The Role of Machiavellianism, Emotional Manipulation and Moral Foundations in Tax Avoidance

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Abstract
Tax avoidance is making use of legal loop holes to display an individual's financial situation as if it were lower than what it is in order to decrease the amount of income tax owed. Behavioral economics and taxation literature indicate that psychological factors can provide further insight on accountants' financial decisions. The literature claim that tax compliance can be influenced by an individual’s personality and beliefs.

Therefore, in this research, the effects of psychological variables including Machiavellianism, emotional manipulation and moral foundations are examined on tax avoidance in accounting and finance professions. The aim of this study is to investigate the role of Machiavellianism and emotional manipulation as two negative attributes of human beings and moral foundations in tax avoidance in listed and unlisted firms.

For this purpose, a sample consisting of 500 accountants and financial managers of listed and unlisted companies of Tehran stock exchange was selected. This study is an applied and descriptive survey. The hypotheses of the research have been analyzed by structural equation modeling using Lisrel software. The evidence of this study show that Machiavellianism has a positive and moral foundations have a negative effect on tax avoidance. But, this study doesn’t confirm any significant relation between emotional manipulation and
tax avoidance. This paper also states that social and psychological variables would explain the tax avoidance phenomenon.

**Keywords:** Machiavellianism, Emotional Manipulation, Moral Foundations and Tax Avoidance.

**Introduction**

Tax avoidance is a form of official abuse of tax laws and is associated with finding loopholes in tax laws or trying to find legal means to reduce the amount of tax (Peprah, & Osei-Bonsu, 2018). The results of previous research show that tax avoidance is an unethical behavior, which is rooted in moral and psychological issues. According to psychological studies, people's emotions play an important role in the process of decision-making. Research in the field of psychology has also shown that judgment and decision-making are influenced by peoples' personality and individual differences and they affect their financial decisions (Pruysersa et al. 2019).

Researchers in the field of social psychology have shown that negative emotions and traits may lead to violating social norms, including tax evasion and avoidance (De Hoogeet et al. 2008). Emotional manipulation is the dark side of emotional intelligence. Emotional Intelligence refers to the ability of intelligent communication with others, including a set of skills, such as receiving information, collecting information, and managing one’s and others’ emotions. Previous studies have shown that emotional intelligence is an important variable in ethical decision-making but emotional manipulation refers to the ability of an individual to control the emotions of others for one’s own benefit (Grieve et al, 2019).

Developing emotional intelligence is necessary for accountants. It helps them improve their leadership, communication and decision-making skills. Akers and Porter (2003) state that in today’s world, organizations need to have employees with high emotional intelligence to overcome their challenges. Also, studies have shown that emotional intelligence in accounting practice is less than the other activities in the fields of business and economics (Refahi et al, 2018). Moral foundations refer to being ethical and act ethically; Hence, taking actions to ensure the ethical behavior in all circumstances (Etemadi, et al, 2016). Taking a look at the examples of these moral foundations helps us
have a clearer image of them. These studies have shown that in-group ethical foundations, power and purity have a positive relationship with the signs of obsessive-compulsive disorders, fear of sin, fear of God (Kang et al, 2016), satisfaction with life (Vecina, 2014). Moral foundations include the attitude of individuals within five components of care/harm, fairness/cheating, loyalty/betrayal, authority/subversion, and sanctity/degradation.

Machiavellianism refers to the extent of the influence and dominance of an individual over others, deceiving them to achieve his own goals (Shaban et al, 2017). Studies have shown that Machiavellians violate professional ethics and morality in order to achieve their own goals. In this paper, the authors try to examine the role of Machiavellianism and emotional manipulation as two negative attributes of human beings and moral foundations in tax avoidance in the accounting profession. The main question of this research is to what extent do the behavioral traits like Machiavellianism, emotional manipulation and moral foundations affect the tendency to tax avoidance in listed companies. This paper can contribute to behavioral research texts in tax. This study could also provide new insights on behavioral tax issues for finance and accounting students, researchers and policymakers. The paper is comprised of theoretical foundations, methodology, research findings and conclusion respectively.

