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The Impact of Culture and Social Norms on Earnings Management: A Case Study of Iraq

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Abstract: The management of earnings has emerged as a critical determinant of organisational success, necessitating the consideration of culture and social norms. This aspect warrants the attention of both researchers and regulators. This article aims to investigate the influence of culture and social norms on the practise of earning management within the manufacturing sector in Iraq. This study examines the moderating influence of institutional support on the relationship between culture, social norms, and earning management within the manufacturing sector in Iraq. Data was collected from employees in the manufacturing industry through the administration of questionnaires. The article also utilised the SPSS-AMOS software to examine the relationship between the variables under study. The findings suggest that there is a positive correlation between culture, social norms, and earning management within the manufacturing sector in Iraq. The results also revealed that institutional support plays a significant moderating role in the relationship between culture, social norms, and earnings management in the manufacturing industry in Iraq. The study provides guidance to policymakers in formulating policies aimed at improving earnings management through the utilisation of effective cultural and social norms

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Introduction

In recent times, the subject of earnings management has gained significant prominence. There are multiple factors contributing to this phenomenon, with one of the most significant being the ability of firms to entice clients to invest in shares through the demonstration of consistent profit growth. Earnings management is typically carried out by manipulating accounting data. Earnings management is widely criticised on a global scale. Frequently, companies deliberately engage in earnings management practises in order to attract investment. The actions undertaken by these firms lack ethical and professional support within the accounting industry. Accounting reports for a company comprise financial and economic data that may be subject to modifications implemented by management. Individuals with diverse needs and incentives may utilise lawful liberties to advance their personal objectives. The utilisation of discretion provides managers with a degree of flexibility when assessing the financial performance of the organisation, a phenomenon commonly referred to as earnings management (Séverin & Veganzones, 2021; Velte, 2020). The adjustments made to the outcomes are conducted within the parameters of accounting standards and guidelines, and are based on the discretion to choose specific accounting methods. The process of interpreting accounting reports and evaluating firm profitability involves analysing the company's economic circumstances and identifying potential adjustments that may have been made. Consequently, the concept of managed earnings could give rise to significant challenges. Corporate managers exercise control over earnings for various purposes. Some of the benefits include enhanced incentives, surpassing closely monitored analyst projections, tax advantages, augmenting the company's value, and cultivating a perception of stability (Toumeh & Yahya, 2019). The firm's actions, whether deliberate or inadvertent, are aimed at ensuring that earnings management is flawed in both respects. When earning management is implemented in a system, it becomes necessary to address and mitigate its potential consequences. This is because earning management can result in misleading investors, which in turn can negatively impact the reputation of the firm in the market (Lanier Jr., Wempe, & Swink, 2019).

Earnings management serves as a metric for assessing the performance of a company within a defined timeframe, enabling the estimation of future cash flows in relation to present cash flows. Conversely, earnings serve as a valuable source of information for participants in the financial market, as they provide insights into the performance of companies in terms of stock pricing and, consequently, their overall worth. Earnings management, which involves the manipulation of financial results, is commonly achieved through the utilisation of accrual-based accounting techniques such as estimated accruals, accounting estimates, and modifications in accounting policies (Dakhilalh et al., 2020; Ferris & Liao, 2019). The adoption of the accrual basis in accounting is motivated by the challenges encountered with the cash basis, including issues related to matching and timing. These challenges have resulted in the inadequate assessment of a company's performance. The rationale behind the utilisation of an accrual basis is derived from the endorsement of accounting professional regulatory entities, particularly accounting standard-setting bodies. The existing body of accounting literature has identified various factors that

