

The Effect of Professional Ethics in Tax Decision-Making by Accountants in Multinational Companies

*The Effect of
Professional Ethics in
Tax Decision-Making*

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ABSTRACT

Professional ethics are a fundamental aspect of tax accounting practice, especially for multinational companies that face the complexity of cross-border regulations as well as pressure on business interests. This study aims to analyze the influence of professional ethics on tax decision-making by accountants, taking into account tax compliance intentions as a mediating variable and management pressure as a moderation variable. The study used a quantitative approach through a survey of 236 accountants working in multinational companies in Indonesia. Data were collected using a structured questionnaire and analyzed using the SEM-PLS method. The results of the study show that professional ethics have a significant positive effect on the quality of tax decisions, both directly and through the mediating role of tax compliance intentions. However, management pressure weakens the relationship, which suggests an ethical dilemma for accountants when dealing with the company's profit orientation. These findings underscore the importance of implementing ethics training, strengthening corporate governance, and internal control policies that drive tax compliance. Theoretically, the study expands the literature on the relationship between professional ethics and tax behavior in a multinational context, while practically providing recommendations for companies and regulators to balance business interests with compliance with tax law.

Keywords: Management Pressure, Multinational Companies, Professional Ethics, Tax Compliance Intention, Tax Decision-Making.

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ABSTRAK

Etika profesional merupakan aspek mendasar dari praktik akuntansi perpajakan, terutama bagi perusahaan multinasional yang menghadapi kompleksitas regulasi lintas batas serta tekanan terhadap kepentingan bisnis. Penelitian ini bertujuan untuk menganalisis pengaruh etika profesi terhadap pengambilan keputusan pajak oleh akuntan, dengan mempertimbangkan niat kepatuhan pajak sebagai variabel mediasi dan tekanan manajemen sebagai variabel moderasi. Penelitian ini menggunakan pendekatan kuantitatif melalui survei terhadap 236 akuntan yang bekerja di perusahaan multinasional di Indonesia. Data dikumpulkan menggunakan kuesioner terstruktur dan dianalisis menggunakan metode SEM-PLS. Hasil penelitian menunjukkan bahwa etika profesi memiliki pengaruh positif yang signifikan terhadap kualitas keputusan perpajakan, baik secara langsung maupun melalui peran mediasi niat kepatuhan pajak. Namun, tekanan manajemen melemahkan hubungan, yang menunjukkan dilema etika bagi akuntan ketika berhadapan dengan orientasi laba perusahaan. Temuan ini menggarisbawahi pentingnya menerapkan pelatihan etika, penguatan tata kelola perusahaan, dan kebijakan pengendalian internal yang mendorong kepatuhan pajak. Secara teoritis, studi ini memperluas literatur tentang hubungan antara etika profesional dan perilaku pajak dalam konteks multinasional, sambil secara praktis memberikan rekomendasi bagi perusahaan dan regulator untuk menyeimbangkan kepentingan bisnis dengan kepatuhan terhadap hukum pajak.

Kata kunci: Tekanan Manajemen, Perusahaan Multinasional, Etika Profesional, Niat Kepatuhan Pajak, Pengambilan Keputusan Pajak.

INTRODUCTION

Tax practices in Multinational Corporations (MNCs) have become a critical issue at both global and national levels due to their significant implications for fiscal sustainability and social justice. Vicente (2024) reports that multinational companies globally shift more than USD 850 billion in profits to low-tax jurisdictions, substantially reducing government revenues and exacerbating fiscal inequality (Capasso et al., 2021). This phenomenon places accountants in a strategic and ethically sensitive position, as they are required not only to serve corporate interests but also to ensure compliance with tax regulations and uphold professional integrity. In Indonesia, aggressive tax avoidance and tax evasion remain major concerns for the government, as they directly undermine the optimization of state revenue needed for national development (Susena et al., 2025). Consequently, professional ethics have become a crucial mechanism in preventing unethical tax practices and maintaining corporate legitimacy in the public sphere (Amlie, 2024).