**Theoretical foundations and Literature Review**

1. **Machiavellianism**

Machiavellianism is a personality trait, referring to the influence of an individual on others in order to deceive them to achieve one’s own goals and interests. By increasing the influence, others become the obedient and act as he wishes. In this regard, Machiavellians see and use people under their influence as a means of achieving their goals. So, Machiavellianism can be defined as using unethical methods to achieve one’s goals. The term "Machiavellian" is taken from “Niccolò di Bernardo dei Machiavelli”, an Italian politician of the fifteenth century and is based on two main points: “The end justifies the means”, and “speaks according to the wishes of the people”. Lying, tendency to deception, controlling the situation in favor of oneself, ambitions, pretending the personality, disrespecting others, using others as slaves, respecting people who possess wealth and power, humiliating others and acting as others wish, to achieve their goals are among the traits of Machiavellians (Shaban et al, 2017). Regardless of the similarities in definitions of Machiavellianism and emotional manipulation, there are dramatic differences between the two concepts. Psychological studies show that Machiavellians act differently in their
communications compared to individuals with high emotional manipulations. These studies have found that Machiavellianism has a negative relationship with empathy. Individuals with high Machiavellian characteristics do not have the ability to understand the emotions of others (Wastell and Booth, 2003). Additionally, the results of other studies in the field of psychology suggest that Machiavellianism has a negative relationship with compatibility and conscientiousness (Lee and Ashton, 2005). According to the above-mentioned statements, Machiavellianism and emotional manipulation are two dark sides of personality. The results of the research by (Chen, 2010) and (Austin et al, 2007) showed that by increasing the level of Machiavellianism in an individual, emotional manipulation will increase as well. Previous studies have shown that Machiavellian personality traits have a significant and direct relationship with tax avoidance. These studies have found that individuals tend to report their tax amounts less than what it actually is. Tax evasion is also seen in people with a Machiavellian personality. Moreover, increasing the level of Machiavellianism in accountants leads to their willingness to issue fraudulent financial reports (Shafer and Simmons, 2008; D'Souza and Lima, 2015; Shafer and Wang, 2018).

2. Emotional Manipulation

Emotional intelligence involves recognition, control of emotions and sentiments. Emotional intelligence includes a wide range of individual skills and attributes beyond a certain circle of prior knowledge, such as IQ and technical or professional skills. Furthermore, emotional intelligence improves intrapersonal skills, interpersonal skills, compatibility and stress management. It can also increase the level of productivity of people in their education and profession. Emotional intelligence has positive and negative aspects. Controlling an employee’s anger by his manager indicates the positive emotional intelligence of the manager. But the negative aspect of emotional intelligence is emotional manipulation. This involves the ability of individuals to influence others’ feelings for their own advantage. These individuals have dominance over others’ feelings and manage them to obtain their own personal interests. It is worth mentioning that they try to incite and dominate the emotions of others by using persuasive words, repetition, persistence and other tricks (Boduszek et al.2017).

Enachescu et al. (2019) found that positive emotions have a positive and significant relationship with tax compliance, but negative emotions have a negative and significant relationship with tax compliance; in other words, by increasing the negative emotions in taxpayers, their willingness to pay taxes
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decreases. They concluded that negative emotions have a more significant role in tax avoidance compared to positive emotions. Moreover, Pruysersa et al. (2019) concluded that negative emotions have a significant and negative effect on civil and social behavior of individuals, including compliance with tax laws. In their opinion, the more these negative emotions increase, the less they tend to conduct positive civil and social behaviors. Boduszek et al. (2017) argued that emotional manipulation can lead to behaviors such as tax avoidance and evasion and Money Laundering. Coricelli et al. (2014) also indicate that tax avoidance is affected by negative emotions. They found that there is a direct and significant relationship between negative emotions and tax fraud.

As a result, emotional manipulation leads to the incidence of behaviors contrary to ethical norms.

3. Moral Foundations

Many definitions of ethics and morals are presented; in the simplest definition, moral is right and wrong behavior. Ethics and morals are often regarded as synonyms, but there is some distinction between two concepts. Morals often describes one's particular values concerning what is right and what is wrong. While ethics can refer broadly to moral principles, one often sees it applied to questions of correct behavior within a relatively narrow area of activity (Etemadi et al, 2016)

Moral foundation is a psychological concept that explain why morality differs in various nations. It helps us understand how a person could hold different attitudes across issues that appear to engender similar moral concerns. Moral foundations include individuals' attitudes in five elements of care/harm, fairness/cheating, loyalty/betrayal, authority/subversion, and sanctity/degradation. Many studies have confirmed the relationship between morality and emotion in shaping moral judgments in tax compliance. These research state that peoples' moral values have a significant influence on tax behaviors (Olsen et al, 2018).

