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Beyond the Numeric: How the Accountant's Role, Moral Justification, and Cognitive Flexibility Form Manipulation, Moderated by Competence, Insights from Emerging-Economies

Adeel Qaiser
Faculty of Business Administration, National College of Business Administration & Economics, Lahore, Pakistan,
Institute of Cost and Management Accountants of Pakistan.
(Corresponding Author) Email: 2231212@ncbae.edu.pk
Muhammad Adeel Abbas
Faculty of Business Administration, National College of Business Administration & Economics, Lahore, Pakistan.
Email: 2231201@ncbae.edu.pk
Professor Dr. Alia Ahmed
Dean Faculty of Business Administration, National College of Business Administration & Economics, Lahore, Pakistan.
Email: dralia@ncbae.edu.pk

Abstract
Purpose: The present study examines how the accountant's role in management, moral justification, and cognitive flexibility influences their commitment towards accounting manipulation, with technical competence acting as a moderating aspect.
Design/methodology/approach: The study applied a quantitative form survey of professional accountants, scrutinized through structural equation modeling to examine the hypothesized relationships and moderating impacts.
Findings: The results recommend that accounting manipulation is primarily driven by the accountant's role in management, moral justification, and cognitive flexibility, while technical competence can either strengthen or weaken these propensities, reliant on the principled framework.
Practical implications: This study contributes to the literature of behavioral accounting by highlighting the vibrant connection between moral cognition, cognitive adaptability, and proficient abilities. It also emphasizes the need for ethical education, effective regulatory oversight, and the promotion of veracity-based professional competence, predominantly within emerging markets.

Originality/value: The present research is unique in incorporating the accountant's role, moral justification, cognitive flexibility, and technical competence to scrutinize manipulative behavior within feeble institutional settings. It matures the concept of manipulation, observing how technical competence can both permit and limit manipulative behaviors in emerging economies.
Keywords: *Management Controllers, Accounting Manipulations, Technical Competence*

1. Introduction

In the modern era, accounting manipulation remains a deeply ingrained yet evolving organizational behavior that impacts accounting records, financial figures, representations, and managerial credibility in both developed and emerging economies (Brown et al., 2024). Traditionally, accounting manipulations have been connected to opportunism and overall deception (Healy & Wahlen, 1999). However, the contemporary research studies designate these activities as composite, planned, controlled, and context-dependent phenomena that can also stem from strategic, stewardship-driven priorities (Kiradoo, 2020). Despite being virtuously dishonest or outright fraudulent, accounting manipulation can be understood as a deliberate, strategic, and controlled reaction to organizational pressures, cultural norms, and stewardship prospects. In frameworks incorporating institutional voids, feeble regulatory implementation, and performance pressures, the management accountants frequently operate in uncertain areas where managerial intent and ethical reasoning intersect (Liu et al., 2017; Stolowy & Breton, 2004). These frameworks propose that accounting manipulation outcomes from reasons such as professional discretion, cognitive reasoning, and moral adaptation, frequently utilized by those closest to the company's principal finances: management accountants (Sathe, 1982). By virtue of their roles and duties, the accountants go beyond the traditional image of pure bookkeepers to become protectors of organizational resources and information, either financial or non-financial (Misztal & Comporek, 2025). Their actions significantly influence perceptions of the firm's value, legitimacy, and sustainability (Misztal & Comporek, 2025). Such an individual-aligned approach changes focus from prior agent-based descriptions to an understanding rooted in the cognitive, moral, and professional magnitudes of accountants' function (Sripan & Wisaeng, 2021).

The substantial role of accountants within management and control has grown from merely technical professionals to strategic business partners aggressively involved in decision-making (Carlsson-Wall et al., 2022; Sathe, 1982). The contemporary research in the area of management accounting designates that accountants participate in wide-ranging strategic debates, influencing business models, presentation metrics, and resource allocation (Rautiainen et al., 2024). Their influence surpasses mere financial reporting to include explanatory, interpretive, advisory, and control responsibilities that guide the firm's strategic path (Järvenpää et al., 2023). Conversely, such a comprehensive managerial role also surges proximity to decision-making frameworks where manipulation risks cultivate. Accountants entrenched within the management chain frequently juggle challenging expectations, balancing compliance with management's performance goals (Moll & Yigitbasioglu, 2019). Such a twofold role positioned them at the intersection of principled and operational pressures: their stewardship responsibilities drive them toward organizational alignment, but their professional codes

underscore transparency (Azizi et al., 2022). Therefore, manipulation can be understood as an unrestricted action, replicating their strategic contribution and apparent stewardship responsibilities (John et al., 2023). Consequently, the tactical role of management accountants associates the gap between ethical principles and organizational objectives, determining how moral reasoning and justification tools are developed and employed in practice.