Professional ethics in accounting extend beyond mere legal compliance and encompass broader moral responsibilities in professional conduct. Zhang (2024) emphasizes that accountants are bound by fundamental ethical principles, including integrity, objectivity, professional competence, confidentiality, and professional behavior. In tax-related decision-making, these principles are expected to guide accountants in balancing business objectives with legal and moral obligations. However, ethical dilemmas frequently arise when accountants face management pressure to maximize corporate profits through tax strategies that may be legally permissible but ethically questionable. This tension is particularly pronounced in multinational settings, where regulatory complexity and cross-border tax planning intensify ethical challenges (Scarpa & Signori, 2023).

Existing literature on tax compliance has largely focused on individual taxpayers and small or medium-sized enterprises. Studies in Indonesia demonstrate that tax morality, awareness, understanding, and sanctions significantly influence taxpayer compliance behavior (Nkundabanyanga et al., 2017; Oktris et al., 2024; Alfandi & Susilowati, 2025). Nevertheless, empirical research examining the ethical decision-making of professional accountants within multinational corporations remains limited. Scarpa and Signori (2023) argue that tax ethics literature has yet to adequately explain how individual moral

values interact with organizational pressures in shaping tax decisions. In particular, the psychological mechanism of tax compliance intention and the contextual role of management pressure have rarely been examined simultaneously. This gap is especially evident in developing-country contexts such as Indonesia, where multinational operations face complex regulatory environments and governance challenges.

To address this gap, this study integrates behavioral ethics theory and agency theory. The moral awareness framework proposed by Mekkonen (2021) posits that ethical decision-making begins with individuals' recognition of the moral implications of their actions. Meanwhile, agency theory explains conflicts of interest between corporate management and accountants as professional agents responsible for ensuring compliance and ethical conduct. Kaptein (2023) further highlights that organizational environments, including excessive managerial pressure, can function as "bad barrels" that foster unethical behavior even among morally inclined professionals. The novelty of this study lies in its combined examination of mediation and moderation mechanisms within a multinational corporate context. Specifically, tax compliance intention is positioned as a mediating variable linking professional ethics and tax decision-making, while management pressure is tested as a moderating factor that may weaken or strengthen this relationship.

Accordingly, this study aims to analyze the influence of professional ethics on tax decision-making by accountants in multinational corporations operating in Indonesia. Specifically, it examines whether tax compliance intention functions as a mediating mechanism in the relationship between professional ethics and tax decisions, as well as whether management pressure moderates the effect of professional ethics on accountants' tax decision-making. Through this approach, the study seeks to explain how ethical values shape tax-related judgments, how these values translate into compliance-oriented intentions, and how organizational pressures may strengthen or weaken ethical influences within a multinational corporate context.

Theoretically, this research extends tax accounting literature by emphasizing the moral and behavioral dimensions of tax decision-making within multinational contexts, an area often overshadowed by regulatory or compliance-focused studies. Practically, the findings offer insights for multinational corporations to strengthen ethical governance and reduce undue managerial pressure. Regulators may use the results to design policies promoting ethical tax behavior, while accounting education institutions can integrate tax ethics more comprehensively into curricula. Thus, this study contributes not only to academic discourse but also to the improvement of ethical tax practices in Indonesia.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Effect of Professional Ethics and Tax Compliance on Tax Decisions

Professional ethics constitute a fundamental principle in accounting practice, particularly in taxation, where decisions have legal, economic, and social implications. Accountants, especially those operating in multinational companies, face complex cross-border regulations, competitive pressures, and managerial expectations to minimize tax burdens. In this context, professional ethics guide accountants to make tax decisions that comply with regulations while maintaining corporate morality and public legitimacy (Kumar, 2024). Accountants therefore function not merely as technical experts calculating tax liabilities, but as guardians of financial integrity and corporate governance (Ho & Wong, 2008; Hoque et al., 2024). Ethical conduct is further shaped by professional dominance, reflected in factors such as length of practice, size of the tax department, and specialization in tax services, which influence judgment quality and decision-making authority (Aksiana & Sujana, 2019). Alongside ethics, tax compliance plays a critical role in tax decisions, defined as the accurate reporting of income and timely payment of taxes without enforcement actions (Chan et al., 2000; Abdu & Adem, 2023).