influence the composition and presentation of financial reports. However, it is widely acknowledged that elements such as culture, values, and social norms play a significant role in influencing accounting figures, specifically in terms of the integrity of accounting numbers and the practise of earnings management (Firnanti & Pirzada, 2019). The management and accounting of economic events and transactions necessitate the exercise of personal judgements, which can be influenced by cultural factors. The accountant's approach to personal judgements can be understood as a cognitive disposition that is influenced by various factors, with culture being the most significant determinant. This observation prompts us to posit that the practise of earnings management is closely intertwined with cultural factors. An additional salient aspect pertains to the potential challenges encountered during the initial years of implementing international financial reporting standards. These difficulties arise from the necessity for companies to provide training to their personnel and adjust to the novel accounting system. It is anticipated that the utilisation of international financial reporting standards will exhibit enhancement over a period of time, while the influence of other factors that shape accounting figures, such as culture, is likely to diminish (Kipp, Curtis, & Li, 2020; Toumeh, Yahya, & Amran, 2020). The underlying premise of this study posits that earnings management is a decision or judgement made by management and accountants, thereby allowing for a significant discretionary power margin. Put simply, the assessment of earnings management's direction and extent is largely influenced by individual judgement. Hence, it is undeniable that cultural factors, being a constituent element of human personality and consequently shaping the personality of accountants or managers, undeniably exert an influence on the professional judgements they render.

The current research aims to address several gaps in the existing literature 1) There has been a lack of examination regarding the model that incorporates factors such as culture, social norms, institutional support, and earning management, specifically within the context of Iraq. 2) This model has not been tested in recent times, thus highlighting the need for further investigation in this area. In their respective studies, Ben Amar and Chakroun (2018), as well as Viana Jr, Lourenço, Ohlson, and Augusto S F de Lima (2022), investigated the relationship between culture and earning management. These studies incorporated additional variables such as social norms and institutional support into their analysis. The current study aims to examine this topic specifically in the context of Iraq, utilising a recently collected dataset.3) Abdul Rahman, Hj Omar, Rahman, and Muda (2018) as well as Chen, Cai, and Jebran (2021) conducted research to investigate the relationship between social norms and earning management. This study also incorporated variables such as culture and institutional support. This study aims to examine the topic, specifically focusing on Iraq, utilising a recently collected dataset.4) In their respective studies, Lukman et al. (2021) and Falola et al. (2018) examined the potential moderating role of institutional support in relation to various variables. Building upon this existing research, the present study focuses on the relationship between culture, social norms, and earning management, specifically in the context of Iraq, utilising a recently collected dataset. The present study possesses a discernible level of significance. a) The topic of earning management holds significant importance in the accounting literature worldwide. The present study aims to

highlight the significance of earning management, b) While numerous studies have been conducted on this topic, this study will contribute to the existing literature by examining earning management specifically in the context of Iraq, c) This study will provide guidance and support to professionals in the field of accounting literature, assisting them in reviewing and enhancing policies to effectively regulate earning management practises in Iraq.

Literature Review

The concept of earning management holds significant importance in contemporary times. Companies in various industries make significant efforts to exercise control over their earnings management practises. Numerous factors exert influence on earning management, including the surrounding environment, leadership practises, organisational values, prevailing norms, and cultural dynamics. The primary objective of the present study was to investigate the relationship between culture and earnings management. In their study, [Viana Jr, Lourenço, Ohlson, and Augusto S F de Lima \(2022\)](#) investigated the potential association between earnings management and national culture. A study was conducted on the population of eleven economies from various regions of the world. The study analysed a dataset consisting of 27,605 business records. The data for the research sample was collected through the utilisation of questionnaires. The research employed the Gaussian Mixture Model (GMM) analytic technique for conducting the analysis. The analysis of the study's findings indicates a significant correlation between national culture and earning management, specifically within the sample of 11 global economies. In a study conducted by [Ben Amar and Chakroun \(2018\)](#), the authors examined the potential relationship between corporate social responsibility, which encompasses cultural and values-based considerations, and the practise of earning management. The present study focused on the demographic of the French population. A sample of data from 119 French companies was utilised in the study. The data pertaining to the research sample was collected through the administration of questionnaires. The research employed the regression analysis technique for conducting the analysis. The analysis of the study's findings indicates a robust correlation between the cultural and value-based aspects of corporate social responsibility (CSR) and revenue management, particularly within the selected French companies. Additionally, [Doupnik \(2008\)](#) examines the effects of cultural influences on the practise of earnings management. The study's findings indicate that cultural factors, specifically individualism and uncertainty avoidance, play a significant role in determining the extent of cultural influence. The underlying cause of this phenomenon can be attributed to the managerial practises adopted by businesses based in countries characterised by high uncertainty avoidance and low individualism. Such organisations exhibit a preference for exerting control over future outcomes, a goal that is facilitated by the implementation of profit-oriented management strategies. Moreover, managers of enterprises operating within cultures characterised by low levels of individualism, commonly referred to as collective societies, prioritise the preservation of community interests and overall group welfare. The practise of profit management serves as a means to achieve this objective. In a recent study conducted by [Yamen, Kuzey, and Dinc \(2022\)](#), an investigation was undertaken to explore the potential association between culture, institutional

