

## **Perceived Organizational Prestige and Ethical Decision-Making: The Role of Tax Accountants' Financial Situation**

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### **Abstract**

This study examines how the two facets of perceived organizational prestige (POP) influence ethical decision-making (EDM) among tax accountants and explores whether their personal financial situation alters this relationship. Data were collected through surveys from 356 accountants employed in two public-interest organizations and analyzed using partial least squares structural equation modeling. Results reveal that perceived external prestige (PEP) positively affects ethical decision-making, while self-perceived prestige (SPP) does not directly impact EDM but acts as a key precursor to PEP. Moreover, the financial condition of decision-makers does not significantly change the PEP-EDM relationship. The findings provide insights for public-interest organizations aiming to enhance their reputation and suggest that programs designed to strengthen external prestige could encourage more ethical practices. This research makes an original contribution by clarifying the link between organizational prestige and ethical choices and extends social identity theory by considering both the influence of social identity and ethical pressures on decision-making in tax professionals.

**Keywords:** Ethical decision-making, Financial condition, Organizational prestige, Social identity theory, Tax accountants

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### **Introduction**

Social identity theory has been widely applied to explain how the need for belonging to respected organizations, conceptualized as perceived organizational prestige (POP), shapes adherence to in-group norms. Prior research has examined POP in relation to workplace deviance [1], turnover intentions [2, 3], organizational citizenship behavior [4], and employee commitment [5]. However, investigations into how POP influences ethical decision-making (EDM) remain limited, despite its importance for public-interest organizations where ethics and prestige are central to sustainable operations [6-8]. By focusing on tax accountants in Ghana, this study extends the POP framework to ethical behavior, a topic that is globally relevant but particularly significant in developing contexts, where weak fiscal compliance is often linked to unethical decisions by tax officials [7, 9].

A further aim of this research is to consider the interplay between social identity motivations and individual-level pressures in shaping ethical behavior. Existing literature [2-4] has not adequately addressed whether the influence of POP persists when employees face potential pressures that may tempt them to act unethically. To address this gap, the study examines financial situation as a moderating factor, recognizing that in many developing economies, financial pressures can strongly undermine ethical behavior [10-12].

This research also differentiates between two dimensions of POP: perceived external prestige (PEP), reflecting the organization's reputation among external stakeholders, and self-perceived prestige (SPP), based on individual members' experiences and evaluation of their organization [13, 14]. Few studies [15, 16] have examined how these dimensions

independently influence pro-organizational behaviors, leaving limited guidance on which aspect is more predictive. By investigating both PEP and SPP, this study sheds light on how each dimension contributes to ethical decision-making, offering insights for programs aimed at enhancing organizational prestige.

To further contextualize the POP-EDM relationship, the study examines how organizational prestige influences ethical decisions across the stages of Rest's (1986) ethical decision-making framework. This approach highlights the practical significance of prestige-focused interventions in shaping employee ethics.

In sum, the study explores the combined effects of PEP and SPP on ethical decision-making and assesses the moderating influence of financial situation. The research objectives are as follows:

**RO1:** Examine how PEP and SPP affect ethical decision-making.

**RO2:** Investigate the interrelationship between the two dimensions of POP and EDM.

**RO3:** Assess the moderating role of financial situation in the POP-EDM relationship.

The paper is structured as follows: a review of relevant theoretical and empirical literature, the methodology, presentation of results, discussion, and concluding remarks with recommendations for future research.

## Literature Review

### *Ethical decision-making*

Ethical decision-making (EDM) refers to an individual's capacity and willingness to incorporate moral considerations into their choices [17]. Rest (1986) proposed a four-stage model of EDM, consisting of ethical issue recognition, ethical judgment, ethical intention, and the enactment of ethical behavior. The initial stage, ethical issue recognition, requires the decision-maker to cognitively identify situations as ethical dilemmas [18]. In the second stage, the individual evaluates the appropriateness of potential actions by comparing them against ethical principles and in-group norms. The third stage involves the mental resolve and commitment to act on what is deemed the "right" decision despite competing alternatives, pressures, or external stressors. The final stage pertains to the actual implementation of the ethical choice. While Rest conceptualized these stages as distinct, subsequent scholars argue that ethical judgment and ethical intention are interdependent, with judgment influencing intention [19]. Consequently, empirical research often emphasizes ethical recognition and intention stages, as observing actual ethical behavior (stage four) is methodologically challenging.