Empirical studies demonstrate a strong relationship between professional ethics, tax compliance, and tax decision-making. Surya and Ososoga (2022) found that professional ethics significantly influence tax decisions, indicating that ethical awareness leads to more

responsible and compliant tax strategies. Research on compliance behavior also highlights the importance of intention as a precursor to actual compliance. Markonah and Manrejo (2022) and Owusu et al. (2023) show that compliance intentions are a key determinant of taxpayer behavior in Indonesia, while Hikmah et al. (2021) confirm that compliance intentions positively affect tax compliance behavior. Collectively, prior findings suggest that ethical professionalism and compliance intentions interact to shape tax decisions, reinforcing the importance of integrity-based governance in taxation practices.

H1: Professional ethics has a significant effect on tax decisions.

H2: Tax compliance intentions has a significant effect on tax decisions.

2064

The Effect of Professional Ethics on Tax Compliance Intentions

The literature on ethical behavior emphasizes the importance of moral awareness in influencing accountants' decisions. Danysh and Daneshfar (2024) explain that moral awareness is the initial stage in ethical decision-making, and the higher an accountant's moral awareness, the more likely they are to make ethical decisions in the context of taxation. Contemporary research has also found that morality, tax understanding, and taxpayer awareness contribute significantly to tax compliance (Rahmayanti et al., 2020; Kurniawan & Daito, 2021). Although much research has focused on individual taxpayers, the concept is also relevant for professional accountants in multinational corporations, who face greater pressure and complexity.

Professional ethics fundamentally shape accountants' intentions toward tax compliance by fostering moral awareness and commitment to principles beyond mere legal obedience (Mekonnen, 2023). In multinational settings, where profit-shifting tempts ethical compromises, high ethical standards enhance intentions to prioritize compliance, balancing corporate efficiency with societal obligations (Ho & Wong, 2008; Hoque et al., 2024). Literature supports this influence, with morality and tax understanding significantly predicting compliance intentions among professionals (Esan et al., 2024; Alfandi & Susilowati, 2025). Behavioral ethics models posit that ethical principles activate intentions as precursors to actions, particularly under pressure (DeTienne et al., 2021). Gaps persist in multinational research, where individual-focused studies dominate, underscoring the need to examine ethics-intention dynamics in complex environments (Tilahun, 2019).

H3: Professional ethics has a significant effect on tax compliance intentions.

Tax Compliance as Mediator Variable

Professional ethics play a central role in shaping accountants' tax decisions, particularly in complex multinational environments where legal, economic, and social pressures intersect. Ethical principles guide accountants to balance regulatory compliance with corporate morality and public legitimacy, positioning them not only as technical experts but also as guardians of financial integrity and governance (Ho & Wong, 2008; Hoque et al., 2024; Kumar, 2024). Ethical decision-making is influenced by professional dominance, such as experience, departmental capacity, and specialization, which affect judgment quality and authority in tax matters (Aksiana & Sujana, 2019). However, ethical standards alone may not directly translate into compliant tax decisions. Tax compliance, defined as accurate reporting and timely payment of taxes without enforcement actions, becomes a critical behavioral channel through which ethics operate (Chan et al., 2000; Abdu & Adem, 2023). Literature emphasizes that moral awareness is the initial stage of ethical decision-making, shaping how accountants perceive and respond to tax-related dilemmas (Danysh & Daneshfar, 2024).

