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**THE ANALYSIS OF DETERMINANTS THAT
INFLUENCE THE DECISION TO ENGAGE
IN PRACTICES OF MANIPULATION
FINANCIAL-ACCOUNTING INFORMATION**

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RESEARCH STRUCTURE

»»» Introduction - Aim and objectives

»»» Literature review

»»» Research Methodology

»»» Results and discussion

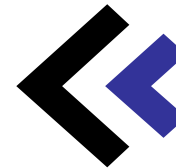
»»» Conclusions

INTRODUCTION

Despite the proliferation of innovative accounting concepts, the desire to manipulate numbers has been a constant element in accounting practices throughout history.



OBJECTIVES



Categorizing the major factors behind the decision to falsify financial-accounting information in order to highlight vulnerabilities in ensuring transparency in financial reporting.

1

Identifying the factors that motivate accounting professionals to adopt data manipulation techniques.

2

Empirical analysis of accounting professionals' perceptions of the degree of influence of determinants on their decision to engage in manipulative practices.

LITERATURE REVIEW

Wafinzida, G. J., et al., (2021)

Differences between national and international accounting standards can provide opportunities for manipulative accounting practices.

1

2

Boulhaga, M., et al., (2022)

Engaging in manipulative methods of financial statement preparation increases as the firm's control structure weakens, corporate governance becomes less effective, and the quality of the audit function deteriorates

3

Jaafar, M. A., & Al-Daamy, A. M. M., (2024)

Excessive personal debts of financial-accounting department employees and unacceptable social behaviors (such as gambling, drug or alcohol abuse) or extravagant lifestyles can contribute to distortion of financial-accounting information.

Velte, P. (2023)

Shareholder structure and shareholder requirements influence the quality of financial accounting reporting.

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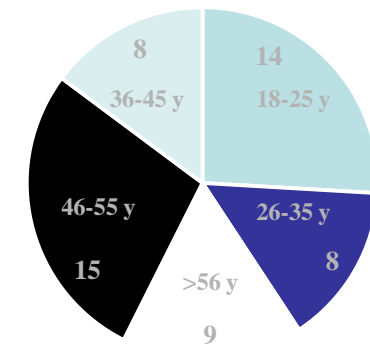
Hasan, M. et. al.,(2022)

Managers may be tempted to manipulate figures to improve their image; high-skilled managers in industries with intense competition are more likely to manipulate financial data.

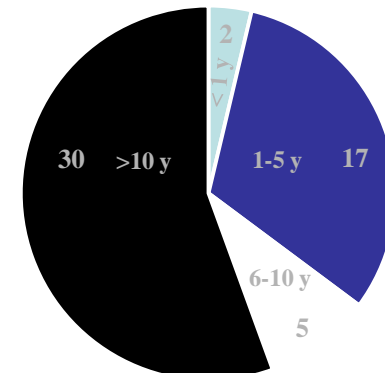
RESEARCH METHODOLOGY

Database: Questionnaire
Type of research: qualitative
Analysis period: April 2024-May 2025
Sample: 54 accounting professionals from all over Romania
Database structure: <ul style="list-style-type: none">➤ Degree of use of creative practices➤ Economic factors➤ Organizational factors➤ Psychological and behavioral factors➤ Technological and environmental factors
Dependent variable: Level of use of manipulative practices
Independent variables: <ul style="list-style-type: none">➤ Economic factors (Pressure to remain competitive, Need for access to finance, Periods of crisis, Level of tax rates)➤ Organizational factors (Capacity to manage risks, Lack of managers' ability to guide and motivate the team to achieve objectives, Quality of image crisis management, Lack of ethical culture)➤ Psychological and behavioral factors (Related persons in managerial positions, Absence of religious influence, Job security, Imposing very difficult targets)➤ Technological and environmental factors (Cross-border transactions, Wording that can be interpreted differently depending on the context, Economic downturns, Industry trends and practices)

Age category of respondents



Respondents' experience



RESULTS AND DISCUSSIONS

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Model		Sum of Squares	df	Mean Square	F	Sig.
LU.EC	Regression	544,555	4	136,139	15,660	,000b
	Residual	425,982	49	8,694		
	Total	970,537	53			
LU.ORG	Regression	564,818	4	141,205	17,054	,000b
	Residual	405,719	49	8,280		
	Total	970,537	53			
LU.PSYCH	Regression	314,278	4	78,569	5,866	,001b
	Residual	656,259	49	13,393		
	Total	970,537	53			
LU.TECHNO	Regression	330,300	4	82,575	6,320	,000b
	Residual	640,237	49	13,066		
	Total	970,537	53			

SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
LU.EC	,749 ^a	,561	,525	2,948	1,914
LU.ORG	,763 ^a	,582	,548	2,877	2,157
LU.PSYCH	,569 ^a	,324	,269	3,660	1,928
LU.TECHNO	,583 ^a	,340	,286	3,615	2,111

RESULTS AND DISCUSSIONS

LEVEL OF USE = 4,590 - 1,040 *V1 (Pressure to remain competitive)
+1,772*V2 (, Need for access to finance) + 2,075*V3 (Periods of crisis) +
1,399* V4 (Level of tax rates)

Level of influence
of economic
factors on the
quality
of information in
financial reports

Level of influence
of organizational
factors on the
quality
of information in
financial reports

LEVEL OF USE = 8,661 +3,338 * V1 (Capacity to manage risks) +1,110*V2
(Lack of managers' ability) -2,117*V3 (Quality of image crisis management)
+ 0,945* V4 (, Lack of ethical culture)

RESULTS AND DISCUSSIONS

LEVEL OF USE = 9,678 + 1,549* V1 (Related persons in managerial positions) + 0,402*V2 (Absence of religious influence) - 0,576*V3 (Job security) + 1,818* V4 (Imposing very difficult targets)

Level of influence of psychological factors on the quality of information in financial reports

Level of influence of technological factors on the quality of financial reporting information

LEVEL OF USE = 8,636 - 0,619* V1 (Cross-border transactions) + 0,801*V2 (Wording that can be interpreted differently depending on the context) + 1,916* V3 (Economic downturns) + 1,365* V4 (Industry trends and practices)

CONCLUSIONS

The econometric analysis reveals that, of all categories factors examined, concerns related to taxation, access to finance, periods of crisis and maintaining competitiveness in the financial market have the greatest influence on the use of data manipulation techniques, while psychological factors have little impact, meaning that accounting professionals are pursuing the economic goals of the company they work for and are less interested in achieving their own goals.

The data obtained in this research could make multiple contributions to counter the evolution of data manipulation practices by identifying the perceptions of accounting professionals on the most common motivations behind the distortion of information. Based on the results obtained, concrete solutions can be formulated to prevent and combat the manipulation of financial statements. This academic approach thus becomes a valuable tool for ensuring accurate and reliable financial reporting.

A limitation of this research is the small number of respondents to the questionnaire. This makes the generalization of responses less valid than with a larger sample. Undoubtedly, the study can be extended, other variables with a higher level of influence can be identified, additional variables can be included and more advanced data analysis techniques can be used.