### *Social identity theory*

Social identity is defined as the awareness, value attachment, and emotional significance individuals place on their membership in social or organizational groups [20]. Social identity theory posits that an individual's desire to belong to and be associated with prestigious organizations strongly motivates pro-organizational behaviors [21, 22]. The identification process involves three interconnected elements: self-categorization, understanding of in-group norms, and internalization of those norms [20]. Through this process, individuals continuously question: "Where do I belong?" "What behaviors are expected of group members?" and "How can I legitimize my membership?" [23]. These reflections make individuals sensitive to the social image of the organization, often conceptualized as organizational prestige.

Organizational prestige can be assessed from two perspectives: self-perceived prestige (SPP), based on an individual's personal experience, and perceived external prestige (PEP), reflecting how external stakeholders view the organization. Despite theoretical acknowledgment of these dimensions, empirical studies examining their relative impact on pro-organizational behavior remain limited. Moreover, the potential interrelationship between SPP and PEP has not been adequately investigated, a gap this study seeks to address.

Social identity theory explains how the motivation to align with prestigious groups encourages pro-organizational actions. However, it does not fully account for whether this motivation persists under external pressures tied to individuals' socio-economic conditions. Integrating character-driven ethics theories [24] provides insight, suggesting that personal circumstances can act as either pressures or motivators in ethical decision-making. This study extends the literature by exploring whether the relationship between POP and EDM is influenced by the decision-maker's financial situation.

### *Empirical review*

#### *Linking perceived external prestige (PEP) and EDM*

Considerable research has explored how employees' perceptions of their organization's prestige influence pro-organizational behaviors. Findings have associated PEP with reduced workplace deviance [25, 26], enhanced employee attitudes [27], higher commitment [28], stronger ethical intentions [5], and customer-oriented citizenship behaviors [29]. PEP has also been identified as a predictor of expected workplace values [21].

However, the empirical link between PEP and ethical behavior—or its proxies—remains underexplored. For instance, Emilisa *et al.* [25] surveyed 120 automotive workers in Jakarta and found that higher PEP corresponded to lower levels of workplace

deviance. Tuna *et al.* [26] similarly reported that employees' desire to belong to prestigious organizations positively influenced job satisfaction and mitigated deviant behavior. Kang *et al.* [5] provided additional evidence, surveying 477 employees in leading South Korean firms and finding that PEP predicts ethical intention.

Building on these insights, the present study examines how both PEP and SPP influence multiple stages of EDM. Accordingly, the hypotheses are:

**H1a:** PEP predicts ethical issue recognition, ethical judgment, and ethical intention.

**H1b:** SPP predicts ethical issue recognition, ethical judgment, and ethical intention.

### *Interrelationship among PEP, SPP, and EDM*

Earlier literature suggested that the two dimensions of POP—PEP and SPP—operate independently [15]. More recent evidence, however, indicates potential interaction effects. Bright [3] found that PEP mediates the relationship between public service motivation (akin to SPP) and pro-organizational outcomes such as turnover intentions. This mediation underscores the practical importance of understanding POP dynamics for organizational prestige initiatives.

This study extends this line of inquiry to ethical decision-making by investigating whether a similar interaction exists between PEP and SPP in shaping EDM. Following Bright's [3] insights, the hypothesis is:

**H2:** PEP mediates the relationship between SPP and EDM.

The mediation analysis focuses on the ethical intention stage, which is widely recognized as a reliable proxy for actual ethical behavior [30].

### *Moderating role of decision-makers' financial situation*

A critical question is whether situational factors can alter the effect of PEP on EDM. While prior research has examined organizational-level situational factors (e.g., rewards, policies, ethical codes) influencing ethical choices [31], the role of individual-level situational factors is less clear. Lefevor *et al.* [32], in a meta-analysis of 46,705 participants, found that situational variables do not reliably predict spontaneous helping behaviors, highlighting the need to consider personal circumstances.

Other studies suggest that individual situations, including financial pressures, can affect ethical behavior. Ness and Connolly [33] reported that ethical decision-making is heightened when individuals bear direct consequences, while Elshaer *et al.* [34] found a positive association between personal pressures (e.g., job insecurity, family, financial stress) and intentions to engage in unethical organizational behavior.