Recent studies increasingly position tax compliance intentions as a mediating mechanism between professional ethics and tax decisions. Surya and Osesoga (2022) confirm the direct influence of professional ethics on tax decision-making, while Markonah and Manrejo (2022), Owusu et al. (2023), and Hikmah et al. (2021)

demonstrate that compliance intentions significantly predict compliance behavior. Research by Taing and Chang (2021) further shows that morality and tax understanding shape compliance intentions, which subsequently affect actual tax outcomes. Behavioral ethics models support this pathway, suggesting that ethical principles activate intentions that precede actions, especially under pressure (DeTienne et al., 2021). Despite extensive evidence at the individual taxpayer level, limited attention has been given to multinational corporate settings, where accountants face stronger incentives for aggressive tax strategies.

H4: Tax compliance mediates the relationship between professional ethics and tax decisions.

Management Pressure as Moderator Variable

Management pressure is a critical organizational factor that shapes accountants' tax decision-making, particularly in environments where performance targets and profit maximization dominate managerial agendas. Agency theory explains that conflicts of interest arise when principals impose aggressive financial objectives on agents, encouraging decisions that prioritize short-term profitability over ethical and legal considerations. Under such conditions, professional ethics may be compromised due to what is described as a "bad barrels" environment, where organizational norms and pressures facilitate unethical behavior despite individuals' good intentions (Cialdini et al., 2021). In multinational corporations, this pressure is often intensified by complex tax planning opportunities and intense competition, potentially weakening the application of ethical principles in tax decisions. As management emphasizes financial outcomes, accountants may face constraints in exercising ethical judgment, leading tax decisions to shift toward opportunistic strategies rather than long-term compliance.

Empirical evidence supports the moderating role of management pressure in tax-related behavior. Satria and Fernanda (2022) found that financial pressure significantly affects tax compliance, indicating that stronger pressure encourages more aggressive tax planning to achieve optimal tax outcomes. Similarly, Ayu and Durya (2021) demonstrate that financial performance targets, such as return on assets, increase managerial pressure over time, as higher achievements in one period elevate expectations in subsequent periods (Oktaviani, 2019). This escalating pressure motivates management to pursue strategies that maintain or exceed performance benchmarks, potentially influencing accountants' tax decisions. Within this context, management pressure can moderate the relationship between professional ethics and tax decisions by constraining ethical considerations and shaping compliance intentions. Consequently, even accountants with strong ethical standards may adjust their tax decisions when compliance intentions are weakened by organizational pressure.

H5: Management pressure moderates the relationship between professional ethics and tax decisions.

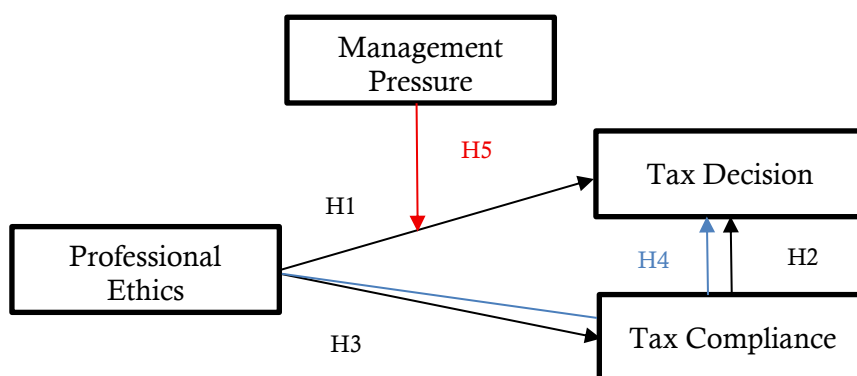


Figure 1. Conceptual Framework

The conceptual framework, illustrated in Figure 1, shows the relationships among professional ethics, management pressure, tax decision, and tax compliance. Professional ethics is proposed to directly influence both tax decision (H1) and tax compliance (H2). Tax decision, in turn, affects tax compliance (H3), while tax compliance may also influence tax decision (H4). Additionally, management pressure is hypothesized to moderate the relationship between professional ethics and tax decision (H5).