Grounded on their management role, moral justification functions as an energetic psychological tool that permits individuals to rationalize ethically disputed activities as legitimate, obligatory, or beneficial (Moore et al., 2012). Inside the boundaries of accounting, such an instrument allows management accountants to validate manipulative activities as indispensable for organizational survival, stakeholder interests, or as acts of principled stewardship (Bandura et al., 1996). When firms combat penetrating competition or regulatory reviews, management accountants may detach themselves from severe ethical principles, observing manipulation as an indispensable stewardship action to defend jobs, safeguard reputation, or improve shareholder value (Brown & Dillard, 2021). The prevailing research in the area of behavioral accounting proposes that moral justification is not purely unethical but a cognitive adaptation that helps professionals reconcile conflicts between moral standards and real-world demands (Mais & Nuryati, 2023). Those who morally justify their manipulative activities frequently emphasize their loyalty to the firm and the mutual good over personal gain, aligning stewardship priorities motivated by shared prosperity (Bhattacharyya, 2024). Such reconceptualization moves the opinion of accounting manipulation from moral misconduct to strategic or benevolent practice, highlighting the collaboration between stewardship and ethical rationalization. However, the expansion of moral justification is reliant on an individual's capability to handle complexity and adapt to conflicting demands, closely linked to cognitive flexibility.

Cognitive flexibility is defined as the capacity to shift perceptions, incorporate diverse perspectives, and adjust reasoning in response to changing contexts (Martin & Rubin, 1995). In the prevailing research of accounting, this capability reveals an accountant's skill in understanding, interpreting, and reshaping financial veracities in ambiguous and contradictory situations (Goretzki et al., 2023). The superior level of cognitive flexibility permits management accountants to make novel judgments in ethically vague situations, which may encourage innovative compliance or subtle forms of manipulation (Egner & Siqi-Liu, 2024). On the other hand, such flexibility permits accountants to navigate the pressure between stewardship principles and performance expectations by highlighting interpretations that support organizational objectives (Pilipczuk, 2020). As the accountants operate between managerial discretion and regulatory restraints, those with greater cognitive adaptability may practice more in morally justified manipulation to sustain the firm's perceived legitimacy (Qaiser & Hassan, 2024). Therefore, cognitive flexibility does not integrally lead to ethical decline but rather functions as a cognitive skill set that enables stewardship-based manipulation. The proficiency of management accountants with multiple perspectives is well-equipped to rationalize manipulation as an adaptive strategy, specifically when backed by robust technical knowledge.

In the field of accounting and finance, the technical competence includes analytical skills, financial literacy, proficiency in accounting standards, numerical proficiency, and familiarity with management control systems

(Palmer et al., 2004). It also reveals an accountant's capacity to employ professional understanding within composite, uncertain business environments (Qaiser & Ahmed, 2025). Technical competence functions as a dire moderating factor, interpreting individual qualities, such as managerial role, moral reasoning, and cognitive flexibility, into discretionary behaviors. Extremely capable accountants have a profound comprehension and control over financial structures, providing self-assurance and authority to influence financial narratives (Attia & Mehafdi, 2023). Such expertise augments their capacity to understand and apply standards flexibly, navigate gray zones, and employ judgment to produce financial outcomes affiliated with strategic or stewardship targets (Palmer et al., 2004). Therefore, technical proficiency can intensify the relationship between managerial involvement and manipulation, as capable and trained accountants can implement discretionary adjustments while preserving apparent compliance. Regardless of such preference, technical competence also strengthens professional identity and ethical awareness, promising alignment with the organization's long-term interests rather than opportunistic manipulation (Kroon & Alves, 2023). Consequently, technical competence turns into a double-edged moderator, on one side strengthening the impact of managerial involvement by expanding discretionary capacity, and on the other nurturing ethical vigilance that limits extreme manipulation. It supports converting moral and cognitive insights into practical actions through refined professional judgment (Sripan & Wisaeng, 2021). As the field progresses, technical competence is also expanding beyond typical accounting mastery to include numerical skills, digital proficiency, and intelligence, either critical or analytical. With the expansions such as cohesive reporting, tools, and AI-driven analytics, highly capable management accountants gradually serve as strategic interpreters, corresponding stewardship obligations with managerial pressures. As demonstrated, competence not only extends manipulation competences but also oversees its ethical margins, strengthening stewardship-driven decision-making (Van Den Berg & Rothmann, 2024).

