

# A Structural Model Based on the Relationship Between Auditors' Dark Personality Traits and Judgment Regarding Key Audit Matters

Seyyed Mohammad. Hosseini<sup>1</sup>, Javad. Ramezani<sup>2\*</sup>, Azadeh. Kiapour<sup>3</sup>, Seyed Javad. Ebrahimian<sup>4</sup>

<sup>1</sup> Department of Accounting, No.C., Islamic Azad University, Nour, Iran

<sup>2</sup> Assistant Professor, Department of Accounting, No.C., Islamic Azad University, Nour, Iran

<sup>3</sup> Department of Statistics, Bab.C., Islamic Azad University, Babol, Iran

<sup>4</sup> Assistant Professor, Department of Accounting, No.C., Islamic Azad University, Nour, Iran

\* Corresponding author email address: Javad.ramezani58@iau.ac.ir

## Article Info

### Article type:

Original Research

### How to cite this article:

Hosseini, S. M., Ramezani, J., Kiapour, A., & Ebrahimian, S. J. (2026). A Structural Model Based on the Relationship Between Auditors' Dark Personality Traits and Judgment Regarding Key Audit Matters. *International Journal of Innovation Management and Organizational Behavior*, 6(5), 1-11.  
<https://doi.org/10.61838/kman.ijimob.5465>



© 2026 the authors. Published by KMAN Publication Inc. (KMANPUB), Ontario, Canada. This is an open access article under the terms of the Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.

## ABSTRACT

**Objective:** The present study aimed to investigate the effect of auditors' dark personality traits on professional judgment regarding Key Audit Matters (KAMs).

**Methods and Materials:** This study was applied in terms of purpose and descriptive-correlational in terms of methodology. The statistical population consisted of all certified public accountants who were members of the Iranian Association of Certified Public Accountants and the Audit Organization in 2026. Based on Cochran's formula, the estimated sample size was 384 participants; however, due to incomplete questionnaire returns, 237 usable questionnaires were ultimately collected through convenience and snowball sampling methods. Data were gathered using the Dark Personality Traits Questionnaire developed by Jones and Paulhus (2014) and a questionnaire assessing judgment regarding Key Audit Matters adapted from prior auditing studies. Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). Reliability and validity of the instruments were confirmed through Cronbach's alpha, composite reliability, Average Variance Extracted (AVE), and confirmatory factor analysis.

**Findings:** The results indicated that all factor loadings exceeded the acceptable threshold of 0.40 and all t-values were greater than 1.96, confirming the convergent validity of the measurement model. Cronbach's alpha and composite reliability coefficients for all constructs exceeded 0.90, demonstrating strong internal consistency. The coefficient of determination ( $R^2$ ) for auditors' judgment regarding KAMs was 0.572, indicating that dark personality traits explained 57.2% of the variance in professional judgment. Furthermore, the Goodness-of-Fit (GOF) index was 0.613, confirming strong overall model fit. Hypothesis testing revealed that dark personality traits had a significant negative effect on auditors' judgment regarding KAMs ( $\beta = -0.552$ ,  $t = 3.622$ ,  $p < 0.001$ ).

**Conclusion:** The findings demonstrate that auditors' dark personality traits significantly impair professional judgment regarding Key Audit Matters. The results highlight the importance of behavioral and psychological factors in audit quality and suggest that personality characteristics may influence auditors' objectivity, skepticism, and ethical decision-making processes. The study contributes to the interdisciplinary literature linking auditing and psychology and provides practical implications for audit firms and regulatory bodies in identifying behavioral risks and strengthening professional judgment quality through appropriate control and training mechanisms.

**Keywords:** dark personality traits; key audit matters; auditor judgment

## 1 Introduction

The increasing complexity of financial reporting environments and the growing expectations of stakeholders regarding transparency and accountability have significantly expanded the role of auditors in contemporary capital markets. Auditors are no longer viewed merely as technical evaluators of financial statements; rather, they are expected to provide professional judgments that reduce information asymmetry and enhance the reliability of corporate disclosures. In this regard, auditor judgment has become one of the most critical determinants of audit quality because the effectiveness of audit procedures and the credibility of audit reports largely depend on the quality of professional judgments made during the audit process (Bonner, 2008; Nelson & Tan, 2005). Professional judgment in auditing involves the integration of technical expertise, ethical reasoning, skepticism, and cognitive evaluation under conditions of uncertainty. Because auditors frequently operate in ambiguous and high-pressure environments, their individual behavioral and psychological characteristics may substantially influence the way they interpret evidence and make decisions (Bhaskar et al., 2019; Nelson & Tan, 2005). Consequently, behavioral accounting research has increasingly focused on understanding how personality traits shape auditors' professional conduct and decision-making outcomes.