RESEARCH METHODS

This study employs a quantitative explanatory design to empirically examine the relationships among variables, particularly the effect of professional ethics on tax decision-making, with tax compliance intention as a mediator and management pressure as a moderator. The explanatory design enables the analysis of causal relationships and provides insights into the psychological and organizational mechanisms influencing accountants' behavior (Dadashi et al., 2023). The research population comprises professional accountants working in multinational companies in Indonesia who are directly involved in taxation or financial reporting. Using purposive sampling, respondents were selected based on the following criteria: (1) employment as an accountant in a multinational company, (2) a minimum of two years of experience in taxation or financial accounting, and (3) involvement in tax compliance decision-making. A total of 236 valid responses were obtained, meeting the sample adequacy requirement for Structural Equation Modeling–Partial Least Squares (SEM-PLS) analysis, as a sample size above 200 is considered sufficient for complex multivariate models (Zhang, 2022).

Primary data for this study were collected using a structured questionnaire distributed online through a digital survey platform. The research instruments were adapted from previously validated scales with contextual adjustments for multinational company settings. The professional ethics variable was measured using instruments based on the fundamental principles of the International Ethics Standards Board for Accountants, which include integrity, objectivity, competence, confidentiality, and professional behavior (Rogošić & Perica, 2023). The tax compliance intent variable was adapted from Esan et al. (2024), emphasizing aspects of moral awareness, regulatory understanding, and commitment to compliance. Meanwhile, the management pressure variable was measured using the organizational pressure scale developed by Kauppi and Luzzini (2022). The instrument underwent content validity testing through expert judgment by three academics specializing in tax accounting, while construct validity and reliability were assessed using Confirmatory Factor Analysis (CFA), with acceptable thresholds of Average Variance Extracted (AVE) greater than 0.5 and Composite Reliability (CR) greater than 0.7.

The research process involved several systematic stages. A literature review was first conducted to develop the conceptual framework and research instruments, followed by questionnaire preparation and a pilot test on 30 respondents. Main data were then collected through online questionnaires distributed to qualified respondents, and subsequently screened for completeness and consistency. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS 4.0 software. SEM-PLS was selected due to its ability to examine complex models involving mediation and moderation without requiring strict normality assumptions (Hair & Alamer, 2022). The analysis included two stages: evaluating the measurement model to assess construct validity and reliability, and evaluating the structural model to test variable relationships, R-square values, and mediation or moderation effects using a 5,000-resample bootstrapping procedure.

RESULTS

The initial stage in the SEM-PLS analysis is the evaluation of the measurement model (outer model), which ensures the accuracy, consistency, and validity of indicators in measuring latent constructs: professional ethics, tax compliance intentions, management

pressure, and tax decisions. The test results confirmed that all constructs met convergent validity requirements, as indicated by the Average Variance Extracted (AVE) values above 0.50. For instance, the professional ethics construct achieved an AVE of 0.68, meaning its indicators accurately represent the underlying concept. Based on Table 1, the Composite Reliability (CR) values for all variables ranged from 0.89 to 0.92, indicating strong internal consistency. The management pressure variable, for example, recorded a CR of 0.92, confirming consistent measurement of items such as boss pressure, profit targets, and tax efficiency demands. Discriminant validity using the Fornell-Larcker criterion was also fulfilled, as the square root of AVE for each construct exceeded inter-construct correlations.

Table 1. Outer Model Evaluation

Variabel	AVE	CR	Information
Professional Ethics	0.68	0.91	Valid & Reliable
Tax Compliance Intent	0.65	0.89	Valid & Reliable
Management Pressure	0.71	0.92	Valid & Reliable
Tax Decisions	0.66	0.90	Valid & Reliable

After confirming the instrument's validity and reliability through the outer model evaluation, the structural model (inner model) is then tested to assess the relationships among latent constructs and evaluate the model's predictive ability for dependent variables. In this stage, hypothesis testing is conducted to determine how strongly independent variables explain the variations in the dependent variable within the research model.