The theoretical perceptions of stewardship theory propose a clear conceptual underpinning for incorporating behavioral, cognitive, and professional paradigms that align accounting manipulation. Unlike agency theory, which views accountants as opportunistic agents seeking personal gain, stewardship theory emphasizes belief, organizational identity, and shared responsibility. It suggests that stewards act to protect the firm's interests, motivated by pro-organizational principles and intrinsic commitment rather than external rewards. From this framework, management accountants are seen not merely as obedient executors but as active stewards of financial integrity, balancing the pressure between accuracy and organizational benefit (Hernandez, 2012). Stewardship theory portrays them as trustworthy professionals working in the organization's best interests (Davis et al., 1997). Such manipulative behaviors, when understood within stewardship contexts, can be seen not as deceitful but as strategic actions aimed at safeguarding firm performance, reputation, or survival in impulsive institutional environments (Davis et al., 1997). Each construct of the framework is clearly aligned with stewardship theory. The accountant's role in management reflects stewardship influence and resource control. Management accountants are viewed as stewards whose manipulative actions are not inherently deceptive but are exercised within organizational and ethical boundaries to protect or improve firm performance; moral justification provides the ethical rationale for manipulation with organizational benefit; cognitive flexibility describes the adaptive thinking that helps stewards balance ethical considerations and performance demands;

and technical competence enhances these capabilities, increasing both discretion and accountability (Hernandez, 2012). This combination redefines accounting manipulation as a bounded stewardship behavior rooted in skilled judgment rather than opportunism. It recognizes the blurry boundary between ethical discretion and managerial compliance and understands that stewards, unlike agents, operate within moral and institutional limits. As a result, accounting manipulation converts into an adaptive reaction to stewardship pressures, with accountants navigating the dual necessities for transparency and organizational achievement. The framework also stretches stewardship theory's presentation from governance to individual cognition, explaining how personal competence, moral justification, and cognitive flexibility influence steward decision-making.

Despite extensive research on accounting manipulation, particularly in the context of earnings management (Bhasin, 2016), the individual-level understanding of accounting manipulation remains underexplored (Misztal & Comporek, 2025). Most preceding studies emphasize firm-level motivations, governance, or external oversight, leaving a gap in understanding the role of personal cognitive, moral, and professional qualities in driving manipulative behaviors (Misztal & Comporek, 2025). Additionally, while mechanisms such as moral disengagement and justification have been studied extensively in business ethics, their interaction with accountants' managerial roles and cognitive flexibility has received limited empirical investigation (Ismail et al., 2018). Another key gap concerns contextual relevance. In emerging economies, where weak institutions, enforcement issues, and cultural collectivism blur the boundaries between compliance and discretion, accountants often see manipulation as a stewardship act rather than a moral violation (Khan et al., 2022). Yet, studies on stewardship-driven manipulation in these settings are scarce (Davis et al., 1997). Furthermore, although technical competence is recognized as critical to ethical performance, its moderating role has not been systematically incorporated into models explaining how accountants' cognitive and moral processes influence manipulation (Usaini & Hooy, 2023).

Therefore, this research study addresses these gaps with the crucial question: How do accountants' roles in management, moral justification, and cognitive flexibility influence accounting manipulation, and how is this relationship affected by technical competence within the framework of Stewardship Theory? The current study makes several contributions. First, it redefines accounting manipulation as a stewardship-based cognitive process, broadening the theoretical debate beyond the agency model of self-interest. Second, it incorporates psychological, cognitive, and professional factors in explaining individual behavior, creating a comprehensive model of the determinants. Third, by observing accountants as moral and technical stewards, it augments understanding of when manipulation might function organizational adaptation rather than deceive, contributing valuable insights for ethics education, regulation, and management systems. Finally, it draws context-specific insights for emerging economies, where stewardship expectations coexist with weak enforcement and high managerial discretion.

