

American Journal of Economics and Business Management

Vol. 9 Issue 4 | **pp.** 55-63 | **ISSN:** 2576-5973
Available online @ https://www.globalresearchnetwork.us/index.php/ajebm

Article

The Impact of Creative Thinking Skills in Solving Accounting Problems

ZAHRAA Ali Jaafar*[1]

1. Middle Euphrates Technical University/ Karbala Polytechnic College
*correspondence: Zahraa.al-zubaidi.ikr32@atu.edu.iq

Abstract: Recently, there have been increasing voices demanding the need to curb accounting manipulation because of its serious consequences for the users of financial statements, as it has become known to everyone that most companies and institutions practice accounting manipulation operations in one way or another, and this is not a hidden or new thing, but most of these companies have manipulated their accounts for long periods of time, and accounting manipulation operations have become account manipulation. It is well known in the accounting literature although it has appeared under many names such as earnings management, income moderation, creative accounting, and many other names.

Keywords: Creative Thinking, Creative Thinking Skills, Accounting Problems, Accounting Problem Solving.

Citation: Jaafar Z. A. The Impact of Creative Thinking Skills in Solving Accounting Problems. American Journal of Economics and Business Management 2026, 9(4), 55-63.

Received: 19th Jan 2026
Revised: 30th Feb 2026
Accepted: 20th Mar 2026
Published: 02th Apr 2026

Copyright: © 2026 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (https://creativecommons.org/licenses/by/4.0/)

Introduction

There is no doubt that thinking skills have become the foundations of personal and professional success in today's world, where thinking is no longer just a natural mental process, but has become a key to realizing reality and understanding oneself more broadly.

Thinking skills are divided into multiple types, including mental tools that help analyze problems, make decisions, and develop self-development, and these skills have become an essential focus in psychology to understand and analyze behavior and achieve lasting development.

Its great importance in our daily lives is that it contributes to facing problems easily, especially accounting problems, and developing theses kills enhances our personal skills and our ability to make correct decisions. Thinking skills are a set of mental processes that enable a person to understand and interpret the information around him, by enhancing communication with others, and increasing their flexibility in dealing with different situations.

For example, critical thinking helps in understanding and analyzing information, while creative thinking gives the ability to discover new and innovative solutions. In short. Thinking skills are essential for continuous growth both personally and professionally.

Theoretical Framework: Creative Thinking Skills

Introduction: Creative thinking skills are a vital tool in solving complex accounting problems, enabling accountants to go beyond traditional methods to find innovative solutions to financial misstatements and constraints, and improve the quality of internal audit to reduce material misrepresentations and enhance the quality of decisions. These skills, such as flexibility and originality, contribute to addressing business pressures and developing management accounting and auditing mechanisms.

First: Creative Thinking and its Skills

Before proceeding to explain the concept of creative thinking, it should be noted that creative thinking has been used in accounting and has been called according to it (creative accounting), so it is necessary to first explain what creative accounting is and delve into it, and then link it to the skills of creative thinking and accounting.

Creative accounting is defined as a term that describes a set of accounting practices that are used to mislead and circumvent financial statements by exploiting the flexibility set in accounting laws and policies and the freedom to move between alternatives, and the reason why accountants resort to these practices is to deceive the beneficiaries of the financial statements by showing a misleading financial position to their companies, especially if the company's financial situation is bad [1].

It was also defined as unethical behaviors and practices in choosing existing accounting policies and estimates that create opportunities for manipulation and fraud, resulting in misleading and incorrect financial statements [2].

Factors of the Emergence of Creative Accounting: There are several factors that led to the emergence of creative accounting, which are: [3].

1. Freedom of choice for accounting principles: Accounting rules sometimes allow a company to choose from the various accounting methods it uses in preparing its financial statements. Many accounting standards allow the choice between different accounting alternatives, and this results in the company choosing accounting methods that suit its goals and desires and achieve the best picture of the company's performance.
2. Freedom of Accounting Estimates: The preparation of some accounting processes involves a high degree of personal discretion and this allows management to manipulate these estimates in order to reach the goals set out above.
3. Timing of the execution of real transactions: Controlling the timing of the execution and occurrence of some real transactions can lead to the achievement of the desired impression of the company's accounts and financial statements, and if the management is left free to carry out some operations at the time it deems appropriate, it may postpone the execution of these operations or expedite their execution in order to achieve certain goals and gains.