One of the most significant developments in auditing practice over the past decade has been the introduction of Key Audit Matters (KAMs) in the audit report. KAMs are intended to enhance the communicative value of audit reporting by disclosing the most significant matters encountered during the audit process and explaining how auditors addressed those issues. The implementation of KAM disclosures has transformed the traditional audit report from a standardized compliance-oriented document into a more informative and entity-specific communication tool (Asare & Wright, 2012; Segal, 2019). The disclosure of KAMs is expected to improve investor confidence, increase transparency, and provide users of financial statements with deeper insights into areas involving significant auditor judgment and estimation uncertainty (Heilmann, 2019; Pinto & Morais, 2019). Empirical evidence also suggests that KAM disclosures can influence audit outcomes, users' perceptions of risk, and stakeholders' understanding of the audit process (Cameran & Campa, 2023; Ecim et al., 2023). Nevertheless, the effectiveness of KAM reporting ultimately depends on the quality and objectivity of the auditor's

professional judgment. Since identifying and communicating KAMs requires subjective evaluation, auditors' personal characteristics may affect which issues are emphasized, how they are interpreted, and how transparently they are disclosed.

In recent years, increasing scholarly attention has been directed toward the role of personality traits in organizational behavior and professional ethics. Among the various personality frameworks examined in behavioral research, the Dark Triad has attracted substantial interest due to its association with manipulative, unethical, and opportunistic behaviors. The Dark Triad consists of narcissism, Machiavellianism, and psychopathy, which collectively represent socially aversive personality traits characterized by self-interest, deception, emotional detachment, impulsivity, and dominance-seeking behavior (Jones & Paulhus, 2017; Spain et al., 2014). Individuals with narcissistic tendencies often exhibit grandiosity, excessive self-confidence, and a strong desire for admiration. Machiavellian individuals are typically manipulative, strategic, and willing to exploit others for personal gain, whereas psychopathic individuals demonstrate impulsivity, low empathy, and reduced sensitivity to ethical norms (Jones & Paulhus, 2017; Rosequist & Kromka, 2024). Although these traits do not necessarily imply clinical pathology, they may significantly influence workplace behavior, interpersonal relationships, and ethical decision-making processes.

The relevance of dark personality traits to accounting and auditing has become increasingly evident in recent behavioral accounting literature. Researchers have argued that accounting professionals frequently operate in environments involving high competition, performance pressure, and opportunities for discretionary judgment, conditions that may amplify the behavioral effects of dark personality characteristics (D'Souza & Lima, 2015; Marçal & Alberton, 2020). Studies conducted in accounting contexts have shown that individuals with stronger dark personality traits may demonstrate greater tolerance for unethical behavior, opportunistic decision-making, and aggressive financial reporting practices (Majors, 2015; Silva et al., 2020). For example, prior research has found that narcissistic and Machiavellian tendencies are associated with earnings management practices and opportunistic corporate behavior (Góis et al., 2024; Olsen & Stekelberg, 2016). Similarly, investigations into accounting students and professionals have revealed that dark personality traits may influence career preferences, ethical attitudes, and cultural

values within accounting environments (D'Souza et al., 2018; D'Souza & Lima, 2019). These findings suggest that behavioral and psychological characteristics may have important implications for professional judgment and audit quality.

Within the auditing profession, professional skepticism and auditor independence are considered essential safeguards against material misstatements and fraudulent reporting. However, emerging evidence indicates that personality traits may either strengthen or impair these professional attributes. Research has demonstrated that auditors' interpersonal behavior, trust judgments, and negotiation strategies may be influenced by dark personality tendencies (Bhaskar et al., 2019; Hobson et al., 2020). Hobson et al. reported that social interaction and Dark Triad traits could affect unjustified auditor trust, thereby reducing auditors' objectivity in evaluating client-provided information (Hobson et al., 2020). Likewise, Marçal and Alberton identified significant relationships between dark personality traits and auditors' professional skepticism, suggesting that some dark characteristics may alter the way auditors assess evidence and respond to audit risk (Marçal & Alberton, 2020). These findings raise concerns regarding the potential impact of dark personality characteristics on auditors' professional judgments, particularly in complex reporting environments requiring heightened skepticism and ethical sensitivity.

The issue becomes even more important when auditors are required to evaluate fraud risks and disclose sensitive matters within KAM reporting frameworks. Fraud risk assessment and KAM identification involve extensive judgment under uncertainty and require auditors to balance technical standards with professional ethics and stakeholder expectations. Recent studies have indicated that auditors with stronger dark personality traits may exhibit weaker fraud risk assessment capabilities and lower ethical sensitivity (Janrosl et al., 2025; Zolfi & Yazdanian, 2024). Zolfi and Yazdanian found that dark personality traits significantly affected auditors' assessments of fraud risk, implying that psychological characteristics may shape the evaluation of high-risk audit situations (Zolfi & Yazdanian, 2024). Similarly, Janrosl et al. emphasized that auditor personality characteristics play an important role in audit quality and fraud detection effectiveness (Janrosl et al., 2025). Since KAM disclosures often involve issues such as going concern uncertainty, revenue recognition, contingent liabilities, and internal control deficiencies, any bias in

auditor judgment may compromise the transparency and reliability of financial reporting.