In line with these perspectives, this study tests whether decision-makers' financial situation moderates the PEP–EDM relationship. Given that moderation effects may vary across EDM stages, the analysis focuses on both ethical issue recognition and ethical intention. The hypotheses are:

**H3a:** Financial situation moderates the relationship between PEP and EDM at the ethical issue recognition stage.

**H3b:** Financial situation moderates the relationship between PEP and EDM at the ethical intention stage.

## **Methodology**

### *Research design, sample, and data collection*

The study used a quantitative, survey-based approach suited for analyzing associations among several constructs. Participants were 356 tax practitioners in Ghana, drawn from the Ghana Revenue Authority (GRA), private tax advisory firms, and tax departments within licensed audit firms. To ensure respondents were qualified professionals, only individuals who belonged to established accounting bodies—such as the Institute of Chartered Accountants (Ghana) or ACCA—were included. Regulatory estimates place the national pool of professional tax accountants at roughly 900. From this population, 450 individuals (about half) were invited to participate. Following the sampling guidance of Hair *et al.* (2017) for PLS-SEM, the required minimum sample was determined by the construct with the highest number of indicators—"decision-maker's financial situation" with four indicators—suggesting at least 40 cases. The final dataset of 356 responses comfortably exceeded this benchmark.

Data were gathered through self-administered questionnaires (Appendix 1). To establish content validity [35], three senior tax practitioners reviewed the instrument, paying particular attention to the ethics vignettes and the self-developed financial situation items. A pilot test involving 63 professional accounting students then assessed face validity. The final questionnaire comprised four parts: demographic and professional information; items assessing ethical decision-making (EDM) based on tax-related scenarios; measures of perceived organizational prestige (POP) across its two subdimensions—PEP and SPP; and items capturing respondents' financial circumstances.

### *Measurement of variables*

The principal variables—ethical decision-making, perceived organizational prestige, and financial situation—were modeled as latent constructs and measured using 7-point Likert-type scales.

### *Ethical decision-making*

Guided by Rest's (1986) framework, EDM was examined through three components: recognizing an ethical issue, forming an ethical judgment, and expressing an ethical intention. Respondents evaluated four newly developed vignettes depicting interactions among fictional tax accountants. Each scenario included items corresponding to the three EDM components, adapted from Musbah *et al.* [19]. Ethical issue recognition was captured with: "I consider the ethical issue(s) in this scenario as important." Ethical judgment was assessed with: "The [decision-maker] is right in taking the action described in the vignette." Ethical intention was measured by: "I would make the same decision if I were the decision-maker." Reliability analyses showed strong internal consistency, with Cronbach's alpha values of 0.877, 0.874, and 0.885 for the three dimensions.

### *Perceived organizational prestige*

Perceived organizational prestige was assessed using two facets—perceived external prestige (PEP) and self-perceived prestige (SPP)—adapted from Arthur [27]. PEP items asked respondents to rate statements such as: "People in my profession hold my organization in high regard" and "My organization is viewed as prestigious within the business community." SPP was measured using items such as: "I regard the organization I work for as highly prestigious" and "I consider my organization to be among the best in the field."

Composite reliability values for PEP and SPP were 0.961 and 0.973, respectively—well above the recommended minimum of 0.70—indicating excellent internal consistency.

### *Decision-Maker's financial situation*

The financial situation of the decision-maker was modeled as a latent construct using four reflective indicators. Two items asked respondents to evaluate whether their household income was adequate for meeting routine expenses and unexpected financial demands. A third item assessed whether their savings or investments would be sufficient should employment income cease. The fourth item measured agreement with the statement that they do not experience financial pressure. All items were rated on a 7-point Likert scale, where 1 represented strong disagreement and 7 represented strong agreement.

Each indicator demonstrated a factor loading exceeding the 0.70 benchmark, and the composite reliability for the construct was 0.947, confirming strong measurement reliability and suitability of the items for assessing the construct.

### *Estimation strategy*

To analyze the relationships among the study variables, structural equation modeling (SEM) was employed. SEM is particularly useful when key constructs are not directly observable but instead represented through multiple reflective or formative indicators [36]. It also enables simultaneous examination of multiple relationships within a single analytical framework [37]. This study utilized the partial least squares approach to SEM (PLS-SEM) rather than the covariance-based alternative, as PLS-SEM prioritizes maximizing the explained variance of endogenous constructs [37].

## **Empirical Analysis**

### *Sample description*

The sample consisted of 231 males (65%) and 125 females (35%), reflecting the gender composition commonly reported within the Ghanaian accounting profession. A majority of respondents (71%) held professional designations in both accounting and taxation, while the remaining 29% were professionally qualified accountants without formal tax certification. All participants possessed tertiary-level qualifications, and nearly half (47.5%) reported holding a master's degree. Additionally, 62% had accumulated more than five years of professional experience.