Creative Accounting Forms: Accounting fraud and manipulation are sometimes called the numbers game. The main goal of this game is to improve the impression of the organization's performance by changing the impression of the users of the financial statements about the performance of the institution (the entity), and the entity achieves desirable results such as the increase in the price of the entity's shares, the reduction of interest costs on borrowed amounts, or the reduction of the percentage of its tax base, etc.

These behaviors are practiced through the flexibility available to the entity in choosing the accounting policies and methods it applies [4].

The forms and methods of manipulating accounts are as follows:[5]. Arbitrary Accounting: It refers to the urgency in choosing and applying specific accounting methods to achieve the desired goals, including achieving high profits. Regardless of whether the accounting practices followed are based on accepted accounting principles or not.

1. Earnings Management: The manipulation of income in order to be able to reach a predetermined goal by management, predicted by financial analysts or compatible with specific business contexts.
2. Income moderation: It is a type of income manipulation that is concerned with the transfer of income between periods of varying levels by reducing income in the years with good income and transferring it to the years with bad income. This is then a form of manipulation that relies on reducing the increased profits in income and keeping them in the form of allowances for periods of time with bad income.
3. Financial Reporting Fraud: It is the deliberate display of false data or the omission or concealment of certain values in order to mislead the users of the financial statements, and this type of manipulation is considered a violation of the law and the accepted accounting principles.
4. Practice of Creative Accounting Methods: Creative accounting is the use or use of practices that are outside of standard or well-known accounting practices. It is characterized by the use of modern, complex and innovative methods and practices to obtain nominal profits by manipulating the values of expenses and revenues.

The Ethical Perspective of Creative Accounting:

Creative accounting as a global phenomenon has received a lot of attention in accounting thought and voices have risen against and in favor of this phenomenon, which encouraged us to search for the extent of creative accounting ethics in light of the divergent views in the so-called (ethical dimension of creative accounting) that the American company Enron has captured the attention of the global public opinion not only because of the enormity of Enron but also for the speed of its sudden collapse as the biggest example of how dangerous creative accounting methods are as a key factor for the organization's exposure to a loss of confidence in the efficiency and integrity of management and in the health of the organization. Its financial statements, which exposed it to bankruptcy and collapse. The company's management has been using erroneous accounting policies and applying accounting standards in terms of form without substance, deliberately to conceal the financial obligations of the company, thinking that the inflation of profits positively affects the share price in the market and thus the confidence of the investor [6].

Hence, the researcher believes that in light of the growing phenomenon of creative accounting in companies, and since creative accounting has become a feature of institutions and companies that are heading towards failure and collapse, as it was considered a means to beautify their financial statements and mislead investors, which prompted boards of directors, legislators, and researchers to search for appropriate mechanisms to limit these misleading practices, and one of the most important of these mechanisms is the impact of creative thinking in solving accounting problems.

Abu Arar points out that creative thinking is a mental process through which new ideas or effective solutions to problems that are solved only by traditional, monotonous methods are generated. [7].

Creative thinking from Jarwin's point of view: It is a complex and purposeful mental pursuit and activity that aspires to penetrate and search for new ways and solutions to reach fundamental ideas and results that were not known before. [8].

As Torrance defined it, creative thinking is a process in which an individual becomes sensitive to problems or knowledge deficiencies. He looks for solutions, he develops hypotheses, he tests them, and then he presents the results. [9].

From the above definitions, it is clear that creative thinking is a complex and purposeful mental activity that aspires to create original and diverse ideas to solve problems or deal with situations with a new and unconventional outlook (thinking outside

the box). It involves the ability to recall past experiences, demonstrate mental flexibility, and produce unique solutions that are valuable to society.

The importance of creative thinking in accounting:

Creative thinking is important in the accounting field for many reasons, including dealing with complex financial problems such as errors in accounting entries or discrepancies in financial estimates, as well as improving the quality of financial reports by finding innovative ways to present and analyze financial statements. Developing internal control methods by devising ways to reduce manipulation or accounting errors. Analyzing the financial statements in a new way helps management make better decisions. Shuahen points out that creative thinking supports individuals to generate various alternatives to solutions and choose the most appropriate ones in the face of accounting problems. [10][11][12][13][14][15].