Another important dimension of the literature concerns the ethical and interpersonal implications of dark personality traits within professional environments. Dark personality traits have consistently been linked to conflict-oriented behavior, manipulative communication styles, and unethical workplace conduct (Rosequist & Kromka, 2024; Spain et al., 2014). In organizational settings, individuals with strong dark personality tendencies may prioritize self-interest over collective goals and may rationalize unethical actions to preserve personal advantages. Such tendencies may undermine professional standards in auditing because auditors are expected to maintain independence, objectivity, and public accountability. Research has further suggested that auditors with certain personality characteristics may become more susceptible to client pressure, impaired skepticism, and reduced ethical awareness (Schluetera & Sakela, 2022; Zaki & Elfar, 2023). Consequently, understanding how dark personality traits affect auditors' professional judgments has become increasingly relevant for audit firms, regulators, and professional accounting bodies.

The growing integration of psychology into auditing research reflects a broader recognition that audit quality is not determined solely by technical competence or compliance with auditing standards. Behavioral factors, including cognitive biases, personality traits, emotional regulation, and interpersonal dynamics, also contribute significantly to audit outcomes (Bonner, 2008; Nelson & Tan, 2005). This interdisciplinary perspective has encouraged researchers to examine how auditors' psychological profiles influence ethical reasoning, decision-making quality, and risk assessments. Despite the increasing interest in behavioral auditing, relatively limited research has directly examined the relationship between dark personality traits and auditors' judgments regarding KAMs. Existing studies have largely focused on earnings management, fraud risk assessment, professional skepticism, and auditor independence rather than the specific context of KAM disclosures (Majors, 2015; Schluetera & Sakela, 2022). Given the central role of KAMs in modern audit reporting, this gap represents an important area for empirical investigation.

Furthermore, the significance of studying this issue is particularly evident in emerging economies and developing audit environments, where institutional pressures, regulatory structures, and organizational cultures may intensify behavioral influences on professional judgment. In such

contexts, understanding the interaction between auditors' personality characteristics and professional decision-making may contribute to improving audit quality, strengthening investor confidence, and enhancing regulatory oversight. Goudarzi et al. emphasized the importance of identifying auditors' personality and ethical characteristics in order to improve audit effectiveness and strengthen ethical conduct within the auditing profession (Goudarzi et al., 2025). Similarly, studies examining the behavioral dimensions of auditing have highlighted the need for audit firms to consider psychological characteristics in recruitment, training, and performance evaluation processes (Janrosli et al., 2025; Marçal & Alberton, 2020). Such considerations may help organizations identify potential behavioral risks and establish mechanisms that promote objectivity and ethical accountability.

The importance of the present study is also reinforced by the practical consequences associated with deficient auditor judgment regarding KAMs. If auditors with strong dark personality traits are more likely to exhibit biased or opportunistic judgment, stakeholders may receive incomplete or misleading information regarding critical audit issues. This could weaken confidence in financial reporting systems and undermine the effectiveness of external auditing as a governance mechanism. Given the increasing reliance of investors and regulators on KAM disclosures as indicators of financial reporting quality and organizational risk, understanding the behavioral determinants of KAM judgments is both theoretically and practically important (Cameran & Campa, 2023; Segal, 2019). Additionally, the growing emphasis on behavioral ethics within accounting research suggests that integrating personality-based perspectives into auditing studies may contribute to a more comprehensive understanding of audit quality determinants (D'Souza & Lima, 2015; Góis et al., 2024).

Accordingly, the present study aims to develop and test a structural model based on the relationship between auditors' dark personality traits and judgment regarding Key Audit Matters.

## 2 Methods and Materials

The present study was applied in terms of purpose and employed a descriptive–correlational research design in terms of data collection methodology. From the perspective of reasoning, the study followed a deductive–inductive approach. Since the research focused on data collected

within a specific time period, the data analysis procedure was cross-sectional and based on path analysis using structural equation modeling. The statistical population consisted of all certified public accountants who were members of the Iranian Association of Certified Public Accountants and the Audit Organization in 2026. Given that the statistical population was considered unlimited, Cochran's formula for an unknown population size was used to estimate the required sample size. Accordingly, the estimated sample size for the study was 384 participants. In structural equation modeling, several researchers recommend a minimum sample size of 200 participants, particularly for confirmatory factor analysis; however, excessively large sample sizes may artificially increase the chi-square statistic and reduce model fit indices. Therefore, a sample size above 200 was considered sufficient for the purposes of this study. A non-probability convenience sampling method was employed. Due to the incomplete return of questionnaires, data collection was initially conducted online through email and messaging platforms such as WhatsApp and Telegram. The questionnaires were distributed among key respondents, including members of the professional accounting community with at least 10 years of auditing experience. These respondents subsequently introduced additional participants through a snowball sampling procedure. Ultimately, 237 complete and usable questionnaires were collected and included in the final analysis. Data collection in this study was conducted using standardized questionnaires.