4. Tax Avoidance

Different definitions of tax avoidance are provided by researchers. Firstly, tax avoidance is defined as tax cut by reduction in the rate of tax charged by a government. Secondly, in tax avoidance activities individuals commonly use means of tax saving that transfer the resources from the government to shareholders and increase the value of the company after tax cut. The legitimate type of tax avoidance arises from the difference between tax laws and the general accepted accounting principles. As an example, in calculating
the cost of depreciation, the tax law requires companies to apply the method recommended by the law; but the general accepted accounting principles allow companies to compute depreciation expense in such a way that better information is transferred to users of financial statements (Poorheydari et al., 2014).

5. Literature Review

Many studies have investigated the effects of various aspects of personality on financial risk-taking. These paper have analyzed financial risk-taking behavior in relation to cultural, cognitive and personality traits. For example, sensation seeking, impulsivity, self-control, and the Big Five personality traits have been found to influence risky financial choices (Czerwonka, 2019). In this regard, Sekścińska and Rudzinska-Wojciechowska (2020) show that two aspects of dark triad traits have a significant relation with risky financial choices. They find that Machiavellianism is not related to financial risk-taking in capital market. But, narcissism and psychopathic have a significant relation with risky financial and investment decisions. In another study, the dark side of personality, such as Machiavellianism, narcissism and psychopathic have a significant relationship with the manifestations of unlawfulness, including tax avoidance. Moreover, individual emotions can affect societal norms and civil behaviors, such as tax compliance. People who have more negative emotions tend to have less tendency to engage in socially positive activities (Pruysersa et al. 2019).

Manoj and Gopal (2019) concluded that tax avoidance occurs when individuals deliberately avoid paying their taxes. In this study, they examined the reasons of tax avoidance presented methods to reduce its negative effects. They stated that reducing the negative effects of tax avoidance is the responsibility of all individuals in order to help the government. Contribution of all individuals has a great effect on the welfare and improvement of the economy. They also suggested that educating the public about the tax rules and creating an atmosphere in which all can perform well and be proud of paying taxes to improve their economy, can reduce the occurrence of tax avoidance.

Hsieh et al (2018) indicated that overconfidence of CEO and financial managers has a positive significant relation with tax avoidance. In Shafer and Wang’s study (2018), they concluded that Machiavellianism as a dark feature of personality that can directly affect tax avoidance. Peprah and Osei-Bonsu (2018) show that tax avoidance is an unethical phenomenon. Christians must abide by the law, should not seek tax evasion and should not impose their debts on the government. Tusubira (2018) investigated tax compliance of small
and large companies in Uganda. The results of the study indicated that if the taxpayers trust the government, they are willing to pay their taxes, even if they believe the tax system is unfair. Also, possible auditing and economic sanctions cannot force small and big companies to comply with tax rules. Evidence of their study showed that corruption and bureaucratic systems have a negative effect on tax justice and lead to tax evasion. Pratama (2017) concluded that the majority of business students have a high score in Machiavellianism, low tax knowledge and ethical perceptions. The results also show that Machiavellianism had a significant effect on the students’ understanding of tax avoidance, but tax knowledge has no significant effect on it. Boduszek et al (2017) indicated that individuals who manipulate others’ emotions violate the social norms and this characteristic may lead to the incidence of behaviors such as tax avoidance, tax invasion and money laundering. Dangmei (2017) investigated how business students will be able to manage their emotions and respond less offensively to the ethical behaviors through developing emotional intelligence. Their results showed that emotional intelligence is a good predictor of ethical competency.