### *Descriptive statistics for key variables*

The study's independent variables were perceived external prestige (PEP) and self-perceived prestige (SPP). Ethical decision-making (EDM)—captured through ethical issue recognition, ethical judgment, and ethical intention—served as the dependent variable. The decision-maker's financial situation functioned as the moderating construct. **Table 1** presents the descriptive statistics for all variables included in the analysis.

**Table 1.** Descriptive characteristics of variables of interest

Indicators	Item Code	Mean	Standard deviation	Skewness
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(Min=1;  
Max=7)

Ethical Issue recognition				
Ethical issue recognition-scenario 1	EIR.S1	5.10	1.700	-0.753
Ethical issue recognition-scenario 2	EIR.S2	5.25	1.712	-0.895
Ethical issue recognition-scenario 3	EIR.S3	5.31	1.670	-0.918
Ethical issue recognition-scenario 4	EIR.S4	5.06	1.756	-0.0804
<i>Overall</i>		<i>5.18</i>	<i>0.119</i>	<i>-0.843</i>
Ethical judgment				
Ethical judgment-scenario 1	EJ.S1	4.53	1.756	-0.265
Ethical judgment-scenario 2	EJ.S2	4.62	1.854	-0.311
Ethical judgment-scenario 3	EJ.S3	4.68	1.834	-0.434
Ethical judgment-scenario 4	EJ.S4	4.65	1.859	-0.365
<i>Overall</i>		<i>4.62</i>	<i>0.065</i>	<i>-0.344</i>
Ethical intention				
Ethical intention-scenario 1	EInt.S1	4.39	1.911	-0.253
Ethical intention-scenario 2	EInt.S2	4.57	1.907	-0.331
Ethical intention-scenario 3	EInt.S3	4.77	1.943	-0.496
Ethical intention-scenario 4	EInt.S4	4.71	1.925	-0.364
<i>Overall</i>		<i>4.61</i>	<i>0.169</i>	<i>-0.361</i>
Financial situation				
Financial situation to meet basic needs	F.Situat1	4.19	1.709	-0.225
Financial situation in times of emergencies	F.Situat2	3.76	1.757	0.027
Financial situation in event of unexpected loss of employment income	F.Situat3	3.74	1.792	0.162
Overall self-assessment of financial situation	F.Situat4	3.93	1.825	0.047
<i>Overall</i>		<i>3.91</i>		<i>0.003</i>
Perceived external organizational prestige		<b>Prest.PEP</b>		
Prestige of organization among other professionals	Prest.PEP1	5.07	1.592	-0.790
Prestige of organization in the business community	Prest.PEP2	5.03	1.635	-0.830
<i>Overall</i>		<i>5.05</i>	<i>0.028</i>	<i>-0.900</i>
Self-perceived prestige (Prest.SPP)				
Self-recognition of the organization as prestigious	Prest.SPP1	4.85	1.70	-0.497
Self-recognition of the organization as best in the industry	Prest.SPP2	4.87	1.69	-0.659
<i>Overall</i>		<i>4.86</i>	<i>0.016</i>	<i>-0.578</i>

Numerically, respondents reported higher scores on the first component of EDM—ethical issue recognition—than on ethical judgment or ethical intention. Across all three dimensions, the mean scores were above the scale midpoint of 4.0, indicating generally strong ethical decision-making tendencies among the tax practitioners surveyed.

Regarding the financial situation variable, the average score was 3.91, which is slightly below the midpoint value of 4.0. This suggests that, on balance, respondents perceived themselves as experiencing some degree of financial strain.

#### Diagnostics for PLS-SEM analysis

Before conducting the PLS-SEM estimations, a series of diagnostic evaluations were performed to confirm that the measurement model met established quality criteria. These assessments included checks for indicator reliability (via factor loadings), internal consistency (via composite reliability), and convergent validity (via average variance extracted). Additional tests were conducted for discriminant validity using the Fornell–Larcker criterion and for multicollinearity using variance inflation factors.

#### Indicator reliability, internal consistency, and convergent validity

**Table 2** summarizes the diagnostic outcomes for the five key constructs. The table reports indicator loadings, Cronbach's alpha (CA), composite reliability (CR), convergent reliability, and the average variance extracted (AVE) for each construct.