Steps to Use Creative Thinking in Solving Accounting Problems: (Journal of the Faculty of Education – Tanta University, 2024, 311)

1. Identify the accounting problem accurately: Initially, the problem should be accurately diagnosed, such as a budget error, a discrepancy between the book balance and the actual balance, and an unjustified increase in costs. Identifying a problem accurately is the first step in the process of creative thinking and problem-solving, the researchers emphasize.
2. Collection of information and accounting data: All information related to the problem is collected such as: accounting entries, invoices, financial records, accounting reports. This helps to understand the dimensions of the problem before trying to solve it.
3. Formulation of multiple ideas for solutions: In this stage, creative thinking methods such as: brainstorming, lateral thinking, and proposing multiple alternatives to solutions are used, as these methods help to produce as many possible solutions to the problem as possible.
4. Evaluation of Accounting Alternatives: After generating ideas, the solutions are evaluated according to criteria such as: their compatibility with accounting standards, their financial accuracy, their ease of application, and their ability to reduce errors.
5. Choosing and implementing the best solution: The most effective solution is chosen such as: adjusting accounting entries, re-evaluating assets, improving the financial control system, and then the solution is implemented and its results are followed.

In summary, the researcher believes that the result of using creative thinking in accounting helps to: refine the quality of accounting work, detect financial errors very quickly, update and develop accounting systems, and enhance financial decision-making. For example, the problem of having a difference between the book balance and the bank's balance. Spelling or timing, and designing a new model for matching accounts. As a result, the problem can be identified and addressed in innovative and skillful ways that comply with accounting standards, which contributes to improving the financial performance of the institutions. Thus, it is evident that, despite the rigorous nature of accounting, creative thinking opens up new horizons for auditors and accountants to enhance the effectiveness of internal work and reduce risk. Thus, the impact of creative thinking skills on solving accounting problems is evident in its best form.

Research methodology

The research methodology includes the field track and the scientific method to clarify the research problem and ways to deal with it, in order to ensure the systematic examination of the research hypothesis and the achievement of its goals. On this basis, this

section deals with defining the research problem, its importance, objectives, hypothesis, and the temporal and spatial limits of the research, as follows:

1. Research Problem:

Due to the importance of creative thinking in accounting processes, the researcher directed his attention towards studying creative thinking skills to open the horizon towards developing the positive aspects and addressing the negative aspects in the patterns of accounting problems and the possibility of dealing with and solving them, which will benefit the general benefit of accounting creativity and reaching it to the prestigious place, as improving creative thinking skills is essential for the development of The self, through which the individual can look at problems with a clearer and deeper perspective, and find innovative and unconventional solutions.

There is no doubt that the absence of creativity leads to apathy or the repetition of the same solutions and ideas without any new ones, so working on these skills and seeking to develop them enhances a person's ability to adapt and grow and supports his personality to become a confident person capable of solving problems and making sound decisions.

2. The importance of the research: The importance of this research is highlighted by the following:

The importance of the research lies in the importance of the topic of creative thinking skills and its relationship to solving accounting problems, as choosing an appropriate thinking style has become necessary in order to achieve the goals of institutions, whether economic or service, especially in light of the challenges of the digital environment, so creative thinking has become indispensable and requires broad skills to rationalize the behavior of accountants Developing their capabilities and directing them in the right direction in order to provide services at the required level.

3. Research Objectives: The research seeks to achieve the following objectives

1) Recognize the basic and different concepts of creative thinking.
2) Recognize concepts for creative thinking skills.
3) He drew the attention of officials to the need to improve thinking skills that achieve the required job satisfaction, which helps in positively influencing the performance of accountants and reflects positively on increasing the effectiveness and competitiveness of the economic unit.
4) Highlight the relationship between creative thinking skills and accounting problem-solving methods in economic institutions.

4. Research Hypothesis: The research hypothesis is as follows:

1) There are a correlation and a significant impact relationship between creative thinking skills and accounting problems.
2) There are no correlation and significant impact between creative thinking skills and accounting problems.

5. Research Population and Sample: The research is conducted within the Holy Governorate of Karbala – Polytechnic College

Result and Discussion

The applied aspect of the research: the first topic / data analysis and discussion of the results

In the applied aspect of the research, a questionnaire form was relied on for the purpose of testing the research hypotheses, and these consisted of two main axes: - The first axis included ten questions dedicated to measuring creative thinking skills, and the second axis included ten questions dedicated to measuring accounting problems and ways

to solve them. The five-dimensional Likert scale was used to express the sentences of the five dimensions, in which the measurements range from one point with a content that does not agree strongly with a content that strongly agrees with a content that is strongly agreed and as shown in the following table:

Table 1. Scores of the five-point Likert scale.