D'Souza and De Lima (2015), have shown that the Machiavellianism encourages accountants to act opportunistically. They found that, the more this attribute exists among the Brazilian accountants, the more they tend to issue fraudulent financial reports. Coricelli et al (2014), showed that tax avoidance is affected by negative emotions. They showed that there is a direct relationship between negative emotions and tax fraud. Christian and Elm (2014) believe that empathy and compassion reduce the incidence of tax evasion. They found that people with a higher sense of empathy and sympathy comply with the rules better than others. Murphy (2012), showed that accountants who tend to report inaccurate records of accounting information have high levels of Machiavellianism and emotional manipulation. These accountants have no regret about the false and deceitful information that they report. He suggested that this could lead to cheating in the accounting profession; therefore, he believed that accounting institutions should monitor professional accountants much more strictly than before. He also revealed that emotional manipulation has a direct relationship with fraudulent financial reporting. Maciejovsky et al (2011) studied the effect of emotions on tax ethics. They found that there is a reciprocal relationship between cognitive reaction and emotional response concerning moral judgment. In their opinion, emotions can affect tax avoidance. Jones and Paulhus (2009), believed that individuals with high level of Machiavellian attribute tend to report their tax rate less than what is actually is. Shafer and Simmons (2008), showed that tax avoidance is repeatedly seen in
Machiavellian accountants. Also, in other studies, researchers found that tax evasion is frequently seen in individuals who have Machiavellian personality. Psychologists have investigated the effect of emotions on decision-making process from different aspects. They classify emotions in two positive and negative dimensions. Negative and positive emotions are viewed as variables that affect people’s behavior. Based on the emotional-cognitive model, the theory of social judgment suggests that positive feelings and emotions lead to more positive judgment of an individual about himself, as well as the others, and negative emotions lead to negative and unethical evaluations and actions (Forgas, 1995).

Hassas Yeghaneh, et al (2019) in their paper emphasized that various factors, including personal, cultural, legal and economic variables influence the behavior of taxpayers. The results of their research showed that economic factors are the most important factors affecting taxpayers’ compliance. Ebrahim et al. (2019), studied the willingness of taxpayers from four perspectives: economic, structural, behavioral and regulations. Their results showed that legal factors, behavioral factors, structural factor and finally economic factors influence the willingness of taxpayers to pay taxes.

Aghaei et al (2018), concluded that there is a positive and significant relationship between managerial ability and all three criteria used for tax avoidance, which means that competent managers highly engage in tax avoidance activities that lead to tax cut. On the other hand, the results indicated that in firms with better performance, managers are less involved in tax avoidance activities. In general, the results of the study showed that in addition to company characteristics, managerial ability affects tax avoidance behavior of the company as well.

Gerkez and Eimer (2018), concluded that there is a significant relationship between the dark triad and opportunistic decision-making, also there is a significant difference between the three levels of the dark triad (week, average, high) in opportunistic decision-making which shows that with high level of the dark triad, the possibility of opportunistic decision-making increases.

Refahi et al (2018), showed that there is a significant relationship between positive affect and efficient earnings management and also there is a significant relationship between negative affect and opportunistic earnings management. In other words, positive moods and affectivity lead to positive financial decisions and in order to increase shareholder’s benefits. In contrast, negative moods and effectivity lead to negative and dysfunctional financial decisions.
and achieving personal benefits. The results of the research of Karamshahi and Azami (2018) showed that if the government assures people that the collected tax will be consumed in order to run productive sectors and to provide better services and facilities, the taxpayers will consider tax avoidance an unethical activity. Amiri (2017) considered individual factors as one of the factors leading to tax avoidance. In his opinion, tax avoidance is affected by the behavioral characteristics of the taxpayers in earnings overstatement. The results of the study by Sepasi, et al. (2016) indicated that the level of economic dimension has a negative and significant effect on tax avoidance. This suggests that the more social responsibility exists within companies, the less they tend to avoid taxes. Dianati Deylami and Pourparavresh (2014) concluded that revision of tax laws, improving tax assessors’ performance and paying attention to personality traits of financial managers lead to the improvement of tax revenue. In conclusion, according to the previous study, a conceptual model presented in Fig 1.