2. Literature Review

Accounting manipulation has been comprehensively studied as a chain of deliberate choices and reporting procedures, such as earnings management, income smoothing, big-bath adjustments, and creative accounting.

All of these practices are utilized to figure out stakeholders' perceptions of a firm's performance or predetermined results (Liu et al., 2017; Stolowy & Breton, 2004). The prevailing research, specifically classic reviews and meta-analyses, frequently emphasized two interrelated approaches: (1) econometric and firm-level exploration and research that recognizes manipulation designs, patterns, incentives, and structural factors (Healy & Wahlen, 1999); and (2) behavioral and cognitive perceptions that scrutinize how individuals within organizations influence these patterns through their judgment and reasoning (Dechow et al., 2010). Contemporary research studies propose that fully understanding manipulation requires focusing on micro-level processes and the motivations of actors, especially management controllers and accountants who turn strategic pressures into accounting outcomes (Dechow et al., 2010). Since accounting manipulation is eventually enacted through human judgment, the roles individuals play and the expectations linked to those roles are crucial for explaining variations in manipulative behavior.

The role of the management accountant, primarily how they perform as business partners, consultants, advisors, or stewards within management, shapes equally their influence over reporting choices and the frameworks they use to interpret ambiguous financial events (Rashid et al., 2021). Experiential research studies suggest that as accountants move from being mere "bookkeepers" to becoming "business partners" or management controllers, their tasks and duties magnify: they underwrite strategic advice, offer forecasts, and support in crafting narratives for external reporting (Rashid et al., 2021). Such thorough incorporation with management augments proximity to performance goals, reinforcing pressure to support reported results with management's objectives and providing more opportunities to form those results. Consequently, such managerial entrenching moves the priorities: stronger role involvement promotes organizational significance and can justify aggressive accounting reporting as managerial problem-solving rather than wrongdoing (Goretzki et al., 2013). Such disparity in role appearances paves the foundation for moral justification processes to convert into more consistent and accepted ones.

Moral justification, a significant essential of moral disengagement, enables individuals to restate principally questionable actions as serving higher or legitimate purposes (Bandura et al., 1996). Within a corporate environment, rationalizations such as "we are protecting our jobs" or "we preserve our reputation by satisfying forecasts" can proficiently turn potentially unprincipled accounting adjustments into apparently justifiable stewardship arrangements. All of these moral rationalizations have been empirically associated with pro-organizational misconduct across various frameworks (Umphress et al., 2010). The comprehensive moral disengagement structure theorizes that moral justification, along with dispersion of responsibility, distortion of consequences, and advantageous comparisons, reduces internal resistance and guilt, increasing the psychological acceptability of transgressive behaviors (Moore et al., 2012). In the meantime, moral justification trusts on cognitive reinterpretation such as relabeling, reframing, and shifting perspectives; it emphasizes the mental processes behind rationalization and directly links to how accountants translate narratives into specific accounting choices. The study proposes that accounting manipulation isn't exclusively driven by dishonest intentions but can also stem from broader strategic motives, implying that management accountants may engage in such behaviors as a form of stewardship (Bandura et al., 1996). Such interpretation review

manipulation is an act that can be morally justified, especially in settings with high pressure and limited regulations. So far, the growing roles of management accountants are underscored, emphasizing how their shift from customary bookkeepers to strategic partners impacts financial narratives and organizational decision-making. Moral justification is crucial, allowing management accountants to rationalize manipulative decisions under the guise of organizational preservation, cognitive flexibility, or stakeholder interests, even amid ethical conflicts.

Cognitive flexibility, defined as the ability of management accountants to adapt perceptions, reframe complexities, and navigate conflicting perspectives in uncertain environments, plays a key role in management accounting practices (Martin & Rubin, 1995). This adaptability allows accountants to develop new insights, respond effectively to unexpected situations, and balance competing criteria during performance assessments or control discussions. The management accountants with heightened cognitive flexibility can suggest optimal allocations, reclassify financial items, or adjust their judgments to better align with managerial narratives (Fourné et al., 2023). However, this flexibility carries a dual edge; while it can promote ethical adaptation, it also provides a pathway for individuals to more subtly implement moral justifications (Saccardo & Serra-Garcia, 2023). In this context, moral justification serves as the ethical reasoning ("why"), while cognitive flexibility serves as the mental mechanism ("how") to translate that rationale into concrete accounting practices.