The Dark Personality Traits Questionnaire was developed by Jones and Paulhus in 2014 and consists of 27 items designed to assess the dark triad personality traits, including narcissism, psychopathy, and Machiavellianism. The questionnaire evaluates the extent to which individuals demonstrate manipulative tendencies, self-centeredness, lack of empathy, impulsive behavior, and antisocial characteristics. The instrument is structured based on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire contains three dimensions, each measured by nine items: Machiavellianism (items 1–9), narcissism (items 10–18), and psychopathy (items 19–27). Previous studies have confirmed the validity and reliability of this instrument across different professional and organizational contexts. In the present study, the questionnaire demonstrated a Cronbach's alpha coefficient of 0.942 and a composite reliability coefficient of 0.939, indicating a high level of internal consistency and measurement reliability.

The questionnaire related to judgment regarding Key Audit Matters (KAMs) was adapted from the experimental protocols used in the studies conducted by Asare (1992) and DeZoort and colleagues (2006). In this instrument, auditors were required to review company background information as well as information obtained during the audit planning process and subsequently provide professional judgments regarding KAMs. The issues presented in the questionnaire included several audit-sensitive and risk-related matters associated with the company, such as going concern assumptions, revenue recognition, contingent liabilities, inventory impairment testing, estimated losses related to doubtful accounts receivable, unrecorded liabilities, and complex internal control and information technology environments. The instrument was designed to assess auditors' professional judgment and decision-making quality in relation to critical audit disclosures. The reliability analysis of this questionnaire indicated a Cronbach's alpha coefficient of 0.975 and a composite reliability coefficient of 0.948, confirming the strong reliability and stability of the measurement instrument.

Data analysis was conducted using structural equation modeling and path analysis techniques in order to examine the structural relationships between auditors' dark personality traits and their judgment regarding Key Audit Matters. Prior to hypothesis testing, the reliability and internal consistency of the research instruments were assessed using Cronbach's alpha and composite reliability indices. Composite reliability was utilized because it is considered a more advanced reliability measure than Cronbach's alpha, particularly in structural equation modeling applications. Although Cronbach's alpha remains an acceptable indicator of reliability, composite reliability provides a more accurate estimation of construct consistency in latent variable models. The collected data were screened and analyzed after excluding incomplete questionnaires. Descriptive and inferential statistical analyses were then performed to evaluate the proposed conceptual model and determine the direct effects of dark personality traits on auditors' professional judgment regarding KAMs.

### 3 Findings and Results

A total of 237 auditors participated in the study. Among the respondents, 35 participants (15%) were female and 202 participants (85%) were male, indicating that the majority of the sample consisted of male auditors. Regarding educational level, 192 participants (81%) held a master's degree, while 45 participants (19%) possessed a doctoral degree. In terms of professional experience, 11 participants (4.6%) reported between 13 and 18 years of work experience, 34 participants (14.3%) reported between 19 and 23 years of experience, and 192 participants (81%) had more than 24 years of professional experience. These findings demonstrate that the majority of respondents were highly experienced auditors with advanced academic qualifications, thereby increasing the credibility and professional relevance of the collected responses.

Before testing the research hypotheses, the assumptions underlying structural equation modeling were examined. The normality of the variables was assessed using the Kolmogorov-Smirnov test. The results indicated that the variables of dark personality traits ( $Z = 1.685$ ,  $p = 0.003$ ) and auditor professional judgment regarding Key Audit Matters ( $Z = 2.167$ ,  $p = 0.000$ ) did not follow a normal distribution. However, the use of Partial Least Squares Structural Equation Modeling (PLS-SEM) eliminated the necessity for data normality because, unlike covariance-based software such as LISREL and AMOS, PLS-SEM does not require normally distributed data. In addition, the adequacy of the sample size was evaluated using the Kaiser-Meyer-Olkin (KMO) index and Bartlett's test of sphericity. The KMO value was 0.864, which exceeded the recommended threshold of 0.70, indicating that the sample size was adequate for factor analysis and structural equation modeling. Furthermore, Bartlett's test was statistically significant ( $\chi^2 = 3.138$ ,  $df = 1028$ ,  $p < 0.001$ ), confirming the existence of significant correlations among the variables and supporting the suitability of the dataset for factor analysis.

**Table 1***Factor Loadings and t-values of Research Variables*

Questionnaire	Item	Factor Loading	t-value
Dark Personality Traits	1	0.740	18.836
	2	0.958	42.635
	3	0.952	64.255
	4	0.943	67.804
	5	0.946	80.230
	6	0.939	25.247
	7	0.952	80.164
	8	0.934	23.345
	9	0.927	50.223
	10	0.943	11.633
	11	0.964	47.714
	12	0.845	19.423
	13	0.775	16.552
	14	0.795	9.865
	15	0.924	33.267
	16	0.942	87.265
	17	0.957	87.586
	18	0.963	65.547
	19	0.785	19.207
	20	0.783	19.755
	21	0.787	6.210
	22	0.763	10.155
	23	0.887	47.116
	24	0.876	55.154
	25	0.842	24.231
	26	0.922	26.297
	27	0.985	12.539
Judgment Regarding KAMs	28	0.755	20.278
	29	0.747	17.225
	30	0.777	4.934
	31	0.765	29.065
	32	0.759	20.263
	33	0.895	15.664
	34	0.875	32.035

The results presented in Table 1 demonstrate that all factor loadings exceeded the minimum acceptable threshold of 0.40, thereby confirming the convergent validity of the measurement model. Most factor loadings were substantially above 0.70, indicating strong relationships between the observed indicators and their underlying latent constructs.