quality, and earning management. The investigation encompassed a total of 38 economies from various regions across the globe. The study utilised a sample size of 1340 companies' data. Questionnaires were employed to collect data from the research sample. According to the study, the analysis was conducted utilising a Gaussian Mixture Model (GMM) analytic technique. The findings of the study indicate a strong correlation between culture, institutional quality, and earnings management, specifically within the 11 selected global economies.

H1: The culture of any country has an influence on earning management

In recent times, the significance of earning management has gained prominence due to the widespread adoption of this practise worldwide. Literature encompasses various elements that exert influence over it, such as the environment, leadership, values, norms, and culture. The present investigation centred its attention on social norms. [Abdul Rahman, Hj Omar, Rahman, and Muda \(2018\)](#) conducted a study to investigate the potential association between social norms and earning management within the framework of religious ethical standards. The study focused on the population of Malaysia. The study utilised a dataset spanning a period of seven years for analysis. The selected sample encompasses the time period from 2007 to 2014. The investigation was conducted utilising the linear regression analysis technique. The results of the study analysis indicate a strong association between social norms rooted in religious ethical beliefs and earning management, particularly within the enterprises selected in Malaysia. In a similar vein, [Chen, Cai, and Jebran \(2021\)](#) conducted an investigation to ascertain the potential relationship between culture, specifically social norms, and the practise of earning management within firms. The study was conducted on the Chinese populace. The study utilised a 16-year dataset as a representative sample for analysis. The chosen sample encompasses the time period from 2001 to 2016. The analysis was conducted using the ML regression analysis approach. The findings obtained from the research analysis indicate a significant relationship between culture, specifically social norms, and earning management, specifically in Chinese-selected firms. The study additionally suggested further investigation into various cultural dimensions, such as values and beliefs, in order to assess their impact on earnings management. The cultural fabric of a nation is intricately woven with the religious beliefs and practises observed within its borders. The influence of religion, as a cultural phenomenon, permeates all facets of human existence. In the present study, [Du et al. \(2015\)](#) conducted an investigation to determine the potential relationship between social norms within the realm of religion and the practise of earning management within firms. The study was conducted on the Chinese populace. The study utilised a sample of data spanning a period of 10 years for the purpose of analysis. The chosen sample corresponds to the time period spanning from 2001 to 2011. In contrast, the study collected data from a total of 11,537 firms over the span of ten years. The analysis was conducted using the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach. The findings obtained from the research analysis indicate a significant relationship between social norms within the religious context and earning management, specifically in Chinese-selected firms. The study also proposed further investigation into additional cultural dimensions, such as values and beliefs, in order to assess their impact on earnings management.

H2: Social norms have an influence on the earning management.

