, with the long-term interests of the company taking precedence over personal gain or external pressure. Furthermore, the code of conduct necessitates the periodic assessment of pivotal decisions to guarantee their alignment with the principles of integrity and to avoid any disadvantage to any party.
It is anticipated that the implementation of this code of conduct, with an emphasis on integrity, will foster the development of a robust and transparent corporate culture, wherein all stakeholders, both internal and external, can repose unreserved confidence in the decisions made by the company (Setiawan, 2024).

3). An examination of the accounting code of ethics in the context of a multinational company, with a focus on the approach adopted by Company Y.

In the second company, the application of the accounting code of ethics is oriented towards transparency in financial statements. The principle of transparency encourages companies to deliver financial information that is clear, open, and easily accessible to all interested parties, such as investors, regulators, and employees. The company considers transparency to be a fundamental element in the construction and maintenance of trust with stakeholders, both locally and internationally.

A company's implementation of transparency in financial reporting can be observed in the following aspects. The company's policy on the presentation of financial statements is characterized by a commitment to transparency. This entails the inclusion of comprehensive and intelligible information pertaining to financial items, including financial projections and potential risk. Furthermore, any material changes in at company's financial condition must be promptly communicated to stakeholders, thereby upholding the principles of openness and clarity.

The company's financial statements are presented in a format that is easily accessible to the public and is not limited to large investors. This format is not only free of technical accounting language but also provides a clear understanding of the company's financial performance. The company's annual reports are made available to the public through its website and other media outlets, thereby ensuring transparency.

Furthermore, in addition to financial reports, these companies provide disclosure on how their business practices align with ethical and social values. This may include disclosures on corporate social responsibility, environmental policies, and the company's involvement in social activities that affect the surrounding community.

The implementation of a code of conduct with emphasis on transparency is designed to ensure that all decisions taken by the company can be clearly and openly accounted for. It is also intended to prevent the adoption of practices that could harm stakeholders and to provide investors and external parties with a sense of security in their relationships with the company.

4). A comparison of the two companies' approaches to implementing the accounting code of ethics

In general, the two multinational companies under consideration demonstrate a high level of commitment to implementing the accounting code of ethics, although with a different focus. Both emphasize the importance of fundamental accounting principles that prioritize responsibility, honesty, and professionalism in all decision-making processes. However, there are significant differences between their approaches.

Integrity vs. Transparency: The former emphasizes the importance of integrity in decision-making, whereas the latter emphasizes transparency in reporting and disclosure. While both are of significant importance, the application of integrity is more likely to emphasize moral values in decision-making, whereas transparency focuses on the openness and accessibility of information to external parties.

These two companies face a variety of challenges despite having strict codes of ethics. The first company, which places a premium on integrity, frequently encounters pressure to achieve expedient results in terms of profitability. This can potentially compromise the objectivity of decision-making. By contrast, the second company, which emphasizes transparency, must navigate the challenge of maintaining a balance between disclosure and the protection of sensitive information that may impact the company's competitive strategy (Supriyanto et al., 2024).

I. The Effect of Code of Ethics on Business Decisions: An Analysis of the Application of the Accounting Code of Ethics

In accounting, a code of ethics represents a set of moral guidelines and regulated principles designed to ensure the integrity, objectivity, and transparency of accounting practices. The implementation of an accounting code for ethics serves two key purposes. First, it maintains professional standards. Second, it has a significant influence on business decision-making at the corporate level. In multinational companies, business decisions often face complex ethical dilemmas. In such cases, both the short and long-term impacts must be carefully considered. Therefore, the implementation of an accounting code of ethics can serve as a guide to help companies maintain their sustainability and reputation in the face of these challenges.

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1). Improved quality of business decision-making
An accounting code of ethics can enhance the quality of business decision-making by providing transparent directives concerning the ethical boundaries of accounting and finance. By rigorously adhering to a code of ethics, companies can mitigate the prevalence of decisions driven by short-term gains, which may be detrimental in the long term. The implementation of a code of conduct ensures that decisions are based on principles that extend beyond financial returns and, encompass broader ethical and social considerations.