![Figure 1 - Conceptual model of research](image)

**Research Methodology**

This study is an applied and descriptive survey. The research community includes accountants and financial managers in the listed and unlisted companies of Tehran stock exchange. Since structural equation modeling has been used for data analysis and this method is similar to multivariate regression analysis, it is possible to use the principles of sampling used in multivariate regression analysis to determine sample size in structural equation modeling. Accordingly, the sample size can be determined through 5-15 observations per
The number of questions used in the conceptual model of the research consisted of 93 questions (emotional manipulation (22 questions), Machiavellianism (20 questions), tax avoidance (19 questions), moral foundations (32 questions)), and therefore, at least (93*5=465) samples are needed. Accordingly, 600 questionnaires are randomly distributed between accountants and financial managers of the listed companies of Tehran stock exchange. From the 540 returned questionnaires, 500 are deemed as eligible and their data are analyzed. The dependent variable in this study is tax avoidance. This variable is measured based on the Torgler and Schneider (2005) questionnaire. The questionnaire consists of 19 items on 7-point Likert scale which are numbered from one to seven from strongly disagree to strongly agree. The independent variables of this study are Machiavellianism and emotional manipulation. Machiavellianism is measured based on the questionnaire of Christie and Geis (1970). The questionnaire consists of 20 items on a 5-point Likert scale. To measure emotional manipulation, the questionnaire of Austin et al. (2007) is used. The questionnaire consists of 22 items on a 5-point Likert scale. The Christie and Geis (1970) questionnaire has been used to measure Machiavellianism and personality traits of the participants, Austin et al. (2007) questionnaire is used to measure emotional manipulation, Haidt and Graham (2007) questionnaire is used to measure moral foundations and Torgler and Schneider (2005) questionnaire is used to measure tax avoidance.

**Research Findings**

1. **Descriptive Statistics**

   The statistical sample of the study consists of 67% male and 33% female. About 25% of the observations worked in financial management jobs and the remaining 75% were accountants. 40% of the participants work in stock exchange companies and 60% in non-stock exchange companies. The level of the respondents’ education is as follows: 48% BA, 35% MA and others are Ph.D. students.

2. **Test Hypotheses**

   According to the objectives, theoretical foundations and research model, this paper has six hypotheses as follows:

   **H₁**: A Machiavellian personality has a significant effect on emotional manipulation.

   **H₂**: A Machiavellian personality has a significant effect on moral foundations.
H3: A Machiavellian personality has a significant effect on tax avoidance.
H4: Emotional manipulation has a significant effect on moral foundations.
H5: Emotional manipulation has a significant effect on tax avoidance.
H6: Ethical reputation has a significant effect on tax avoidance.

3. Confirmatory Factor Analysis of Variables and Validity of the Research

In an inferential analysis, prior to hypothesis testing, we must test the reliability and validity of the research variables using confirmatory factor analysis. In testing convergent validity using confirmatory factor analysis method, the factor loadings of each variable should be higher than 0.4 and be significant, i.e. a significance coefficient or T-value of each variable should be higher than 1.96 and is lower than -1.96. Also, the average variance extracted (AVE) should be higher than 0.4 (Magner et al, 1996). In order to test the reliability of the research variables, CR can be used. The obtained value should be higher than 0.7 to ensure the reliability of the variables. However, some researchers consider CR values higher than 0.6 as acceptable (Moss et al, 1998). Since the variable of moral foundations consists of five distinct dimensions, first of all, we conduct first-order confirmatory factor analysis for this variable and then for other research variables.

Table 1. Results of the factor analysis of the research variables

<table>
<thead>
<tr>
<th>variable name</th>
<th>Item</th>
<th>factor loadings</th>
<th>T-value</th>
<th>Standard Error</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional manipulation</td>
<td>EMM1</td>
<td>0.55</td>
<td>12.67</td>
<td>0.70</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMM2</td>
<td>0.76</td>
<td>19.42</td>
<td>0.42</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMM3</td>
<td>0.80</td>
<td>20.71</td>
<td>0.36</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMM4</td>
<td>0.53</td>
<td>12.24</td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMM5</td>
<td>0.82</td>
<td>21.65</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMM6</td>
<td>0.72</td>
<td>18.06</td>
<td>0.48</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMM7</td>
<td>0.59</td>
<td>13.79</td>
<td>0.65</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMM8</td>
<td>0.71</td>
<td>17.69</td>
<td>0.49</td>
<td></td>
</tr>
<tr>
<td>Machiavellianism</td>
<td>MAC3</td>
<td>0.52</td>
<td>11.45</td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MAC6</td>
<td>0.83</td>
<td>20.34</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MAC7</td>
<td>0.63</td>
<td>14.30</td>
<td>0.61</td>
<td></td>
</tr>
</tbody>
</table>

AVE: 0.481

AVE: 0.448
The results of the simultaneous factor analysis of all variables of the research are shown in a standard and meaningful way in table (3). The factor loadings of all variables are higher than 0.4, which are statistically significant because their T-values are higher than 1.96. AVE value is also calculated for the aforementioned variables, whose value for each variable is higher than 0.4, representing the validity of these variables.