In certain instances, managers engage in earning management as a result of their personal motivations, while in many cases, management imposes such practises. In both instances, this results in the dissemination of inaccurate information to the investors. The mitigation of earnings management poses a significant challenge for firms. In order to ensure organisational alignment, firms employ various strategies such as implementing diverse leadership styles, modifying corporate culture, and revising policies. All of these factors contribute to the overall framework of institutional support. The presence of institutional support serves as a moderating factor in influencing the practise of earnings management. In the present study, [Lukman et al. \(2021\)](#) conducted empirical research investigating the relationship between students and their intentions towards entrepreneurship. Moreover, the relationship can be moderated by institutional support. The study utilised Ghana's population as the sample. A sample size of 322 respondents was utilised in the study. The sample was collected by means of questionnaires. The research employed regression analysis as a method of analysis. The findings of the study, derived from the analysis conducted, indicate that institutional support, specifically in the context of Ghana, could potentially influence the relationship between students' entrepreneurial aspirations. In a study conducted by [Suwija, Ekasriadi, Yarsama, and Geria \(2022\)](#), the researchers investigated the relationship between positive character in music and the abilities of teachers. Moreover, the presence of institutional support has the potential to moderate this relationship. The study utilised the population of Indonesia as its sample. A sample of 289 respondents' responses was included in the study. Questionnaires were employed to facilitate the acquisition of the sample. The study's analysis employed the Partial Least Squares Structural Equation Modelling (PLS-SEM) technique. The study's findings and analysis indicate that the presence of institutional support may potentially alleviate the correlation between musical aptitude and teaching abilities. The topic of discussion pertains to the role of character in music education and the proficiency of teachers, with a particular focus on the context of Indonesia.

H3: Institutional support significantly moderates the nexus aimed culture and earning management.

The firm's actions, whether deliberate or inadvertent, are aimed at ensuring the manipulation of earnings is flawed in both respects. Although the implementation of earning management is a crucial aspect in any system, it is imperative to address the pressing need to mitigate its effects. The literature encompasses various approaches, such as leadership styles and institutional support, that have been employed to address this issue. In numerous instances, the provision of institutional support leads to the reduction of earning management practises. Similarly, the organisation implements various non-intrusive strategies that enable managers to circumvent the accrual of managerial earnings. In the present study, [Falola et al. \(2018\)](#) conducted research to explore the relationship between faculty commitment and effective job responsibility. Moreover, the presence of institutional support has the potential to moderate this relationship. The study focused on the population of Nigeria. The study utilised a sample of faculty members who were employed

in 1912. The sample was collected through the use of questionnaires. The study employed the structural equation modelling (SEM) analysis method to conduct the analysis. The study's findings, particularly in the context of Ghana, indicate that the presence of institutional support could potentially alleviate the relationship between teacher dedication and the effective fulfilment of job responsibilities. In a study conducted by [Wu, Xie, Lassala, and Ribeiro-Navarrete \(2023\)](#), an investigation was carried out to explore the interrelationships between bribery, startups led by women, and the performance of product innovation. Additionally, the presence of institutional support has the potential to moderate this relationship. The study focused on the population of China. A sample of 230 members' data was utilised in the study. Questionnaires were employed to facilitate the acquisition of the sample. The study employed the structural equation modelling (SEM) analysis technique for analytical purposes. Based on the findings of the research study following thorough analysis, it has been observed that institutional support has the potential to mitigate the correlation between bribery, the performance of companies led by women, and the innovation of products.

H4: The nexus between social norms and earning management is moderated by the institutional support.

Research Methodology

This article aims to analyse the influence of culture and social norms on earning management in the manufacturing industry in Iraq. Additionally, it explores the potential moderating effect of institutional support on the relationship between culture, social norms, and earning management. Data was collected from employees in the manufacturing industry through the administration of questionnaires. The instruments were utilised to assess the variables in the research. The items included in this study are derived from previous literature. Specifically, the construct of culture is based on five items extracted from [Marconcin et al. \(2021\)](#). The construct of social norms is operationalized using eight items adopted from [Perrin et al. \(2019\)](#). The construct of institutional support is measured using seven items taken from [Le and Lei \(2019\)](#). Lastly, the construct of earning management is assessed using six items adopted from [Chakroun and Ben Amar \(2022\)](#).