**Table 2.** Indicator reliability, internal consistency, and convergent validity

	Loadings	CA	CR	AVE
<i>Ethical issue recognition (EIR)</i>		0.880	0.917	0.734
EIR.S1	0.836			
EIR.S2	0.869			

EIR.S3	0.910			
EIR.S4	0.808			
<i>Ethical judgment (EJ)</i>		<b>0.874</b>	<b>0.914</b>	<b>0.726</b>
EJ S1	0.866			
EJ S2	0.898			
EJ S3	0.766			
EJ S4	0.873			
<i>Ethical intention (EInt)</i>		<b>0.885</b>	<b>0.920</b>	<b>0.743</b>
EInt S1	0.858			
EInt S2	0.904			
EInt S3	0.804			
EInt S4	0.878			
<i>Financial situation</i>		0.926	0.947	0.816
F.Situat1	0.867			
F.Situat2	0.930			
F.Situat3	0.910			
F.Situat4	0.905			
<i>Perceived external prestige (Prest.PEP)</i>		0.919	0.961	0.925
Prest.PEP1	0.959			
Prest.PEP2	0.964			
<i>Self-perception of prestige (Prest.SPP)</i>		<b>0.944</b>	<b>0.973</b>	<b>0.947</b>
Prest.SPP1	0.973			
Prest.SPP2	0.974			

Indicator reliability was assessed through the standardized outer loadings of each measurement item. According to commonly accepted guidelines, loadings of 0.70 or higher indicate that an indicator adequately represents its underlying construct [38, 39]. All indicators in this study exceeded this cutoff, confirming that the measurement items are sufficiently reliable.

Both Cronbach's alpha (CA) and composite reliability (CR) values surpassed the recommended minimum threshold of 0.70 for every construct [39], demonstrating satisfactory internal consistency. Likewise, the average variance extracted (AVE) values were above the required level, supporting the convergent validity of the measurement model.

#### Discriminant validity

Discriminant validity was evaluated using the Fornell–Larcker criterion, which requires that the square root of each construct's AVE exceed its highest correlation with any other construct. Meeting this condition indicates that a construct is empirically distinct from the others. **Table 3** presents the results of this assessment for all three models examined in the study.

**Table 3.** Discriminant validity

EDM.EInt	EDM.EJ	EDM.EJ	Pres.PEP	Prest.SPP
<b>0.857</b>				
0.453	<b>0.862</b>			
0.426	0.733	<b>0.852</b>		
0.228	0.482	0.466	<b>0.962</b>	
0.166	0.353	0.321	0.644	<b>0.973</b>

The results displayed in **Table 3** indicate that, for every construct, the square root of its AVE exceeds all corresponding inter-construct correlations in the same row and column. This confirms that each construct in the study satisfies the Fornell–Larcker criterion and therefore demonstrates adequate discriminant validity.

#### Collinearity

The final set of diagnostic checks involved assessing collinearity and potential common method bias. Variance Inflation Factor (VIF) values were used for this purpose. Following widely accepted guidelines, VIF scores below 5 indicate that the predictor variables do not exhibit problematic levels of collinearity [40].

**Table 4** provides the respective test results for the three models in this study.

**Table 4.** Collinearity

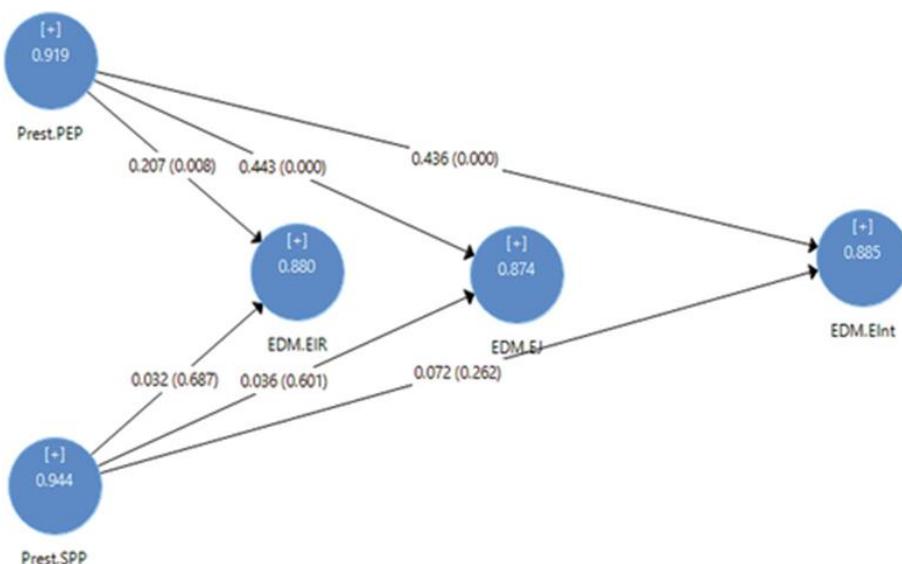
	EDM.EIR	EDM.EInt	EDM.EJ
Prest.PEP	1.710	1.710	1.710
Prest.SPP	1.710	1.710	1.710

All three models produced VIF values well under the commonly accepted upper limit of 5, indicating that none of the predictors exhibit problematic multicollinearity.