Furthermore, all t-values were greater than the critical value of 1.96, indicating that all indicators significantly contributed to their corresponding constructs at the 95% confidence level. Therefore, the measurement items possessed satisfactory construct validity and were appropriate for inclusion in the structural model analysis.

**Table 2***Convergent Validity and Reliability Indices*

Variables	Cronbach's Alpha	Rho_A	Composite Reliability	AVE
Judgment Regarding Key Audit Matters	0.982	0.981	0.984	0.765
Dark Personality Traits	0.985	0.983	0.986	0.722

As shown in Table 2, the Average Variance Extracted (AVE) values for all constructs exceeded the recommended threshold of 0.50, indicating that more than 50% of the

variance in the indicators was explained by the corresponding latent variables. Accordingly, convergent validity for all constructs was confirmed. In addition, the

Cronbach's alpha coefficients, Rho\_A values, and composite reliability coefficients for all constructs were significantly above the acceptable level of 0.70, demonstrating a high degree of internal consistency and reliability within the measurement model. These findings indicate that the research instruments possessed satisfactory psychometric properties and were suitable for testing the structural relationships among the study variables.

The coefficient of determination ( $R^2$ ) for auditor judgment regarding Key Audit Matters was 0.572, while the adjusted  $R^2$  value was 0.570. These findings indicate that approximately 57.2% of the variance in auditors'

professional judgment regarding KAMs was explained by dark personality traits. This level of explanatory power can be considered substantial within behavioral and accounting research contexts. Furthermore, the Goodness-of-Fit (GOF) index was calculated to evaluate the overall fit of the structural model. Based on the geometric mean of the AVE and  $R^2$  values, the GOF value was obtained as 0.613. According to established criteria, GOF values above 0.36 indicate a strong overall model fit. Therefore, the obtained GOF value confirms that the proposed research model demonstrated strong explanatory and predictive capability and possessed an acceptable overall fit.

**Table 3**

*Hypothesis Testing Results*

Hypothesis	Independent Variable	Dependent Variable	Path Coefficient	t-value	Significance Level	Result
1	Dark Personality Traits	Auditor Judgment Regarding KAMs	-0.552	3.622	0.000	Supported

The results of hypothesis testing indicated that dark personality traits had a significant negative effect on auditors' judgment regarding Key Audit Matters. The path coefficient between dark personality traits and auditor judgment was -0.552, indicating an inverse relationship between the variables. Moreover, the t-value of 3.622 exceeded the critical threshold of 1.96, and the significance level was lower than 0.05, confirming the statistical significance of the relationship at the 95% confidence level. Therefore, the research hypothesis was supported, suggesting that higher levels of dark personality traits among auditors are associated with weaker and potentially biased professional judgment regarding KAMs.

#### 4 Discussion

The present study aimed to investigate the relationship between auditors' dark personality traits and judgment regarding Key Audit Matters (KAMs). The findings demonstrated that dark personality traits exerted a significant negative effect on auditors' professional judgment regarding KAMs. The structural model results indicated that dark personality traits explained a substantial proportion of the variance in auditors' judgment, suggesting that behavioral and psychological characteristics play an important role in shaping professional audit decisions. The negative path coefficient observed in the study implies that higher levels of dark personality tendencies among auditors are associated with lower quality judgment regarding significant audit matters. This finding is important because

KAM disclosures require auditors to exercise a high degree of professional skepticism, ethical reasoning, objectivity, and analytical judgment. When such judgments are influenced by manipulative, narcissistic, or psychopathic tendencies, the reliability and transparency of audit reporting may be compromised.

The results of the present study are consistent with the behavioral auditing literature emphasizing that auditor judgment is not solely determined by technical expertise but is also strongly influenced by cognitive and personality-related factors (Bonner, 2008; Nelson & Tan, 2005). Bonner argued that decision-making in accounting and auditing environments is inherently vulnerable to behavioral biases because auditors frequently operate under uncertainty and time pressure (Bonner, 2008). Similarly, Nelson and Tan emphasized that interpersonal interactions and individual auditor characteristics significantly affect judgment quality and audit outcomes (Nelson & Tan, 2005). The current findings support these theoretical perspectives by demonstrating that dark personality traits constitute an influential behavioral factor capable of shaping auditors' judgments concerning critical audit disclosures.

One possible explanation for the negative relationship between dark personality traits and KAM judgment is that individuals with strong Dark Triad characteristics often prioritize personal interests over professional responsibilities. Narcissistic auditors may overestimate their own judgment abilities and become less receptive to contradictory evidence or alternative interpretations.

Machiavellian auditors may strategically manipulate audit evaluations to achieve personal or organizational objectives, while psychopathic tendencies may reduce empathy, ethical sensitivity, and concern for stakeholder welfare (Jones & Paulhus, 2017; Spain et al., 2014). Because KAM reporting involves the disclosure of highly sensitive audit matters requiring transparency and accountability, these personality tendencies may impair the auditor's ability to provide objective and balanced judgments. Consequently, auditors with stronger dark personality traits may become more susceptible to biased decision-making and selective interpretation of audit evidence.