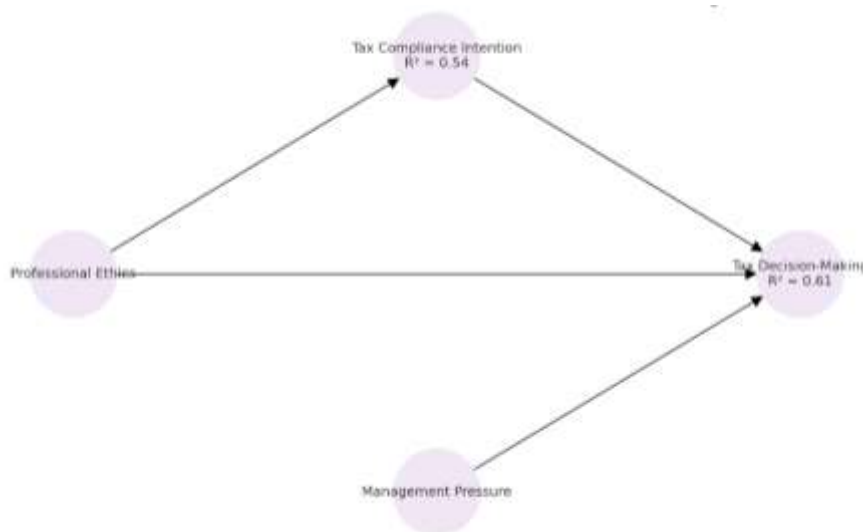


Figure 2. SEM-PLS Structural Model (R²)

Based on Figure 2, the tax decision variable has an R² value of 0.61, meaning 61% of its variation is explained by professional ethics, tax compliance intentions, and management pressure, while 39% is influenced by other external factors. This indicates strong predictive ability, considering that tax decisions are influenced by various elements such as regulatory dynamics, business strategies, and global market conditions.

Meanwhile, tax compliance intention has an R² value of 0.54, showing that professional ethics explain 54% of its variation. This confirms that higher ethical standards increase accountants' intention to comply with tax regulations, which then drives better quality and legally compliant tax decisions. The findings emphasize that ethics affect tax decisions both directly and indirectly, reinforcing the accountant's role in balancing corporate interests with moral and legal responsibilities.

Table 2. Hypothesis Test

Hypothesis	Variable Relationships	Test Results	Information
H1	Professional Ethics → Tax Decisions	t = 5.72, p < 0.001	Accepted (Significant)
H2	Tax Compliance Intentions → Tax Decisions	t = 4.87, p < 0.001	Accepted (Significant)
H3	Professional Ethics → Tax Compliance Intentions	t = 6.01, p < 0.001	Accepted (Significant)
H4	Professional Ethics → Tax Decisions (via Intention)	t = 4.36, p < 0.001	Proven Mediation
H5	Professional Ethics × Management Pressures → Tax Decisions	t = 2.97, p < 0.01	Proven Moderation

Based on Table 2, the relationship between professional ethics and tax decisions showed a value of $t = 5.72$ with $p < 0.001$. These results indicate that professional ethics play an important role in determining the quality of tax decisions, where the higher the level of ethics that accountants have, the better the tax decisions produced. Thus, H1 is accepted. H2 testing confirmed that tax compliance intentions significantly influence tax decisions ($t = 4.87$; $p < 0.001$), proving that stronger intentions lead to more accurate and regulation-aligned tax decisions. In H3, testing the influence of professional ethics on tax compliance intentions also showed significant results with $t = 6.01$ and $p < 0.001$. These results confirm that professional ethics not only directly influence decisions but also shape the intention to comply with tax provisions. H2 is therefore accepted.

The results further demonstrate that professional ethics are not merely personal attributes but an essential aspect of multinational governance. Ethical tax decisions tend to be transparent, long-term-oriented, and capable of maintaining corporate legitimacy, while reducing risks of manipulation that could damage reputation. The mediation test supports this conclusion, where tax compliance intention significantly mediates the effect of professional ethics on tax decisions ($t = 4.36$; $p < 0.001$). Internalizing ethics strengthens compliance intentions, which then guide more accurate and regulation-oriented tax decisions, aligning with the behavioral ethics framework that places intention as a key determinant of ethical conduct.