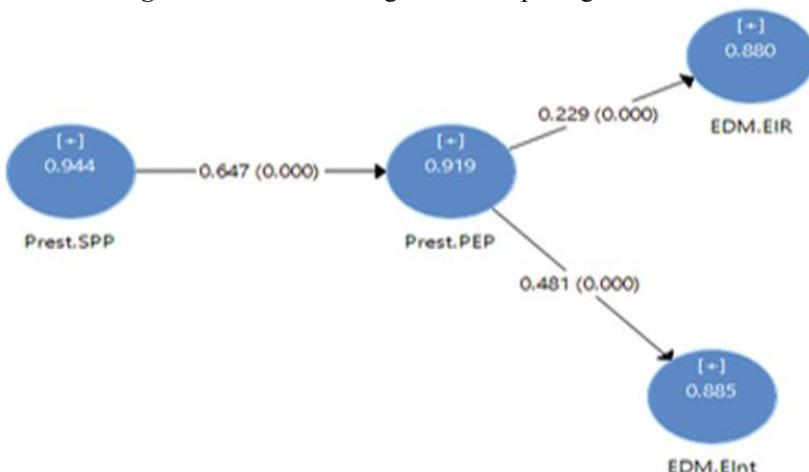
To further check for common method bias, the study applied the collinearity-based test recommended by Kock [41]. Under this method, VIF values below 3.3 suggest that common method bias is unlikely to distort the results [41]. As reported in **Table 4**, all constructs fall within this range, suggesting that the data are not adversely affected by common method bias.

#### PLS-SEM results

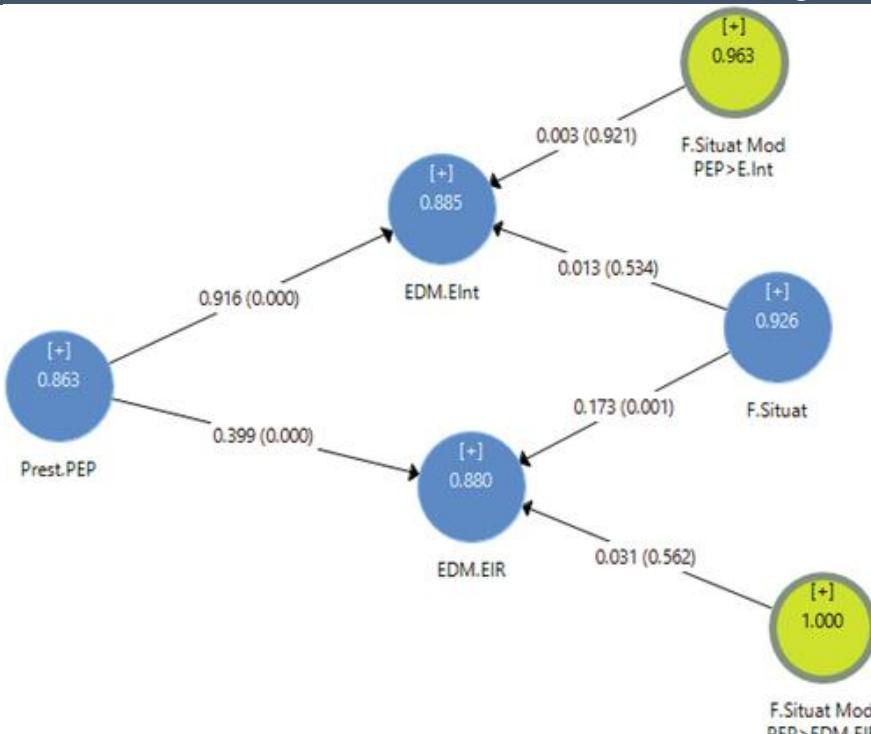
The analysis involved three distinct structural models, each aligned with one of the study's objectives. Outcomes for the first objective appear in **Table 5** and **Figure 2**. The second objective's results are summarized in **Table 6** and **Figure 3**. **Table 7** and **Figure 4** present the findings related to the third objective.