The Application of Ethical Principles in the Screening of Business Decisions
In the context of accounting, business decisions frequently pertain to the determination of how transactions are to be recorded, recognized, and reported. In the absence of explicit guidance, these decisions may be susceptible to external influences aimed at enhancing a company's financial image or internal pressures to achieve immediate results. For instance, in challenging circumstances, an accountant or manager operating without robust ethical guidelines may be inclined to manipulate financial statements or circumvent tax obligations to achieve profit targets. The implementation of a rigorous accounting code of ethics, such as those outlined in generally accepted accounting principles (GAAP) or International Financial Reporting Standards (IFRS), guarantees that business decisions are conducted with integrity and in accordance with regulatory requirements (Diah Wardhani et al., 2023).

Enhanced Decision-Making through Greater Information and Data Literacy
Furthermore, accounting codes of conduct facilitate the formation of more informed decisions, as they necessitate the utilization of accurate and accountable data. By advocating transparency in all financial reports and internal audits, companies ensure that all parties involved in the decision-making process have access to precise and pertinent information. This enables managers to make decisions that are grounded in facts and figures, as opposed to decisions driven by assumptions or data manipulation.

2). *Mitigation of Decisions that May Adversely Impact the Company's Reputation and Sustainability*
Lack of adherence to a robust accounting code of ethics may result in long-term reputational damage to the company. To illustrate, if a company engages in questionable accounting practices to demonstrate superior financial performance than is actually the case, this could potentially affect the confidence of investors, customers, and regulators. Corporate reputation is one of the most valuable assets in the modern business world. Companies that maintain integrity in accounting practices are likely to gain greater trust from external stakeholders, which, in turn, can support the growth and sustainability of the company.

The Prevention of Financial Scandals and Legal Losses
The implementation of a robust code of ethics can assist in the prevention of potential financial scandals that could result in tarnishing the company's image. In some instances, a lack of adherence to accounting codes of conduct can result in financial statement manipulation, tax evasion, or earnings misreporting. High-profile cases, such as the Enron and WorldCom scandals, illustrate the significant consequences of disregarding ethical standards in business decisions. The implementation of a rigorous code of ethics can mitigate such risks by ensuring that accountants and company managers are not involved in illegitimate or unethical decisions (Ul Abideen & Fuling, 2024).

Protection of Stakeholder Interests
In multinational companies, the decisions taken affect not only the company itself, but also various other stakeholders, including investors, employees, customers, and communities. The implementation of a clear accounting code of ethics plays an important role in maintaining a balance between the short and long-term interests of all stakeholders. Decisions based on a code of ethics are more likely to consider broader social and economic impacts, and not just short-term profitability.

3). Enhanced Socially Responsible Decision-Making
The implementation of an accounting code of ethics tends to result in socially responsible decisions, as it necessitates consideration of the impact of the decision on society and the environment. Companies that adhere to ethical guidelines in accounting tend to exhibit a heightened emphasis on corporate social responsibility (CSR), ensuring that their business decisions not only benefit shareholders, but also provide positive benefits to society at large (As et al., 2024).

Social and Environmental Impact Management
The implementation of a code of conduct that prioritizes transparency and social responsibility enables companies to manage the environmental and social impacts of their business decisions effectively. For instance, decisions to invest in environmentally friendly projects or support equitable and inclusive policies can constitute a company's efforts to operate

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in a more sustainable manner. These decisions not only enhance the company's image, but also facilitate the development of more constructive relationships with local communities and customers who are increasingly aware of the significance of social responsibility.

Enhancing Adherence to Global Regulations and Standards
Adherence to an accounting code of conduct, with due diligence, guarantees that companies comply with applicable global accounting regulations and standards, such as IFRS or GAAP. Compliance with these regulations not only serves to circumvent legal sanctions, but also facilitates the formulation of sustainability-oriented internal policies. These compliance-oriented and ethical business decisions have the potential to yield long-term benefits, in terms of both reputation and stakeholder expectations (Maryantia et al., 2024).

4). Decisions that Prioritise the Company's Long-term Interests
One of the principal advantages of implementing an accounting code of conduct is its capacity to direct companies towards a focus on long-term sustainability. When companies prioritize compliance with the code, decisions are made not only based on short-term gains, but also considering the long-term impact on financial performance, corporate reputation, and stakeholder relationships.