Structurally, mediation is supported by two significant relationships: Professional Ethics → Compliance Intent ($t = 6.01$; $p < 0.001$) and Compliance Intent → Tax Decision ($t = 4.87$; $p < 0.001$). This indicates partial mediation, because the direct effect of professional ethics on tax decisions remains significant ($t = 5.72$; $p < 0.001$). The R^2 values reinforce this mechanism, where 61% of tax decisions are explained by ethics, compliance intent, and management pressure, while 54% of compliance intention is explained by professional ethics. Thus, tax decision quality depends not only on technical competence but also on compliance-oriented intentions rooted in ethical principles.

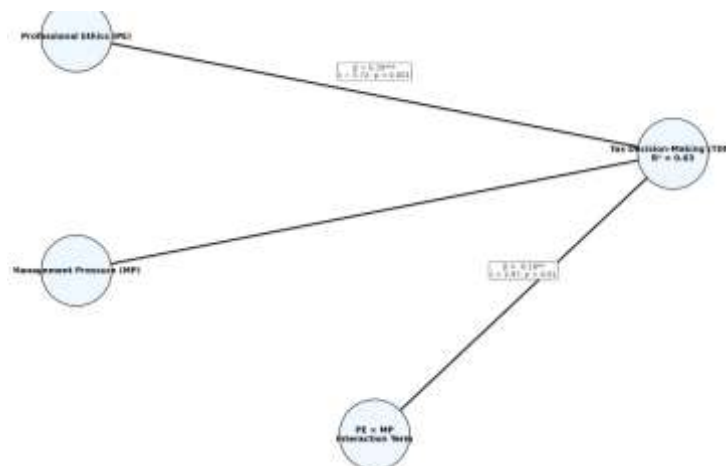


Figure 3. Moderating Effect of Management Pressure

Based on Figure 3, the moderation test results show that management pressure significantly affects the strength of the relationship between professional ethics and tax decisions. The interaction coefficient obtained through the bootstrapping method of 5.000 resampling is $\beta = -0.18$ with $t = 2.97$ and $p < 0.01$, indicating a statistically significant negative moderation effect at the 99 percent confidence level, accepting H5.

Under high pressure to achieve profit targets, accountants experience greater ethical dilemmas that reduce the strength of ethical guidance in decision-making. Even so, the indirect effect through compliance intention remains robust, confirming the importance of strengthening internal ethics to safeguard decision quality within multinational environments. These results support recommendations for continuous ethics training, balanced governance systems, and internal controls designed to reduce harmful pressures in the tax function. These findings illustrate that the positive influence of professional ethics on tax decisions is not constant, but varies according to the level of management pressure. When pressure is low, ethical principles have a stronger impact on decision-making. However, increasing management pressure gradually weakens the influence of ethics and places accountants in greater ethical dilemmas.

This result aligns with the structural model where the direct effect of professional ethics on tax decisions remains significant, although reduced after considering the moderation factor. Thus, while ethics continue to play a crucial role in ensuring decision quality, their effectiveness is highly dependent on the organizational environment and pressure conditions imposed by management. The inclusion of management pressure provides additional insight, as the inner model results show that this factor contributes to weakening the influence of ethics on tax decisions. When pressure to maximize profits increases, accountants face a greater ethical dilemma that can reduce adherence to ethical principles. This highlights the significant role of organizational pressure as a barrier to ethical tax practices.