4. Reliability of the Research Variables
As mentioned earlier, the construct reliability method has been used to test the reliability of the research variables. Composite reliability (CR) is calculated for the items which are considered appropriate measures to explain each variable. As shown in Table 4, the obtained composite reliability (CR) is higher than 0.7 or nearly 0.7 and thus ensures the reliability of these variables.

<table>
<thead>
<tr>
<th>Variable name</th>
<th>View Name</th>
<th>Brevity</th>
<th>Number of items</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional manipulation</td>
<td>—</td>
<td>EMM</td>
<td>8</td>
<td>0.878</td>
</tr>
<tr>
<td>Machiavellianism</td>
<td>—</td>
<td>MAC</td>
<td>5</td>
<td>0.799</td>
</tr>
</tbody>
</table>
5. Test of Research Hypotheses

In the following, the research hypotheses will be tested. Structural equation method has been used to test the hypotheses. Path coefficient represents the extent of effect and its T-value represents the significance. Path coefficient is significant when its T-value is higher than 1.96, or lower than -1.96.

Table 3 .Results of Research Hypotheses

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
<th>Path Coefficient</th>
<th>T-value</th>
<th>Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Effect of Machiavellianism on Emotional</td>
<td>0.36</td>
<td>6.17</td>
<td>Cannot be rejected.</td>
</tr>
<tr>
<td></td>
<td>Manipulation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Effect of Machiavellianism on Moral</td>
<td>-0.28</td>
<td>-5.10</td>
<td>Cannot be rejected.</td>
</tr>
<tr>
<td></td>
<td>Foundations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Effect of Machiavellianism on Tax</td>
<td>0.25</td>
<td>4.44</td>
<td>Cannot be rejected.</td>
</tr>
<tr>
<td></td>
<td>Avoidance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Effect of Emotional Manipulation on Moral</td>
<td>-0.15</td>
<td>-2.81</td>
<td>Cannot be rejected.</td>
</tr>
<tr>
<td></td>
<td>Foundations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Effect of Emotional Manipulation on Tax</td>
<td>0.01</td>
<td>0.17</td>
<td>Rejected.</td>
</tr>
<tr>
<td></td>
<td>Avoidance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Effect of Moral Foundations on Tax</td>
<td>-0.29</td>
<td>-5.25</td>
<td>Cannot be rejected.</td>
</tr>
<tr>
<td></td>
<td>Avoidance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results shown in table 5, it is observed that Machiavellianism has a positive effect (0.36) on emotional manipulation. In other words, for every change in the unit of Machiavellianism, the emotional manipulation experiences an increase by 0.36 in the same direction. This effect is statistically significant because the T-value is equal to (6.17) which is higher than 1.96; therefore, the hypothesis of the effect of Machiavellianism on emotional manipulation cannot be rejected. Machiavellianism has a negative effect (-0.28) on moral foundations. In other words, for every change in Machiavellianism, moral foundations variable experiences a decrease by 0.28
and in the opposite direction. This effect is statistically significant because the T-value is equal to (-5.10) which is lower than -1.96; therefore, the hypothesis of Machiavellianism’s effect on moral foundations cannot be rejected. Machiavellianism has a positive effect (0.25) on tax avoidance. In other words, for every change in Machiavellianism, tax avoidance variable experiences an increase by 0.25 and in the same direction. This effect is statistically significant because the T-value is equal to (4.44) which is higher than 1.96; therefore, the hypothesis of Machiavellianism’s effect on tax avoidance cannot be rejected.