Furthermore, technical competence incorporates a robust foundation in professional accounting tools and standards, such as international financial reporting standards, international accounting standards, permissible leeway, accrual mechanics, classification options, tax legislation, and information systems. It functions as a crucial moderator within this behavioral framework (Sripan & Wisaeng, 2021). A superior level of technical competence enriches one's ability to carry out sophisticated, concealed, and complex manipulations, as experienced management accountants are conscious of permissible boundaries, classification strategies, and timing mechanisms, as their robust judgment can restrain blatant abuses. Conversely, augmented competence can strengthen professional identity, elevate awareness of ethical constraints, and promote sound judgment, potentially reducing outright misconduct (Cheung & Chung, 2022). Therefore, technical competence moderates the path from role involvement, moral justification, and cognitive flexibility to definite manipulation; it either facilitates or restricts the journey from role engagement and moral reasoning to actual accounting manipulation, depending on the prevailing contextual and ethical circumstances (Zadeh et al., 2023).

The current study of accounting manipulation from the perspectives of the stewardship theory reveals significant understandings into the behaviors and ethical justifications of management accountants (Davis et al., 1997). Conventionally, accounting manipulation is understood through the perspective of opportunistic delinquency (Liu et al., 2017; Stolowy & Breton, 2004). Therefore, the accounting manipulation is better understood as a tactical tool intended to reserve or augment firm capability in ambiguous settings. At this juncture, moral justification plays an essential role, permitting management accountants to contextualize their actions as obligatory for stewardship, while cognitive flexibility allows them to recognize, interpret, and adapt their choices in support of shifting demands. Davis et al. (1997) suggested that instead of just concentrating on

uneven inspirations, it's obligatory to consider how facets such as role distinctiveness, cognition, and professional capability interact to shape manipulative behaviors.

Even though comprehensive research has been validated on accounting manipulations, a significant gap persists in joining the behavioral tools of moral justification and cognitive flexibility with accountants' characteristics in management roles, primarily within stewardship arrangements. Filling this gap is vital for numerous reasons. Scholastically, it augments the comprehension of manipulation by enclosing it within stewardship dynamics, therefore challenging the naïve view that realizes such behavior merely as wrongdoing. Fairly, the results of this research could enlighten governance reforms, augment ethics training, and improve professional development, eventually declining destructive manipulation while preserving the necessary discretion in accounting practices.

3. Theoretical Framework

3.1 Theoretical Underpinning: Stewardship Theory

The incorporation of stewardship theory suggests a behavioral and moral framework that places management accountants as accountable professionals dedicated to the organization's best interests (Azizi et al., 2022). The theory highlights integral inspiration, obligation, commitment, and moral duty over self-interest (Davis et al., 1997). Equated to agency theory, which observes individuals through the prospects of information asymmetry and opportunism, stewardship theory underlines belief and mutual goals, rendering management accountants as stewards who sustain organizational intentions through responsible discretion (Hernandez, 2012). In the arena of accounting and finance, stewardship is established via judgmental flexibility, performance measurement, and interpretive decision-making (Cheung & Chung, 2022), all intended at preserving stability and legitimacy (Ahrens & Chapman, 2007). Instead of simply recording transactions, management accountants engage in adaptive financial representation that supports strategic needs and long-term value creation (Goretzki et al., 2018). From this perspective, accounting manipulation is not necessarily deceptive; it can serve as a protective tool to sustain stakeholder trust or reduce short-term volatility (Modell, 2022). Thus, stewardship theory offers a blended view of how managerial roles, moral justification, and cognitive flexibility may work together, potentially leading to manipulative accounting behavior. This perspective is particularly relevant in emerging or weak institutional settings, where ethical ambiguity may cause management accountants to manipulate not for personal gain but to maintain organizational stability, control, and fulfill stewardship responsibilities (Donaldson & Davis, 1991).

