

MACHIAVELLIANISM AND SHORT-TERM EARNINGS MANAGEMENT PRACTICES

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ABSTRACT: Despite the growing interest, the empirical results found in the literature concerning Machiavellianism and its impact on ethical judgments document both inconsistent and contradictory results. On the other hand, the acceptance of short-term earnings management practices raises the most important and controversial ethical issues in the accounting profession. To help resolve these issues, this particular experimental study explores whether ethical acceptability of short-term earnings management varies with Machiavellian behaviour predisposition. The results of the study find that “high Mach” exhibit less strict ethical judgments than “low Mach” counterparts. Implications for future research are discussed.

Keywords: earnings management, Machiavellianism, ethical judgments

JEL Codes: I23, M40, M41