The findings of this study are aligned with prior research investigating the relationship between dark personality characteristics and unethical or opportunistic behavior in accounting contexts. D'Souza and Lima found that Dark Triad traits were associated with opportunistic decision-making behaviors among accounting professionals (D'Souza & Lima, 2015). Likewise, Silva et al. reported that executives with stronger dark personality tendencies were more likely to engage in earnings management activities (Silva et al., 2020). The relationship identified in the present study suggests that similar behavioral mechanisms may operate within auditing environments. Since auditors are responsible for evaluating financial reporting quality and communicating significant risks to stakeholders, opportunistic tendencies rooted in dark personality traits may distort professional judgment and reduce audit effectiveness.

The present findings are also consistent with studies examining the relationship between dark personality traits and professional skepticism. Marçal and Alberton demonstrated that dark personality traits significantly influenced the professional skepticism of independent auditors (Marçal & Alberton, 2020). Professional skepticism is considered one of the most essential elements in evaluating KAMs because auditors must critically assess management assertions, identify material uncertainties, and evaluate complex risk-related issues. Auditors possessing elevated levels of narcissism or psychopathy may display excessive confidence in their initial judgments or insufficient concern regarding potential misstatements, thereby weakening skeptical evaluation processes. Similarly, Machiavellian tendencies may encourage strategic rather than objective judgment formation, particularly in situations involving pressure from clients or organizational incentives.

The findings further correspond with the literature emphasizing the relationship between dark personality characteristics and fraud risk assessment. Zolfi and Yazdani found that auditors' dark personality traits significantly affected fraud risk assessment processes (Zolfi & Yazdani, 2024). Fraud risk assessment and KAM identification both require auditors to evaluate uncertainty, detect inconsistencies, and communicate significant reporting risks. Therefore, behavioral traits that impair ethical reasoning or critical evaluation may negatively influence both processes. The present study extends this line of research by specifically demonstrating that dark personality traits affect judgments regarding KAM disclosures, an area that has received relatively limited empirical attention despite its growing significance in audit reporting frameworks.

Another explanation for the findings may be related to the interpersonal and social dimensions of auditing. Hobson et al. found that social interaction combined with Dark Triad traits could increase unjustified auditor trust and reduce professional objectivity (Hobson et al., 2020). Auditing often involves extensive communication and negotiation between auditors and clients, especially when discussing matters that may ultimately be disclosed as KAMs. Auditors with manipulative or dominance-oriented personality traits may become more vulnerable to interpersonal pressures, negotiation biases, or self-serving evaluations. Such tendencies may weaken the independence required for objective KAM disclosure and increase the likelihood of incomplete or strategically framed reporting.

The present study also aligns with research concerning auditor independence and ethical conduct. Schluetera and Sakela argued that dark personality traits may threaten auditor independence because individuals with such characteristics may exhibit greater tolerance for unethical behavior and self-interested actions (Schluetera & Sakela, 2022). KAM reporting is fundamentally dependent on independence because auditors must disclose matters that may expose organizational weaknesses, significant uncertainties, or heightened financial risks. If auditors' judgments are influenced by narcissistic or Machiavellian motivations, they may underreport significant issues or frame disclosures in ways that protect personal relationships or organizational interests. Consequently, the negative association identified in this study highlights the importance of considering personality-related factors within audit quality frameworks.

The findings additionally support studies emphasizing the broader organizational consequences of dark personality traits. Research conducted by Rosequist and Kromka demonstrated that Dark Tetrad personality traits are associated with dysfunctional conflict management styles and problematic interpersonal behaviors (Rosequist & Kromka, 2024). In auditing environments, where collaboration, professional dialogue, and ethical accountability are essential, such interpersonal tendencies may impair communication within audit teams and reduce the effectiveness of collective decision-making processes. This may be particularly problematic in KAM evaluations, which frequently require collaborative judgment, technical consultation, and extensive discussion among audit team members.

The present study contributes to the emerging interdisciplinary literature connecting psychology and auditing. Previous studies have primarily examined dark personality traits in relation to earnings management, tax avoidance, unethical managerial behavior, and accounting students' career preferences (D'Souza et al., 2018; D'Souza & Lima, 2019; Góis et al., 2024; Olsen & Stekelberg, 2016). By focusing specifically on auditors' judgment regarding KAMs, the current research extends behavioral accounting literature into an important area of audit reporting quality. This contribution is especially relevant because KAM disclosures have become central components of modern audit reports and are increasingly relied upon by investors, regulators, and other stakeholders to assess organizational risks and reporting transparency (Heilmann, 2019; Segal, 2019).

The results also support evidence indicating that the quality and usefulness of KAM disclosures depend heavily on auditor judgment. Pinto and Morais emphasized that stakeholders value KAM disclosures because they provide insight into areas involving significant audit complexity and uncertainty (Pinto & Morais, 2019). Similarly, Cameran and Campa found that KAM reporting influences audit outcomes and users' perceptions of audit quality (Cameran & Campa, 2023). Since the identification and communication of KAMs are inherently subjective processes, the influence of dark personality traits may reduce the informational value and transparency of audit reports. Therefore, the present findings suggest that audit quality should not be evaluated solely based on technical compliance with auditing standards but should also incorporate behavioral and psychological considerations.