3.2 Role of the Management Accountant in Shaping Accounting Manipulation

According to stewardship theory, management accountants are seen as strategic business partners and decision-makers (Ahrens & Chapman, 2007), moving beyond basic bookkeeping (Davis et al., 1997). Their involvement in business strategies, budgeting, and performance monitoring increases their authority and discretion in shaping financial events and their implications (Goretzki et al., 2018). This expanded role requires balancing transparency with the firm’s strategic goals, especially in high-pressure environments where stakeholder scrutiny is intense (Masood, 2024). When financial outcomes threaten an organization's legitimacy, management accountants with strong managerial credentials may resort to accounting manipulation as a protective act aligned with stewardship principles rather than opportunistic deception (Ahrens & Chapman,

2007). Such manipulation reflects a moral orientation rooted in their roles and responsibilities, aiming to sustain performance perceptions and internal consistency (Modell, 2022). Consequently, management accountants' roles extend their capacity and moral justification for flexible reporting, suggesting that manipulation can stem from loyalty and strategic stewardship. Therefore, the following hypothesis is proposed:

H1: The Accountant's role in management is positively correlated with accounting manipulation.

3.3 The Impact of Moral Justification on Accounting Manipulation

Moral justification functions as a cognitive tool that allows individuals to rationalize ambiguous activities as acceptable (Bandura et al., 1996). Stewardship theory permits management accountants to view manipulation as an essential act, important decisions made to protect the firm, its employees, stakeholders, or shareholders during financial difficulties (Kaptein, 2023). They may articulate moral narratives that frame manipulative behavior as a duty of care, supporting their self-perception with stewardship values (Çollaku et al., 2024). Under organizational stress, moral justification provides an ethical context that interprets manipulation as a worthy effort aligned with organizational goals rather than a moral failure (Çollaku et al., 2024). Thus, moral justification acts as a psychological link between ethical ideals and manipulative conduct, enabling management accountants to reconcile integrity with practical decision-making. A strong sense of justification increases the likelihood of viewing accounting manipulation as morally supported stewardship behavior. Accordingly, the study proposes the following hypothesis:

H2: Moral justification is positively correlated with accounting manipulation.

3.4 The Impact of Cognitive Flexibility on Accounting Manipulation

Cognitive flexibility is the ability of individuals to adjust their thinking, reinterpret understanding, and shift perspectives amid uncertainty (Martin & Rubin, 1995). For management accountants in stewardship roles, this flexibility is vital for navigating ethical gray areas where performance and compliance priorities may clash (Trotman et al., 2011). Those exhibiting cognitive flexibility are better equipped to identify interpretative leeway within accounting standards, such as judgments related to valuations, asset presentation, estimates, accruals, revenue timing, and justify their choices as rational within these frameworks (Bromiley & Rau, 2016). In complex or weak institutional environments, this flexibility can enable both problem-solving and subtle manipulation under the guise of expert judgment (Modell, 2022). Overall, cognitive flexibility enhances accountants' ability to balance competing expectations, fostering psychological agility to translate judgment and managerial intent into practical accounting actions. Hence, the study proposes the following hypothesis:

H3: Cognitive flexibility is positively correlated with accounting manipulation.

3.5 The Moderating Role of Technical Competence

In the realm of accounting and finance, technical competence, including analytical skills, comprehensive knowledge of accounting standards, and proficiency with accounting systems, is the foundation that enables management accountants to practice informed discretion (Palmer et al., 2004). Accountants with strong technical skills maintain innovative judgment abilities that enhance their operational capabilities and limit manipulative tendencies, guided by their ethical preferences (Goretzki et al., 2018). From a stewardship perspective, technical competence moderates how the roles of management controllers, moral justification,

and cognitive flexibility may lead to manipulation. A high level of technical skills can increase the ability to manipulate strategically, as accountants become adept at navigating accounting frameworks and interpretive boundaries. Conversely, it can foster strong ethical standards, promoting professional integrity and accountability (Joshi, 2023). Existing research suggests that technical expertise may reduce earnings management based on accruals, though it does not entirely prevent actual earnings manipulation, underscoring that technical skills influence the tools used rather than the act itself (Zadeh et al., 2023). As a result, technical competence acts as a double-edged sword, permitting manipulation while reinforcing ethical stewardship. Hence, the study proposes the following hypothesis:

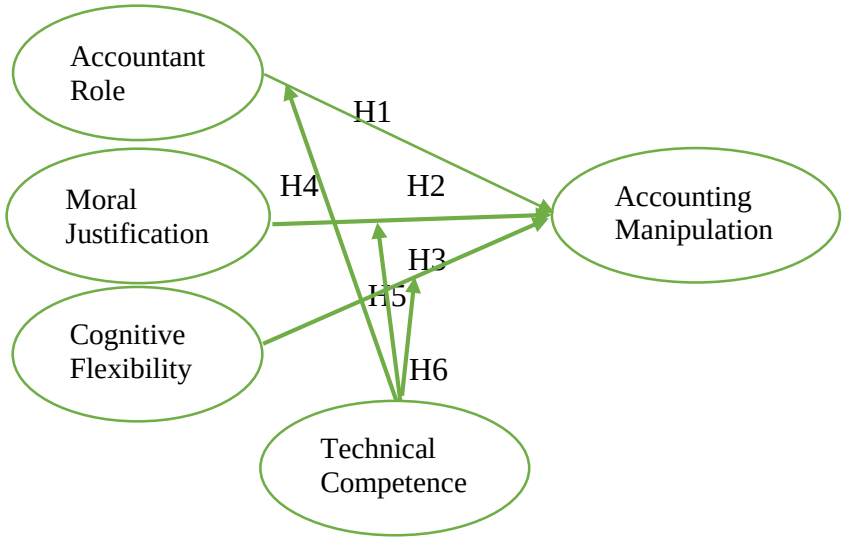
H4: Technical competence positively moderates the relationship between the accountant's role in management and accounting manipulation.

H5: Technical competence positively moderates the relationship between moral justification and accounting manipulation.

H6: Technical competence positively moderates the relationship between cognitive flexibility and accounting manipulation.

The proposed model and corresponding hypotheses are shown in Figure 1

Figure 1 - Model and Hypotheses



Source(s): Authors' own

4. Methodology

The current research employed a mixed-method survey design, combining both in-person and online data collection techniques to enhance response reliability, representativeness, and validity (Qaiser, Parveen, Gull, & Khan, 2025). This mixed-method approach allowed for greater convenience and accessibility for management

accountants across various geographic and organizational settings, thereby reducing non-response bias and improving data quality. A quantitative, cross-sectional research design was applied, which is specifically suitable for examining relationships among psychological, professional, and behavioral constructs, precisely the accountant's role in management, moral justification, cognitive flexibility, and accounting manipulation within the framework of stewardship theory (Qaiser, Parveen, Gull, & Adeel, 2025). The study focused on management accountants working in manufacturing firms in emerging economies, specifically in Pakistan, with participants primarily drawn from recognized professional accountancy bodies, including ICMA Pakistan, ICAP, PIPFA, and ACCA. These professional accountants typically hold managerial or senior positions within small to medium-sized enterprises and large organizations, and have wide-ranging training in ethical, financial, and managerial reporting practices. To confirm participants had adequate professional maturity and relevant experience, participation was limited to individuals with at least five years of post-qualification experience. This criterion certifies that respondents had acceptable exposure to complex accounting judgments, discretionary decisions, and ethical dilemmas pertinent to the study's objectives.

A purposive sampling strategy was employed to include only those holding specific professional and experiential requirements. Respondents were selected based on three key conditions: (a) holding a professional accountancy qualification, (b) actively involved in decision-making roles related to accounting or finance, and (c) having at least five years of continuous professional accountancy experience within industrial or corporate settings. This targeted sampling heightened the study's credibility, certifying that insights reflected practical professional experiences rather than mere perceptions. Before collecting final data, a pilot study was conducted with 40 professional management accountants from several industrial sectors to validate the questionnaire's structure and clarity. The pilot served three main purposes: assessing the clarity and relevance of survey items, evaluating the internal consistency of measurement scales, and estimating the average time required to complete the survey.

Data collection for the main study was conducted over three months, from May to August 2025. A total of 468 questionnaires were dispersed via in-person and online methods. In-person distribution occurred at industrial organizations, enabling direct interaction and immediate clarification of participant questions, which enhanced response accuracy and engagement. The online survey was circulated through institutional mailing lists, professional networks, and official association platforms, broadening participation to those unable to attend in-person sessions. Of the 468 questionnaires distributed, 399 completed responses were received, yielding a response rate of 85.25%. After initial screening for incomplete and inconsistent responses, 31 were rejected, leaving 368 valid questionnaires for scrutiny. This effective response rate of 78.6% is considered high in social science research and indicates strong engagement from the professional community (Nulty, 2008). Particularly, 295 valid responses (around 80.2%) were gathered through in-person interactions. All data collection procedures strictly adhered to ethical standards. Participants were informed about the study's purpose and the voluntary nature of participation. The Partial Least Squares Structural Equation Modeling (PLS-SEM) using AMOS was employed to analyze the data. A sample size of 369 was deemed sufficient to meet the study's

objectives and statistical requirements, as recommended by Hair Jr et al. (2014). Descriptive statistics for the survey sample are shown in Table 1.