In addition, the study focuses on the employees within the manufacturing sector of Iraqi organisations as the primary respondents. The selection of these employees is conducted through the utilisation of a simple random sampling technique. The surveys were distributed to the participants through the means of electronic communication via email, as well as through face-to-face interactions during personal visits. A total of 546 surveys were distributed, of which only 295 were received, indicating a response rate of approximately 54.03 percent. Additionally, the study utilised the SPSS-AMOS software to examine the relationship between the variables under investigation. According to [Hair, Gabriel, and Patel \(2014\)](#), this tool is highly effective in handling primary data and generating optimal results through the utilisation of intricate models. The study employed two predictors, culture (CL) and social norms (SN), along with one moderating variable, institutional support (IS), and one dependent construct, earning management (EM). The variables depicted in [Figure 1](#) are provided.

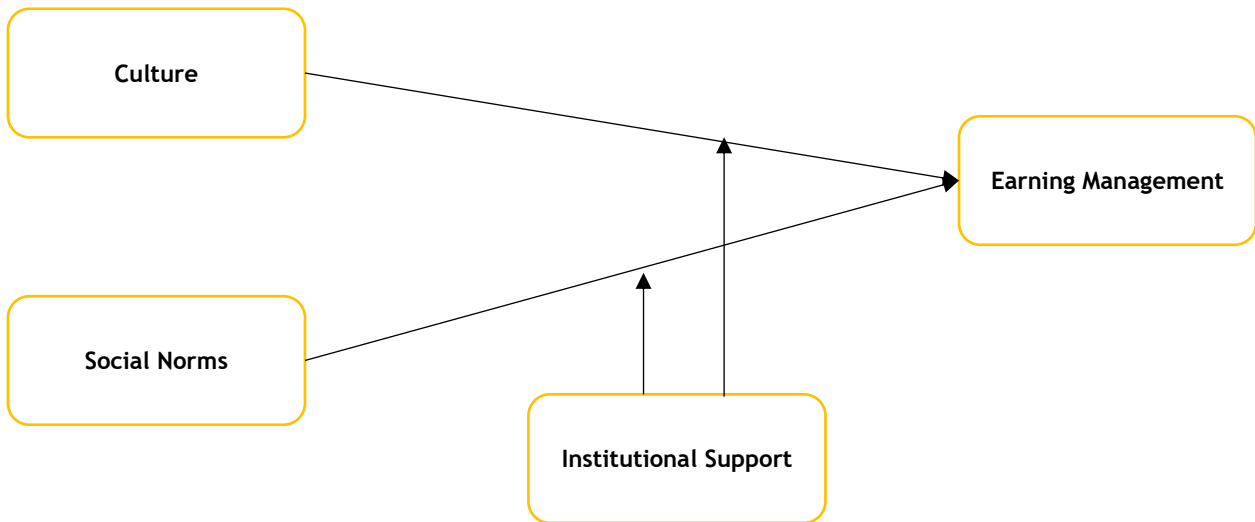


Figure 1: Theoretical model

Research Findings

The results demonstrate convergent validity by revealing the correlation between the items. The results revealed that the loadings and average variance extracted (AVE) values exceed the threshold of 0.50. Additionally, the composite

reliability (CR) values surpass the threshold of 0.70. Furthermore, the AVE values are higher than both the minimum shared variance (MSV) and average shared variance (ASV) values. The data presented in these figures demonstrates a strong positive correlation among the items. The aforementioned results are presented in [Table 1](#).