The findings are further supported by research highlighting the role of ethical and personality characteristics in enhancing audit effectiveness. Goudarzi et al. emphasized the necessity of identifying auditors' ethical and personality characteristics in order to improve professional performance and audit quality (Goudarzi et al., 2025). Likewise, Janrosl et al. found that auditor personality characteristics significantly influence fraud detection effectiveness and overall audit quality (Janrosl et al., 2025). The present study reinforces these arguments by demonstrating that auditors' personality structures may directly affect their judgments regarding significant audit matters. Accordingly, integrating psychological assessment and behavioral evaluation into audit training, recruitment, and performance management systems may strengthen professional judgment quality and improve audit reliability.

## 5 Conclusion

Overall, the findings may be interpreted within the broader framework of behavioral ethics in accounting and auditing. Zaki and Elfar demonstrated that professional skepticism mediates the relationship between individual characteristics and audit quality outcomes (Zaki & Elfar, 2023). This suggests that dark personality traits may indirectly impair audit quality by weakening skepticism and ethical awareness. Similarly, studies examining dark personality characteristics in financial and organizational contexts have consistently found associations with manipulative behavior, self-interest, and reduced ethical sensitivity (Góis et al., 2024; Majors, 2015). Therefore, the present findings support the view that behavioral traits represent important antecedents of audit judgment quality and should receive greater attention in both research and professional practice.

Despite the significant findings of the present study, several limitations should be acknowledged. First, the study relied on self-reported questionnaire data, which may be affected by social desirability bias and subjective response tendencies. Auditors may have been reluctant to disclose certain personality characteristics accurately due to professional or ethical concerns. Second, the study employed a cross-sectional research design, limiting the ability to establish causal relationships between dark personality traits and professional judgment over time. Third, the sample was limited to certified public accountants and auditors within a specific professional context, which may reduce the generalizability of the findings to other

institutional or cultural environments. Finally, the study focused specifically on dark personality traits and did not examine other potentially influential psychological variables such as emotional intelligence, moral reasoning, or organizational commitment.

Future research should examine the relationship between dark personality traits and auditor judgment using longitudinal and experimental research designs to better evaluate causal mechanisms and behavioral changes over time. Researchers may also investigate the moderating or mediating roles of variables such as professional skepticism, ethical climate, organizational culture, emotional intelligence, and auditor experience. Comparative studies across different countries and regulatory environments could provide deeper insight into the influence of cultural and institutional factors on the relationship between personality traits and audit judgment. In addition, future studies may explore how dark personality characteristics affect specific dimensions of audit quality, including fraud detection, going concern evaluations, risk assessments, and auditor–client negotiations.

From a practical perspective, the findings of this study highlight the importance of incorporating behavioral and psychological considerations into audit profession management and regulatory practices. Audit firms may benefit from integrating personality assessment procedures into recruitment and training programs in order to identify behavioral tendencies that could impair professional judgment and ethical conduct. Professional accounting organizations and regulators may also develop educational programs designed to strengthen ethical awareness, emotional regulation, and professional skepticism among auditors. Furthermore, firms should establish internal monitoring and quality-control mechanisms aimed at reducing the potential influence of opportunistic or manipulative tendencies on audit judgments and KAM disclosures. Such initiatives may contribute to enhancing audit quality, improving stakeholder confidence, and strengthening the credibility and transparency of financial reporting systems.

### Authors' Contributions

All authors have contributed significantly to the research process and the development of the manuscript.

### Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

### Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

### Acknowledgments

We would like to express our gratitude to all individuals helped us to do the project.

### Declaration of Interest

The authors report no conflict of interest.

### Funding

According to the authors, this article has no financial support.

### Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

### References

- Asare, S. K., & Wright, A. M. (2012). Investors', Auditors', and Lenders' Understanding of the Message Conveyed by the Standard Audit Report on the Financial Statements. *Accounting Horizons*, 26(2), 193-217.
- Bhaskar, L. S., Majors, T. M., & Vitalis, A. (2019). Are Auditor Negotiations Impaired during Depleting Times? The Importance of Client Characteristics and Auditor Skepticism. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3373379>
- Bonner, S. E. (2008). *Judgment and Decision Making in Accounting*. Prentice Hall.
- Cameran, M., & Campa, D. (2023). Key Audit Matters and Audit Outcomes: Evidence from the European Union. *SSRN*.
- D'Souza, M. F., Aragão, I. R., & De Luca, M. M. M. (2018). Analysis of the Occurrence of Machiavellianism and Narcissism in the Discourse in Management Reports of Companies Involved in Financial Scandals. *Revista de Educação e Pesquisa em Contabilidade*. <https://doi.org/10.17524/repec.v12i3.1899>
- D'Souza, M. F., & Lima, G. A. S. F. (2015). The Dark Side of Power: The Dark Triad in Opportunistic Decision-Making. *Advances in Scientific and Applied Accounting*, 8(2), 135-156. <https://doi.org/10.2139/ssrn.2641799>
- D'Souza, M. F., & Lima, G. A. S. F. (2019). A Look at Dark Triad Traits and Cultural Values of Accounting Students. *Advances in Scientific and Applied Accounting*, 1(1), 161-183. <https://doi.org/10.14392/ASAA.2019120109>
- Ecim, D., Maroun, W., & Duboiese de Ricquebourg, A. (2023). An Analysis of Key Audit Matter Disclosures in South African