**Figure 2.** Influence of organizational prestige on EDM



**Figure 3.** Interrelationship between SPP, PEP and EDM



**Figure 4.** Moderating effect of financial situation (F.Situat) on PEP-EDM relationship

**Table 5.** Influence of organizational prestige on EDM

Variables	Coefficient	Std. Error	P-values	T-Stats	<sup>1</sup> Adjusted R2
Prest.PEP->EDM.EIR	0.207	0.078	0.008	2.663	4.7%
Prest.PEP->EDM.EInt	0.436	0.060	0.000	7.231	23.1%
Prest.PEP.->EDM.EJ	0.443	0.066	0.000	6.692	21.3%
Prest.SPP->EDM.EIR	0.032	0.080	0.0687	0.403	4.7%
Prest.SPP->EDM.Eint	0.072	0.064	0.262	1.123	23.1%
Prest.SPP->EDM.EJ	0.036	0.068	0.601	0.524	21.3%

**Table 6.** Interrelationship between SPP, PEP and EDM

Variables	Coefficient	Std. Error	P-values	T-Stats	Adjusted R2
Pres.SPP>Prest.PEP	0.647	0.040	0.00	15.999	41.7%

**Table 7.** Moderating effect of financial situation (F.Situat) on PEP-EDM relationship

Variables	Coefficient	Std. Error	P-values	T-Stats	Adjusted R2
F.Situat Mod Prest.PEP>EDM.EIR	0.031	0.054	0.567	0.573	84.3%
F.Situat Mod Prest.PEP>EDM.EInt	0.003	0.032	0.913	0.109	20.7%

The third objective of the study was explored by determining whether the financial circumstances of the decision-maker change the nature of the link between PEP and ethical decision-making. The statistical output for this moderation test is presented in **Table 7**, with a graphical depiction in **Figure 4**.

### Hypotheses

The outcomes corresponding to each hypothesis tested in the study are compiled in **Table 8**.

**Table 8.** Hypothesis results

Variables	Hypothesis ref	Coefficient	P-values	T-Stats	Decision
Prest.PEP->EDM.EIR	H1a	0.207	0.008	2.663	Accept
Prest.PEP.->EDM.EJ	H1a	0.443	0.000	6.692	Accept
Prest.PEP->EDM.EInt	H1a	0.436	0.000	7.231	Accept
Prest.SPP->EDM.EIR	H1b	0.032	0.0687	0.403	Reject
Prest.SPP->EDM.EJ	H1b	0.036	0.601	0.524	Reject
Prest.SPP->EDM.EInt	H1b	0.072	0.262	1.123	Reject
Pres.SPP>Prest.PEP	H2	0.647	0.000	15.99	Accept

F.Situat Mod Prest.PEP>EDM.EIR	H3a	0.031	0.567	0.573	Reject
F.Situat Mod Prest.PEP>EDM.EInt	H3b	0.003	0.913	0.109	Reject

### *Summary of results*

The analysis was conducted using three separate structural models, each aligned with one of the study's objectives. In the first model, the effects of SPP and PEP on the three components of EDM were assessed. Findings indicate that SPP has no meaningful influence on any stage of EDM, whereas PEP consistently predicts ethical issue recognition, ethical judgment, and ethical intention.

The second model explored how SPP, PEP, and EDM relate to one another. Here, the results showed that PEP operates as a mediating mechanism through which SPP indirectly connects to EDM.

The third model evaluated whether the financial conditions of the decision-maker alter the relationship between PEP and EDM. The analysis found no evidence that financial situation strengthens or weakens this association.

## Discussion of the Results

### *Influence of perceived organizational prestige on EDM*

The first research question focused on how perceived organizational prestige shapes the three dimensions of ethical decision-making. The evidence indicates that only the external component of prestige—PEP—plays a significant role in predicting respondents' ethical considerations, evaluations, and intentions. SPP, the internally held appraisal of organizational prestige, showed no predictive power for any EDM stage.

This divergence highlights the importance of distinguishing between the two facets of POP when examining their behavioral implications. The findings imply that it is the perception of how outsiders view the organization—not employees' own esteem for it—that propels ethical behavior. Framed through social identity theory, tax practitioners appear motivated to uphold ethical standards because working for a publicly esteemed institution strengthens their professional identity and connection to a valued in-group norm.

A further interpretation is that highly ethical individuals may be drawn toward organizations with strong external prestige. Regardless of the direction of influence, the social identity explanation remains a plausible account for the observed PEP–EDM relationship.

These results align with previous studies linking PEP to job satisfaction [25], employee commitment and attitudes [22], and even certain maladaptive decision behaviors [21]. The present study contributes two notable extensions to this literature.