I strongly disagree.	I don't agree	Neutral	I agree	I strongly agree	Response
1	2	3	4	5	**Degree**

Hypothetical mean of the five-point Likert scale = (sum of the above responses) / Number of categories of the scale

The hypothetical mean of the five-point Likert scale = (5 + 4 + 3 + 2 + 1) / 5 = 3

Divergence Coefficient[2]	Standard deviation[1]	Arithmetic mean	I don't totally agree		I don't agree		Neutral		I agree		I totally agree		Question
			ratio	Repetition	ratio	Repetition	ratio	Repetition	ratio	Repetition	ratio	Repetition	
0.60	11.67	19.4	3%	3	19%	19	31%	31	30%	30	14%	14	**X1**
1.04	21.13	20.4	1%	1	1%	1	22%	22	52%	52	26%	26	**X2**
1.19	23.42	19.6	0%	0	0%	0	8%	8	45%	45	45%	45	**X3**
1.10	21.11	19.2	0%	0	1%	1	15%	15	50%	50	30%	30	**X4**
1.05	20.67	19.6	0%	2	5%	5	10%	10	51%	51	30%	30	**X5**
0.91	17.47	19.2	3%	2	4%	4	16%	16	42%	42	32%	32	**X6**
1.14	23.29	20.4	2%	2	3%	3	12%	12	58%	58	27%	27	**X7**
1.08	21.83	20.2	1%	1	8%	8	11%	11	56%	56	25%	25	**X8**
0.98	19.66	20	2%	2	4%	4	15%	15	49%	49	30%	30	**X9**
1.21	23.32	20.8	0%	0	5%	5	7%	7	42%	42	50%	50	**X10**
10.3	203.57	198.8	**The arithmetic mean, standard deviation, and coefficient of difference for the axis of creative thinking skills**										

The first axis - creative thinking skills:

The second axis: Accounting problems and ways to solve them

Table 2. Response of the Questionnaire Sample Members to the Items of the Accounting Problems Axis.

Divergence Coefficient[4]	Standard deviation[3]	Arithmetic mean	I don't totally agree		I don't agree		Neutral		Iagree		I totally agree		Question
			ratio	Repetition	ratio	Repetition	ratio	Repetition	ratio	Repetition	ratio	Repetition	

0.90	19.35	21.4	3%	3	19%	19	31%	31	30%	30	14%	14	**X1**
1.03	20.45	19.8	1%	1	1%	1	22%	22	52%	52	26%	26	**X2**
1.18	22.73	19.2	0%	0	0%	0	8%	8	45%	45	45%	45	**X3**
0.92	18.85	20.6	0%	0	1%	1	15%	15	50%	50	30%	30	**X4**
1.16	23.65	20.4	0%	2	5%	5	10%	10	51%	51	30%	30	**X5**
1.12	22.58	20.2	3%	2	4%	4	16%	16	42%	42	32%	32	**X6**
1.2	24.48	20.4	2%	2	3%	3	12%	12	58%	58	27%	27	**X7**
1.27	24.64	19.4	1%	1	8%	8	11%	11	56%	56	25%	25	**X8**
1.17	25.78	22	2%	2	4%	4	15%	15	49%	49	30%	30	**X9**
1.09	21.15	19.4	0%	0	5%	5	7%	7	42%	42	50%	50	**X10**
11.04	223.66	202.8	**The arithmetic mean, standard deviation, and coefficient of difference for the axis of accounting problems**										

Table 3. Arrangement of the questionnaire axes according to the degree of importance.

Axis arrangement	Divergence coefficient	Standard deviation	Arithmetic mean	Axis
2	10.3	203.57	198.8	**The first axis**
1	11.04	223.66	202.8	**The second axis**

The above table shows that the second axis was ranked first in terms of the convergence of the responses of the sample members, and included the measurement of the axis of accounting problems and ways to solve them, and the first axis achieved the second rank, which included the measurement of creative thinking skills.

Conclusions and Recommendations:

Conclusions: Based on what was stated in the theoretical framework of the research and after conducting the desired statistical analysis and examining the hypotheses using the results and clarifications of the answers and responses of the research sample, the results of the researcher are studied and then the recommendations that can contribute to improving creative thinking skills are addressed, which in turn reduces accounting problems.