DISCUSSION

The findings of this study provide strong empirical support for the argument that professional ethics play a central role in shaping the quality of tax decision-making by accountants in multinational corporations. Consistent with behavioral ethics theory, integrity and moral awareness function as internal moral compasses that guide accountants when navigating complex tax regulations and competing organizational demands (DeTienne et al., 2021). Accountants with higher ethical standards were found to produce tax decisions that are more transparent, compliant, and aligned with regulatory intent. This is consistent with the study by Crossley et al. (2021) which emphasizes the importance of the role of ethics in maintaining company legitimacy, as well as reinforcing the findings of Joel et al. (2023) which highlights the influence of morality on tax compliance.

A key contribution of this study lies in confirming the mediating role of tax compliance intention. Drawing on the theory of planned behavior, intention serves as a psychological mechanism through which ethical values are translated into actual behavior (Abbasi et al., 2021). The results indicate that professional ethics alone are insufficient unless accompanied by a strong intention to comply with tax regulations. This finding aligns with prior studies in the Indonesian context that highlight compliance intention as a critical determinant of tax behavior (Markonah & Manrejo, 2022; Owusu et al., 2023). However, this study advances the literature by extending these insights from individual taxpayers to professional accountants in multinational corporations, thereby addressing an important gap in tax governance research.

The moderating effect of management pressure further enriches the discussion on ethical dilemmas in organizational contexts. In line with agency theory, the findings suggest that intense pressure from management to achieve short-term financial targets weakens the positive influence of professional ethics on tax decisions (Hasan et al., 2023). This supports Kaptein's (2023) "bad barrels" perspective, which emphasizes that unethical organizational environments can undermine individual moral intentions.

Empirical studies on financial misreporting and tax avoidance similarly identify superior pressure as a dominant driver of unethical practices (Shafer & Simmons, 2011; Michael & Widjaja, 2024). Thus, the results underscore that ethical tax behavior cannot be fully understood without considering the organizational structures that constrain or enable ethical action.

From a tax governance perspective, these findings have important implications. Strengthening professional ethics among accountants is necessary but not sufficient; it must be complemented by organizational governance mechanisms that reduce undue managerial pressure. This supports earlier arguments that effective tax governance requires alignment between individual ethical capacity and institutional control systems (Convery & Outslay, 2012). For multinational corporations, ethical training programs and robust internal controls can mitigate aggressive tax planning behavior. Regulators may also leverage these insights by designing compliance-based incentives and enforcement mechanisms that encourage ethical tax practices rather than purely punitive approaches.

Despite its contributions, this study has limitations. The reliance on self-reported survey data raises concerns about social desirability bias. Additionally, the focus on Indonesian multinational corporations limits the generalizability of the findings across different tax regimes. Future research should incorporate cross-country comparisons and mixed-method approaches to capture the complex interplay between ethics, organizational pressure, and global tax governance dynamics.

CONCLUSION

This study confirms that the professional ethics of accountants have a significant positive effect on the quality of tax decisions in multinational companies in Indonesia, both directly and through the mediation role of tax compliance intentions. The higher the internalization of the values of integrity, objectivity, professional competence, confidentiality, and professional conduct, the stronger the accountant's intention to comply with regulations, which in turn results in more accurate and law-aligned tax decisions. Nevertheless, management pressure has proven to weaken the relationship, creating an ethical dilemma for accountants when dealing with the company's profit orientation.

Theoretically, these findings expand the tax accounting literature by providing empirical evidence regarding the psychological mechanisms (compliance intent) and organizational factors (management pressure) that influence the relationship between professional ethics and tax decisions. Multinational corporations need to strengthen governance through ongoing ethics training and internal control systems that reduce unfair pressure on accountants. Regulators can formulate policies that encourage transparency and compliance, while educational institutions need to integrate tax ethics into the accounting curriculum so that aspiring accountants have a stronger moral conscience.

Follow-up research is suggested to extend the context to multinational companies in other countries, integrate external variables such as international tax regulations and organizational culture, and use a mixed methods approach to deepen understanding of the ethical dilemmas of accountants in tax practice. Thus, this research not only contributes to the development of tax accounting science through a professional ethical perspective, but also provides practical recommendations for companies and regulators in balancing business interests with compliance with tax laws.

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