First, by assessing SPP and PEP separately, the analysis clarifies that only the external prestige dimension meaningfully contributes to EDM and, by implication, other forms of pro-organizational behavior. This distinction has practical implications: organizational efforts to strengthen POP should prioritize enhancing public reputation rather than internal image alone.

Second, by demonstrating that PEP influences all three phases of EDM, the results reveal the depth of its behavioral impact. For institutions operating in the public interest—such as tax and accounting bodies, where ethical conduct is heavily emphasized—maintaining strong external prestige appears to be a strategic asset. High PEP helps attract, support, and retain professionals who are inclined to act ethically.

### *Mediating role of PEP in the SPP–EDM relationship*

The second research objective examined how SPP, PEP, and EDM relate to one another. While the first model indicated that SPP has no direct effect on EDM, the second model clarifies this relationship by showing that SPP feeds into PEP, which in turn influences EDM. This means that employees' personal evaluations of their organization (SPP) contribute to how they believe external audiences view the organization (PEP), and it is this external dimension that ultimately shapes ethical decision-making. These findings challenge the argument that SPP and PEP operate independently [15] and instead support Bright's [3] assertion of alignment between the two.

From a policy standpoint, two implications emerge.

First, initiatives that strengthen SPP will only influence pro-organizational behaviors—including ethical conduct—when these internal assessments are translated into stronger external prestige. Organizations should therefore aim to create channels through which positive internal experiences are shared publicly. Encouraging employees to communicate authentic success stories and positive encounters with the organization may help build PEP, which then supports ethical behavior.

Second, although SPP does not directly predict EDM, it should not be neglected. Because SPP feeds into PEP, reducing emphasis on internal prestige-building would ultimately weaken the external prestige that does matter for EDM. In short, high PEP is more easily achieved and sustained when SPP is strong.

### *Moderating effect of financial situation on the PEP–EDM relationship*

The third objective assessed whether decision-makers' financial pressure alters the influence of PEP on EDM. The results indicate that financial strain does not modify this relationship.

Scholarship on fraud and unethical behavior often identifies financial pressure as a key driver of ethical lapses [42]. Research in developing economies also suggests that constrained financial circumstances may encourage unethical behavior [10-12]. Contrary to these findings, the present study shows that financial strain does not weaken or intensify the effect of organizational prestige on ethical decision-making. Even respondents who reported financial hardship did not deviate from the behavioral pattern associated with strong PEP. The influence of external prestige on ethical conduct appears stable regardless of personal financial circumstances.

This strengthens the social identity interpretation: the importance of identifying with a socially respected organization remains intact even when individuals face financial challenges. Future research may wish to revisit the role of financial incentives or pressures using a broader dataset or more varied contexts, especially within developing economies.

### **Conclusion, Limitations, and Recommendations**

This study investigated how organizational prestige valuations and financial circumstances intersect to shape ethical decision-making, drawing on social identity theory. Survey data from 356 tax accountants in Ghana were analyzed using PLS-SEM. The findings demonstrate three main outcomes: (1) only PEP directly predicts ethical decision-making; (2) PEP serves as the pathway through which SPP influences EDM; and (3) financial situation does not alter the PEP-EDM relationship.

The study adds value to the literature in several respects. First, it provides one of the earliest attempts to empirically connect prestige valuations, financial conditions, and ethical behavior. This supports and extends social identity theory by highlighting external prestige as a driver of ethical action. Second, by treating SPP and PEP as distinct constructs, the study clarifies that organizations should focus primarily on the external dimension of prestige if they aim to strengthen ethical behaviour. Third, it examines how social identity motivations hold up in the presence of financial pressure, adding nuance to existing theories regarding ethical decision-making.

There are also important policy implications. The results reaffirm the strategic significance of building and protecting an organization's public image, especially in fields such as accounting and taxation where ethical conduct is central. Organizations should engage in activities that enhance their external reputation and avoid actions that may undermine it. Additionally, internal experiences should be intentionally leveraged to reinforce public perceptions—positive internal narratives have value only when they contribute to stronger external prestige. Finally, the study offers evidence that individual financial stress does not necessarily compromise ethical behavior, at least within this professional group.

Two limitations should be acknowledged. First, the study draws solely on the perceptions of tax accountants, excluding other professionals who also participate in tax-related work (e.g., lawyers, IT specialists, economists). As such, the findings should be generalized with caution. Second, the study operates within rationalist assumptions embedded in both social identity theory and Rest's EDM model—assumptions that may not fully account for intuitive or emotion-driven aspects of ethical decision-making.

Future research could broaden the range of professional voices represented and explore alternative factors that may strengthen or reshape the POP-EDM relationship.

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