



The Effect of Dogmatism on the Moral Reasoning Ability in Accountants and Auditors with the Mediating Role of Moral Courage and Machiavellianism and the Moderating Role of Human Resource Flexibility

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1. Introduction

The responsibility of accountants as conscience, critics and advisors of society in establishing economic, social and environmental justice in line with the public interest (Dillard and Vinari, 2016) and auditors as competent and independent individuals to evaluate evidence about financial information and express opinions on the extent to which financial reports comply with the established criteria, requires that they have a finer ability to reason morally in the direction of regulating economic activities and the financial health of companies. Accordingly, accounting and auditing can be considered as an ethical discipline (Namazi and Rajab Dari, 2019) and it can be said that ethical orientations are crucial in shaping the reasoning and judgment of accountants and auditors. A deeper understanding of their ethical views enhances the analysis of their decision-making processes.

In this study, dogmatism is examined as a barrier to free or critical thinking and its impact on moral reasoning ability in accountants and auditors. Previous research supports that dogmatic epistemic beliefs negatively affect cognitive flexibility, creative thinking, and ethical behavior. For instance, Mallmeyer (2019) argues that dogmatism leads to a closed-minded approach which opposes ethical principles, thereby weakening the ethical foundations within individuals and society.

On the other hand, based on the undeniable role of moral courage as a prerequisite for observing "ethics" and developing moral strength in the organizational environment and the emphasis of the research background on the necessity of some personality aspects such as "openness of mind" to strengthen moral courage (Sharma, 2018), the mediating role of moral courage on the the effect of dogmatism on the moral reasoning ability in accountants and auditors was evaluated.

In addition, Machiavellianism, characterized by a manipulative and self-interested personality style with disregard for morality (Jones & Paulos, 2009), is expected to worsen the negative impact of dogmatism on the moral reasoning abilities of accountants and auditors. Additionally, human resource flexibility, which enhances performance, job satisfaction, psychological well-being (Manif & Rabaei, 2022), and creativity (Zhou et al., 2024), is examined as a moderating factor that could mitigate dogmatism's adverse effects on moral reasoning in these professionals.

2. Research hypotheses

Based on the research objective, the theoretical literature and previous studies, the research hypotheses are as follows:

H₁: Dogmatism has a significant effect on the moral reasoning ability of accountants and auditors.

H₂: Dogmatism has a significant effect on the moral courage of accountants and auditors.

H₃: Moral courage has a significant effect on the moral reasoning ability of accountants and auditors.

H₄: Dogmatism has a significant effect on the Machiavellianism of accountants and auditors.

H₅: Machiavellianism has a significant effect on the ethical reasoning ability of accountants and auditors.

H₆: Dogmatism has a significant indirect effect on the ethical reasoning ability of accountants and auditors through moral courage.

H₇: Dogmatism has a significant indirect effect on the ethical reasoning ability of accountants and auditors through Machiavellianism.

H₈: Human resource flexibility significantly moderates the effect of dogmatism on the ethical reasoning ability of accountants and auditors.

3. Methods

The statistical population in this applied survey research includes two independent statistical groups: 1. Accountants working in listed companies and 2. Auditors working in the Audit Organization and other audit institutions that are members of the Iranian Society of Certified Public Accountants during 2024. The data collection tool in this research was a questionnaire. After simple random sampling, among the paper and online responses received, a total of 337 questionnaires from the accountants' group and 253 questionnaires from the auditors' group were usable in the analyses. In this research, Excel version 2019 software was used to prepare the data. The hypotheses were tested and data analysis was carried out using structural equation modeling using the partial least squares method and SmartPLS version 3 software.

4. Results

This study found that dogmatism directly affects moral courage, Machiavellianism, and moral reasoning ability in accountants and auditors. However, its effects on Machiavellianism are stronger in auditors. Moral courage affects auditors' moral reasoning ability and mediates the effect of dogmatism only in this group. Machiavellianism has a negative effect on moral reasoning ability in both groups, and is stronger in accountants. However, its mediating role is not significantly different in the two groups. Finally, human resource flexibility does not moderate the effect of dogmatism on moral reasoning ability in any of the groups.

5. Discussion and Conclusion

The present study examines the effect of dogmatism on the moral reasoning abilities of accountants and auditors, examining the mediating roles of moral courage and Machiavellianism, as well as the moderating role

of human resource flexibility. It highlights the critical importance of ethical considerations in accounting and auditing professions.

Findings indicate that dogmatism serves as a barrier to effective ethical decision-making, especially under professional pressure, negatively affecting decision quality. While dogmatism significantly influences both groups, its effect is stronger among auditors due to the greater ethical challenges they face. In pressured situations requiring impartial, ethical judgment, dogmatism restricts auditors' thorough analysis of ethical issues, diminishing decision quality. Moral courage strongly affects auditors' moral reasoning, reflecting the legal and professional pressures they endure. Conversely, moral courage is less influential for accountants, likely because their conduct is guided by established rules and regulations. Machiavellianism significantly impairs moral reasoning in both accountants and auditors but is more pronounced among accountants. This difference is likely due to the high-pressure, complex financial environments accountants face, which expose them to greater temptations and competitive pressures that foster traits like selfishness and moral evasion. Conversely, auditors operate under stricter supervision and accountability, which reduces the likelihood of unethical behavior despite some presence of Machiavellian traits. Importantly, human resource flexibility does not moderate the relationship between dogmatism and moral reasoning, likely because dogmatism is rooted in deep, resistant beliefs that hinder openness to new information and adaptability.

The findings of this study underscore the importance of a deeper focus on individual traits in the professional behavior of accountants and auditors, providing valuable guidance for managers in developing evaluation metrics and human resource management strategies. Specifically, the study highlights the necessity of designing and implementing supportive programs and approaches aimed at reducing dogmatism and Machiavellian attitudes, while enhancing moral courage to improve employees' ethical reasoning abilities in these domains.

Keywords: Dogmatism, Moral Reasoning Ability, Moral Courage, Machiavellianism, Human Resource Flexibility.