1. Creative thinking allows the accountant to find unconventional solutions to complex accounting problems.
2. Employing creative thinking abilities contributes to examining accounting data in deeper and more flexible ways.
3. Creative thinking supports the ability to detect and deal with accounting lapses more effectively
4. The use of creative thinking contributes to raising the level of financial judgment within organizations.
5. Creative thinking contributes to the development of more efficient and up-to-date accounting methods and procedures.
6. Creative thinking helps accountants adapt to shifts in accounting fundamentals and rules
7. Creative thinking supports the ability to predict possible financial dilemmas and find preventive solutions to them.

8. It contributes to improving the flexibility of the accountant's analysis and conclusion while addressing difficult financial issues.
9. Innovative thinking supports the exploitation of modern technologies and digital accounting systems in a creative way.
10. Overall, developing the creative thinking abilities of accountants contributes to enhancing the effectiveness of professional achievement and achieving healthier and more impactful financial results.

Recommendations:

1. The importance of including specialized development courses to develop the creative thinking skills of accountants in various establishments.
2. Motivate entities to create a work climate that supports creativity and allows accountants to offer new perspectives to solve accounting dilemmas.
3. Inclusion of creative thinking skills in the curricula of accounting faculties in universities.
4. Holding regular training forums and events regarding creative thinking approaches and their applications in the field of accounting.
5. Stimulating the use of new accounting methods and programs that contribute to examining data in creative ways.
6. Supporting a culture of joint work among accountants to exchange creative ideas in addressing financial and accounting constraints.
7. Supporting scientific research on the relationship between creative thinking and the development of accounting performance.
8. Encouraging accountants to participate in scientific conferences and meetings related to professional development and innovation in accounting.
9. Adopt sophisticated approaches to address accounting problems based on creative analysis and critical thinking.

Urging administrative leaders to accept the new proposals put forward by accountants to raise the level of financial and accounting performance in the enterprise.

REFERENCES

[1] G. R. Quneibi, "CREATIVE ACCOUNTING PRACTICES IN PALESTINE (AN EXPLORATORY STUDY)," 2018.

[2] M. A. A. Mohammed and A. A. K. Abdulsattar, "The Role of Corporate Governance in Reducing the Negative Impact of Creative Accountingon the Reliability of the Interim Financial Information," *American Journal of Business Management, Economics, and Banking,* vol. 12, pp. 163-187, 2023.

[3] I. S. Al-Agha, "The Role of Corporate Governance in Reducing the Negative Impact of Creative Accounting on the Reliability of Financial Statements," *Al-Azhar University, Gaza*.

[4] D. W. Elgabali, "The possibility of using fair value accounting to improve the quality of accounting information In Egyptian Banks-An Applied Study," مجلة العلوم الإدارية والمالية, vol. 4, no. 1, pp. 37-53, 2020.

[5] C. W. Mulford and E. E. Comiskey, *The financial numbers game: detecting creative accounting practices*. John Wiley & Sons, 2005.

[6] H. Hassan, "Creative Accounting," *Journal of Accounting & Organizational Change,* no. Issue (114), 2002April-June 4

[7] H. R. Abu Arar, "Creative Thinking and its Relationship to Students," *Problem-Solving Ability,* p. p. (22), 2014.

[8] F. A. R. Jarwin, "Teaching Thinking: Concepts and Applications," *Dar Al-Fikr, Amman,* 1998.

[9] E. P. Torrance, "Seven guides to creativity," *Journal of Health, Physical Education, Recreation,* vol. 36, no. 4, pp. 26-68, 1965.

[10] K. S. Shawaheen, "Problem Solving Using Creative Thinking," *Dar Al-Masirah, Amman,* p. p. (35), 2010.

[11] M. Jones, *Creative Accounting, Fraud and International Accounting Scandals*. Hoboken, NJ, USA: John Wiley & Sons, 2011.
[12] K. Schipper, "Commentary on earnings management," *Account. Horizons*, vol. 3, no. 4, pp. 91–102, 1989.
[13] P. M. Healy and J. M. Wahlen, "A review of the earnings management literature and its implications for standard setting," *Account. Horizons*, vol. 13, no. 4, pp. 365–383, 1999.
[14] S. F. Cahan, "The effect of antitrust investigations on discretionary accruals: A refined test of the political cost hypothesis," *Account. Rev.*, vol. 67, no. 1, pp. 77–95, 1992.
[15] R. Watts and J. Zimmerman, *Positive Accounting Theory*. Englewood Cliffs, NJ, USA: Prentice-Hall, 1986.