Enhanced Strategic Planning
The strategic planning process is often more focused on when business decisions are based on a code of conduct, as opposed to a more short-term approach. Companies that adhere to a code of conduct tend to have a broader view of how their decisions may affect them in the next few years. In this case, decisions related to investment, product development, and market expansion are usually made after considering factors such as sustainability, social impact, and reputational risk.

Company Stability and Growth
The consistent implementation of a code of conduct contributes to a company's stability in the face of market changes and other external challenges. Business decisions based on ethical principles help companies maintain financial stability, reputation, and competitiveness in the global market. Therefore, while ethical decisions often take longer to deliver results, they focus on sustainable and stable growth in the long run.

D. The implementation of a code of ethics presents a number of challenges.
The implementation of accounting codes in multinational companies presents several challenges. While the principles and guidelines set out in the code of ethics are designed to ensure that all company operations adhere to high ethical standards, a range of internal and external factors frequently impede the consistent application of the code of ethics across the organization. The following section provides a comprehensive overview of the primary challenges encountered in the implementation of accounting codes in multinational companies.

1). Variations in interpretation between the head office and branches in disparate countries
Multinational companies operate in a multitude of countries, each with its own distinctive cultural norms, social values, and regulatory frameworks. This creates a situation where the interpretation of the code of conduct may vary between the headquarters that formulate the code of conduct and the branch offices that implement it in the field. This discrepancy in interpretation can be attributed to the following factors:

- Cultural Variations: Local culture has a significant impact on how ethics and moral standards are perceived. In countries with collectivist cultures, for instance, business practices may be influenced more by interpersonal relationships and networks, whereas in countries with individualist cultures, the principles of transparency and adherence to rules are often prioritized. Codes of conduct drafted at headquarters often fail to consider local cultural nuances, resulting in discrepancies between the intent of the rules and their implementation.
- Local Regulatory Variations: Every country has a set of rules and regulations that govern business activities, including accounting standard and professional ethics. A code of ethics designed by headquarters may comply with international standards or home country regulations. However, when applied to other countries, there may be conflicts or inconsistencies in local laws and standards. For example, regulations on financial transparency in a company's home country may be stricter than those in other countries in which the company operates. Consequently, branch offices may not feel the need to strictly follow the code rules.
- Limited Communication and Socialization: The consistent implementation of a code of conduct necessitates effective communication and socialization from the head office to all branches. However, in multinational companies with complex structures, internal communication can be ineffective. A code of conduct that is not

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clearly understood or socialized can result in disparate interpretations in the field, thus leading to a lack of uniformity in standards of implementation (Rachman et al., 2024).

2). The Need for Rapid Financial Results to Meet Shareholder Expectations

The influence of shareholders on multinational companies decision-making processes is considerable. As investors, expect to earn an optimal return on their capital within a certain timeframe, which creates pressure on companies to achieve financial targets in a relatively short period. This pressure presents significant challenges to the implementation of ethical codes, particularly in the following areas:

The potential for conflict of interest between the pursuit of ethical conduct and the generation of profit is a significant challenge in the implementation of ethical codes. The demand for honest and transparent financial reporting, as set out in accounting codes of ethics, is designed to avoid manipulation of figures that could mislead investors or other stakeholders. However, under pressure to demonstrate impressive financial results, managers may be tempted to deviate from the code or ignore accounting rules to present financial statements in a more favorable light than is warranted. For example, they may attempt to boost revenue in financial statements through practices such as accelerating revenue recognition or deferring certain expenses, which could ultimately prove detrimental to the company.

Accounting codes of conduct also emphasize the importance of sustainability and long-term corporate responsibility. However, pressure from shareholders often focuses more on achieving short-term profits than on achieving sustainable growth. This can create an environment in which ethical values are perceived as obstacles to achieving rapit financial results. Consequently, managers may be reluctant to strictly enforce a code of conduct if it is perceived to hinder the achievement of predetermined financial targets (Ichsan et al., 2022).