Table 1: Convergent validity

Constructs	Items	Loadings	CR	AVE	MSV	ASV
Culture	CL1 <---	CL 0.732	0.929	0.727	0.516	0.210
	CL2 <---	CL 0.771				
	CL3 <---	CL 0.976				
	CL4 <---	CL 0.778				
	CL5 <---	CL 0.974				
Social Norms	SN1 <---	SN 0.842	0.898	0.596	0.294	0.203
	SN2 <---	SN 0.825				
	SN3 <---	SN 0.811				
	SN5 <---	SN 0.668				
	SN6 <---	SN 0.728				
Institutional Support	IS1 <---	IS 0.742	0.899	0.601	0.516	0.311
	IS2 <---	IS 0.795				
	IS4 <---	IS 0.857				
	IS5 <---	IS 0.825				
	IS6 <---	IS 0.796				
Earning Management	IS7 <---	IS 0.805	0.863	0.518	0.294	0.171
	EM1 <---	EM 0.529				
	EM2 <---	EM 0.533				
	EM3 <---	EM 0.828				
	EM4 <---	EM 0.601				
	EM5 <---	EM 0.790				
	EM6 <---	EM 0.771				
		EM 0.749				

The results also demonstrate the discriminant validity by revealing the correlations among variables. The results suggest that the initial value in the column is greater in magnitude than the subsequent values. The observed values demonstrated a weak correlation between the variables. The results are presented in [Table 2](#).

Table 2: Discriminant validity

	IS	CL	SN	EM
IS	0.776			
CL	0.718	0.853		
SN	0.478	0.293	0.772	
EM	0.435	0.171	0.542	0.720

In addition, the article also examined the model's level of fitness, whereby the TLI and CFI values exceeded 0.90, and the RMSEA values were below 0.05. The values exposed by the model are a good fit. The values are provided in [Table 3](#).

Table 3: Model good fitness

Selected Indices	Result	Acceptable level of fit
TLI	0.901	TLI > 0.90
CFI	0.903	CFI > 0.90
RMSEA	0.001	RMSEA < 0.05 good; 0.05 to 0.10 acceptable

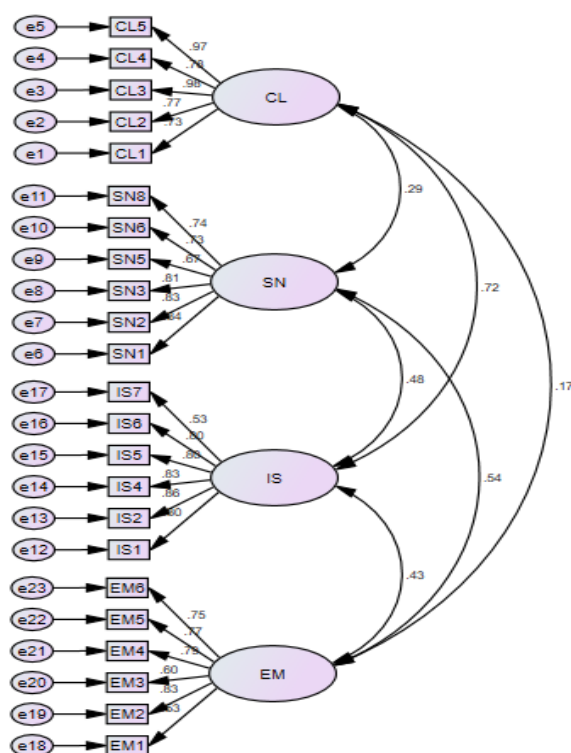


Figure 2: Measurement model assessment

The results of the study suggest that there is a positive correlation between culture and social norms and earning management in the manufacturing industry in Iraq. These findings support the acceptance of hypotheses H1 and H2. The results of the study indicate that institutional support

plays a significant moderating role in the relationship between culture, social norms, and earning management in the manufacturing industry in Iraq. This finding supports hypotheses H3 and H4. The aforementioned associations are presented in Table 4.