The emotional manipulation has a negative effect (-0.15) on the moral foundations. In other words, for every change in emotional manipulation, moral foundations variable experiences a decrease by 0.15 and in the opposite direction. Hence, this effect is statistically significant as the T-value is equal to (-2.81) which is lower than -1.96 so the hypothesis of the effect of emotional manipulation on moral foundations cannot be rejected. Emotional manipulation has a positive effect (0.01) on tax avoidance. In other words, for every change in emotional manipulation, the tax avoidance variable experiences an increase by 0.01, but this effect is not statistically significant as the T-value is equal to (0.17) which is lower than 1.96; therefore, the hypothesis of the effect of emotional manipulation on tax avoidance is rejected. Moral foundations variable has a negative effect (-0.29) on tax avoidance. In other words, for every change in moral foundations, tax avoidance variable experiences a decrease by 0.29 and in the opposite direction. Consequently, this effect is statistically significant because the T-value is equal to (-5.25) which is lower than -1.96; therefore, the hypothesis of the effect of moral foundations on tax avoidance cannot be rejected.

**Figure 2 – Results of the Hypotheses Tests**

Chi-Square = 568.12 df= 267 P-Value = 0.000 RMSEA= 0.047
6. The Results of the Fit of the Conceptual Model of the Research

Table 4 shows the indexes related to the goodness of fit of the conceptual model. The results of this table confirm the goodness of fit of the model.

Table 4. Results of The Fit of Structural Equations

<table>
<thead>
<tr>
<th>Performance indices of the conceptual model</th>
<th>calculated values of indicators</th>
<th>Recommended Values</th>
<th>fitting status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
<td>568.12</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Df</td>
<td>267</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Chi Square/Df</td>
<td>2.1278</td>
<td>Chi Square/Df≤3</td>
<td>confirmed</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.047</td>
<td>RMSEA≤0.08</td>
<td>confirmed</td>
</tr>
<tr>
<td>NFI</td>
<td>0.92</td>
<td>NFI≥0.90</td>
<td>confirmed</td>
</tr>
<tr>
<td>CFI</td>
<td>0.90</td>
<td>CFI≥0.90</td>
<td>confirmed</td>
</tr>
<tr>
<td>NNFI</td>
<td>0.93</td>
<td>NNFI≥0.9</td>
<td>confirmed</td>
</tr>
<tr>
<td>RMR</td>
<td>0.14</td>
<td>RMR≤0.5</td>
<td>confirmed</td>
</tr>
<tr>
<td>IFI</td>
<td>0.91</td>
<td>IFI≥0.90</td>
<td>confirmed</td>
</tr>
</tbody>
</table>

Discussion and Conclusions

This paper investigates the effects of psychological variables such as Machiavellianism, emotional manipulation and moral foundations on tax avoidance. The results of the research hypotheses confirm that Machiavellianism and moral foundations have a significant impact on tax avoidance. The evidence of this study show that Machiavellianism has a positive and moral foundations have a negative effect on tax avoidance. But, this study doesn’t show any significant relation between emotional manipulation and tax avoidance. Hence, it can be stated that according to this research, tax avoidance is affected by non-economic factors, which are, psychological variables. It means that, although economic factors are important factors in tax avoidance, they are unable to solely predict and explain the phenomenon of tax avoidance. Interdisciplinary studies and involving social and psychological factors in explaining this phenomenon can be effective in explaining tax avoidance behaviors by managers and accountants.

The results of this study can be confirmed with Sekścińska and Rudzinska-Wojciechowska (2020) and Czerwonka (2019) research results. They show that personality traits have a significant relation with risky financial choices such as tax avoidance.
This study extends research on the psychological factors/tax compliance relationship by developing and testing a model which demonstrates that psychological factors play a significant role in their willingness to commit tax avoidance. Our study contributes significantly to our understanding of the role of personality and social norms in taxpayer compliance and raises important questions for future research. Experimental studies that control for personal characteristics such as Machiavellianism and moral foundations will be necessary to test the effectiveness of ethical interventions on taxpayers’ norms and compliance intentions. This study fills an important gap in knowledge regarding the link between personality characteristics and the tax avoidance. Our results may help tax policy-makers understand the roles played by accountants' personalities in corporate tax reporting. Tax authorities could consider the specific techniques to regulate corporate tax reporting due consideration to accountant's personality behaviors.

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