The dichotomy between compliance and market competition is a significant challenge for multinational companies operating in global markets where competitors may not adhere to the same ethical standards. In such circumstances, competitive pressure can lead management to pursue more aggressive or risky strategies to achieve business targets. Managers under pressure to enhance their competitiveness may be inclined to violate ethical codes to maintain or increase market share, even if they contravene existing ethical accounting principles.

3). Limitations on Monitoring and Enforcement

The monitoring and enforcement of accounting ethics codes in multinational companies with global reach presents a significant challenge. The following obstacles are frequently encountered.

- The large and complex organizational structure of multinational companies can result in limitations in the direct oversight of code implementation across branches. Even if there is an internal audit or compliance team, the sheer scale of operations makes full oversight a challenge. This provides an opportunity for practices that may violate the code but are difficult to detect.
- Inconsistent Enforcement: The application of sanctions for violations of codes of conduct may also be inconsistent across branches, as the drafting of such codes is often the responsibility of headquarters. In addition, branches in countries with a greater distance from headquarters may have greater autonomy in customizing policies, which may result in the application of sanctions that are not always in line with the standards set by the corporation. This can create uncertainty in enforcement, as some offences may be overlooked or tolerated due to business or cultural considerations.
- The Role of External Oversight: Some countries have rigorous external oversight by multinational companies, including the application of ethical and accounting standards. However, in countries where regulations area more lax, companies may feel freer not to fully comply with codes of conduct, especially if oversight from headquarters is not robust. This creates a situation in which codes of conduct become more of a formality than real guidelines for business decision-making (Bimo et al., 2023).

4). Internal pressure from a results-oriented corporate culture

A corporate culture strongly oriented towards financial results or short-term performance frequently impedes the implementation of a code of conduct. If corporate culture places a greater emphasis on results than on ethical processes, then a code of conduct may not be regarded as a priority. This can be observed in several ways:

Orientation towards Achieving Financial Targets: A highly competitive, results-oriented corporate culture is likely to encourage behavior that ignores or violates codes of conduct if perceived to accelerate the achievement of targets. For example, managers who successfully achieve targets may be highly incentivized, whereas those who strictly follow the rules but do not achieve targets may not be rewarded accordingly. This can lead to the view that adherence to a code of conduct does not always bring about benefits or rewards (Nugraheni & Puspa, 2023).

The absence of ethical training and education is another significant challenge. For a code of conduct to be implemented effectively, companies must provide comprehensive training and education to all employees. However, in an environment where the results are the primary focus, ethics training may be viewed as an unnecessary expenditure of

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time. Lack of training can result in employees and managers lacking a thorough understanding of, or commitment to, the code.

CONCLUSIONS

The findings of this study indicate that the accounting code of ethics exerts a profound influence on the business decisions of multinational companies, particularly in the realms of transparency, integrity, and social responsibility. To elaborate, the accounting code of ethics serves to elucidate the standards of conduct for accountants and decision-makers, thereby enabling them to make decisions that are not only financially advantageous but also take broader ethical and social impacts into account. The influence of this code of ethics is evidenced by the company's efforts to display accurate and transparent information, avoid manipulative actions that could damage public trust, and maintain the company's reputation in the context of global competition. Transparency is the principal tenet of an accounting code of ethics. In practice, the Code of Ethics requires companies to present accurate and complete financial statements and business information. By demonstrating high levels of transparency, multinational companies can enhance the trust placed on them by key stakeholders, including shareholders, customers, and the governments of the countries in which they operate. Furthermore, this well-maintained transparency reinforces the relationship between the company and its stakeholders, fosters a favorable business environment, and mitigates the risk of miscommunication that could potentially lead to legal or reputational consequences. Furthermore, accounting codes of conduct encourage companies to prioritize social responsibility in their business decision-making processes. In addition to compliance with legal regulations, social responsibility encompasses a company's dedication to exerting a beneficial influence on society and the surrounding environment. Multinational enterprises that subscribe to a code of conduct typically contemplate the ramifications of their resolutions to local communities, the well-being of their employees, and environmental resilience. By underscoring social responsibility, organizations illustrate their cognizance of and dedication to long-term sustainability, both socially and environmentally.

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