Table 4: Path analysis

Relationships			Beta	S.E.	C.R.	P
Earning Management	<---	Institutional Support	0.466	0.037	12.442	0.000
Earning Management	<---	Culture	0.537	0.037	14.658	0.000
Earning Management	<---	Social Norms	0.021	0.010	2.100	0.048
Earning Management	<---	SN x IS	0.109	0.007	15.428	0.000
Earning Management	<---	CL x IS	0.130	0.007	19.836	0.000

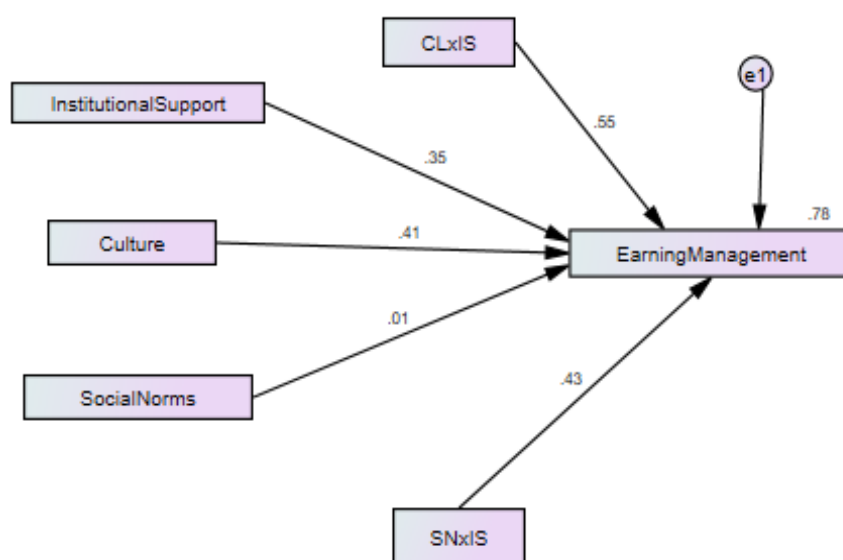


Figure 3: Structural model assessment

Discussions

The results of the study indicate a positive correlation between culture and earning management. The findings presented here are consistent with the findings of [Arioglu \(2020\)](#), suggesting that the cultural context in which firms operate has an impact on the demand and sales of their products. When a company introduces a product that is deeply ingrained in the culture, it has the ability to immediately captivate and fulfil the desires of customers upon initial exposure and subsequent usage. The increase in demand leads to a corresponding increase in sales, resulting in higher firm revenues. If there is compatibility between community culture and product features, the effectiveness of earning management can be observed. The findings presented in this study are consistent with the research conducted by [Yung and Root \(2019\)](#), suggesting that incorporating cultural elements into products and services and acknowledging the significance of cultural requirements can effectively contribute to increased earnings in certain business organisations.

The findings of the study indicate a positive correlation between social norms and earning management. The findings presented here are consistent with the findings of [Chen, Cai, and Jebran \(2021\)](#), who assert that understanding the values, behaviours, and traditions of individuals within a society allows managers to develop products and train company representatives to provide efficient customer service. In this particular scenario, it is advisable for the earnings management to enhance its strategic plan. Therefore, it can be argued that social norms have a positive impact on the effectiveness of earning management. The findings presented in this study are corroborated by the research conducted by [Elnahass, Salama, and Yusuf \(2022\)](#), suggesting that social norms play a significant role in shaping marketing requirements, as customers are inherently influenced by societal factors. The increase in sales that occurs as a result of adherence to compatible social norms is accompanied by strong performance in earning management.

The results of the study indicate that there is a notable moderating effect of institutional support on the relationship between culture and earning management. The findings presented in this study are further corroborated by the research conducted by [Halabi, Alshehabi, and Zakaria \(2019\)](#), which explores the influence of culture on earnings management. The study suggests that when organisational policies are formulated to foster supportive relationships between firm administrators and employees, administrators may gain insights into the cultural dynamics of the community. The understanding of cultural dynamics enhances the capacity of managerial personnel to enhance firm profitability through effective customer responsiveness. These findings are consistent with the research conducted by [Wijayana and Gray \(2019\)](#), who argue that organisational support towards both employees and customers fosters cultural satisfaction, while prompt responsiveness through innovation enhances earning management.