- Audit Reports from 2017 to 2020. *South African Journal of Business Management*, 54(1), 3669.
- Góis, A. D., Lima, G. A. S. F., De Luca, M. M. M., & Gotti, G. (2024). Dark Tetrad Personality and Earnings Management: The Moderating Effect of Corporate Reputation. *Advances in Scientific and Applied Accounting*, 17(2), 209-226. <https://doi.org/10.14392/asaa.2024170209>
- Goudarzi, S., Hemmatfar, M., & Janani, M. H. (2025). A model for identifying the personality and ethical characteristics of independent auditors in the country. *Management Accounting and Auditing Knowledge*, 14(56), 383-394.
- Heilmann, A. G. M. (2019). The Consequences of Disclosing Key Audit Matters (KAMs): A Review of the Academic Literature. *Maandblad voor Accountancy en Bedrijfseconomie*, 93, 5-14. <https://doi.org/10.5117/mab.93.29496>
- Hobson, J. L., Stern, M. T., & Zimbelman, A. F. (2020). The Benefit of Mean Auditors: The Influence of Social Interaction and the Dark Triad on Unjustified Auditor Trust. *Contemporary Accounting Research*, 37(2), 1217-1247. <https://doi.org/10.1111/1911-3846.12511>
- Janrosl, V. S. E., Muda, I., Sadalia, I., & Nasution, A. A. (2025). Fraud detection mediation: Personality auditor and forensic accounting on audit quality. *International Journal of Accounting, Economics, Finance, & Accounting*, 21(2), 190-212.
- Jones, D. N., & Paulhus, D. L. (2017). Duplicity among the Dark Triad: Three Faces of Deceit. *Journal of personality and social psychology*, 113(2), 329-342. <https://doi.org/10.1037/pspp0000139>
- Majors, T. M. (2015). The Interaction of Communicating Measurement Uncertainty and the Dark Triad on Managers' Reporting Decisions. *The Accounting Review*, 91(3), 973-992. <https://doi.org/10.2308/accr-51276>
- Marçal, R. R., & Alberton, L. (2020). Relationship between Dark Personality Traits and Professional Skepticism of Independent Auditors. *Revista de Educação e Pesquisa em Contabilidade*, 14(4). <https://doi.org/10.17524/repec.v14i4.2663>
- Nelson, M., & Tan, H. T. (2005). Judgment and Decision Making Research in Auditing: A Task, Person, and Interpersonal Interaction Perspective. *Auditing: A Journal of Practice & Theory*, 24(1), 41-71. <https://doi.org/10.2139/ssrn.761706>
- Olsen, K. J., & Stekelberg, J. M. (2016). CEO Narcissism and Corporate Tax Sheltering. *The Journal of the American Taxation Association*, 38(1), 1-22. <https://doi.org/10.2308/atax-51251>
- Pinto, I., & Morais, A. I. (2019). What Matters in Disclosures of Key Audit Matters: Evidence from Europe. *Journal of International Financial Management & Accounting*, 30(2), 145-162.
- Rosequist, R., & Kromka, S. M. (2024). The Dark Side of Conflict: The Relationships between Dark Tetrad Personality Traits and Conflict Management Styles. *Imagination, Cognition and Personality*, 44(2), 121-141. <https://doi.org/10.1177/02762366241281253>
- Schluetera, J. K. M., & Sakela, V. S. R. (2022). Dark Triad Personality Traits and Auditor Independence: A Systematic Literature Review. *SSRN*, 42. <https://doi.org/10.2139/ssrn.4014690>
- Segal, M. (2019). Key Audit Matters: Insight from Audit Experts. *Meditari Accountancy Research*, 27(3), 472-494.
- Silva, A., Cunha, P. R., & D'Souza, M. F. (2020). Influence of Executives' Dark Tetrad on Earnings Management. 20th USP International Conference in Accounting, São Paulo, SP.
- Spain, S. M., Harms, P. D., & Lebreton, J. M. (2014). The Dark Side of Personality at Work. *Journal of Organizational Behavior*, 35(1), 41-60. <https://doi.org/10.1002/job.1894>
- Zaki, M., & Elfar, E. (2023). The Impact of Partner Perfectionism on Audit Quality: The Mediating Role of Professional Skepticism in the Egyptian Context. *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/JFRA-06-2023-0296>
- Zolfi, S., & Yazdanian, N. (2024). Dark Personality Traits of Auditors and Their Effect on Fraud Risk Assessment. *Accounting and Auditing Research*, 15(57), 179-206.