The findings of the study indicate that there is a notable moderating effect of institutional support on the relationship between social norms and earning management. These findings are consistent with the research conducted by [Amidu and Issahaku \(2019\)](#), which suggests that social norms play a significant role in influencing consumers' perceptions of available products in the market, as well as the behaviours exhibited by product

advertisers and sellers. If there is access to institutional support, adherence to social norms in work, and effective implementation of earning management, it can contribute to the development of marketing strategies and the maintenance of earnings. The findings presented in this study align with the research conducted by [Ehsan, Nurunnabi, Tahir, and Hashmi \(2020\)](#), wherein they elucidate that when firms demonstrate support for their employees, it contributes to the establishment of acceptable and favourable social norms within the organisational context. When social norms are perceived as favourable, there is an increase in employees' cooperation, leading to the effectiveness of earning management.

Implications

The contribution of this resource to the academic field lies in its provision of guidelines for scholars in the realm of literature. This study investigates the impact of cultural factors and social norms on the practise of earning management. Furthermore, this study examines the moderating influence of institutional support on the relationship between culture, social norms, and earning management. Business organisations function with the primary objective of generating financial gains. This literary work holds considerable importance for business organisations, as it provides guidance on enhancing earnings management and attaining the goal of increased profitability. This study emphasises the importance of effective organisational culture and the need for organisations to also take into account the culture of the community in order to achieve effective earning management. The study further argues that in order to enhance the efficacy of earnings management, business administration should take into account both the social norms prevalent in the community and those within the organisation. Additionally, it is imperative to consider the necessity of making adjustments to accommodate institutional support. Enhancing cultural awareness can significantly contribute to the advancement of earning management practises. Additionally, the research indicates that the formulation of policy is necessary in order to facilitate institutional support. It facilitates the enhancement of addressing social norms and enhances their impact on earning management. The study provides guidance to policymakers in formulating policies aimed at improving earnings management through the utilisation of effective cultural and social norms.

Conclusion

The primary aim of this study was to investigate the impact of culture and social norms on the practise of earnings management within an organisation. The objective of this study was to investigate the influence of institutional culture on the association between culture and social norms in relation to the effectiveness of earning management. A survey was conducted by researchers to gather data on culture, social norms, institutional support, and earning management within business organisations in Iraq. The findings of the study revealed a significant correlation between culture and social norms, and the practise of earning management. The findings of the study suggest that when a company effectively aligns its organisational culture with its mission and ensures that its products and services are in line with the culture of the community it serves, it is able to meet market demands and achieve potential financial gains. The effectiveness of

earning management is evident. The findings of the study also indicated that when individuals acknowledge and adhere to social norms, and conduct production processes in alignment with these norms, they are more likely to meet the expectations and demands of the general public. This leads to the efficacy of earnings management. The research findings additionally indicate that institutional support plays a crucial role in moderating the relationship between cultural and social norms and earning management. When there is institutional support provided to employees and stakeholders, it leads to enhanced consideration of culture and social norms. Furthermore, the influence of culture and social norms on the practise of earning management becomes increasingly significant.

Limitations

Despite the significant implications of this article, it is important to acknowledge that several limitations still exist. The limitations can be addressed and overcome by the researchers. The study framework provides a concise overview of the effectiveness of earnings management. In numerous instances, it may prove inadequate to consider only two factors, namely culture and social norms, when examining the impact on earning management. The expansion of the study framework necessitates the attention of researchers, which can be achieved by augmenting the number of factors under consideration. This study aims to examine and establish the moderating influence of institutional support on the relationship between culture, social norms, and earning management. The research implications can be enhanced by incorporating an additional moderator into this relationship.

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