According to Table 1, the final sample primarily consisted of male participants (77.8%), with females making up 22.2%, reflecting the typical gender distribution in the accounting profession within industrial settings. Participants held senior and decision-making roles, including Managerial Accountants (39.4%), Management Controllers (25.2%), Chief Financial Officers (18.1%), and Directors of Accounts (17.3%). Most had extensive professional experience, with 39.6% having 10 to 20 years, 35.5% with 5 to 10 years, and 24.9% over 21 years of experience. Overall, this demographic profile indicates a highly qualified and experienced group capable of providing valuable insights into discretionary accounting practices, managerial judgment, and ethical reasoning in complex organizational contexts.

Table 1 – Demographic Analysis (Participants, n = 369)

	Proportion (%)	Description	Proportion (%)
Gender		Designation	
Male	77.8	Management Controller	25.2
Female	22.2	Director Accounts	17.3
Total	100	Chief Financial Officer	18.1
		Manager Account	39.4
Experience		Total	100
5-10	35.5		
10-20	39.6		
21-Above	24.9		
Total	100		

Source(s): Authors' Own

4.1 Measurement Scales

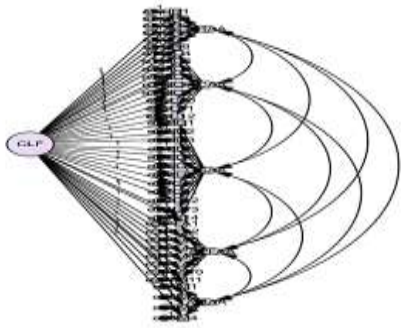
The research work applied recognized, contextually adapted measurement scales to appraise key constructs influencing accounting manipulation among professional management accountants. The current research model comprises five central concepts, with a total of 52 observed variables. Each construct was valued on a five-point Likert scale. The Accountant Role in Management was measured through nine items obtained from Sathe (1983), concentrating on the strategic involvement of accountants in the managerial decision-making process. Technical Competence was assessed with twelve items from Palmer et al. (2004), evaluating aspects such as professional expertise, analytical skills, and proficiency in international accounting principles and relevant systems. Moral Justification, founded on structures from Bandura et al. (1996) and Moore et al. (2012), comprised fourteen items replicating the rationalization of theoretically unethical or manipulative behaviors. Cognitive Flexibility was evaluated by utilizing twelve items from Martin and Rubin (1995), intended to evaluate accountants' ability to adapt their reasoning and include diverse perceptions in their judgments. Lastly, "Accounting Manipulation" was appraised with five items from Chow et al. (1996), concentrating on behaviors

related to discretionary or manipulative financial reporting. All scales were pre-tested and refined to ensure reliability, clarity, and contextual relevance tailored specifically to the accounting landscape in emerging economies.

4.2 Common Method Bias

To measure the strength, reliability, and validity of the study's outcomes, common method bias was comprehensively inspected using appropriate statistical procedures. First, Harman's single-factor test indicated that the first factor accounted for approximately 42% of the total variance, which is well below the critical 50% threshold, suggesting that common method bias is not a major concern. To further verify this, a common latent factor analysis was performed by loading all observed indicators onto a single latent construct. The resulting single-factor model, shown in Figure 2, exhibited poor fit indices ($\chi^2 = 6932.711$, $df = 676$, $p < .001$, $\chi^2/df = 10.26$), confirming that no single latent factor dominated the covariance among variables. Collectively, these diagnostic results provide strong evidence that CMB does not significantly compromise the study's empirical validity.

Figure 2 - Common Latent Factor



Source(s): Authors' Own

4.3 Measurement Model

The structural equation modeling results indicated an overall fit with $\chi^2 = 2{,}098$, $df = 388$, $\chi^2/df = 5$, RMSEA = 0.10, CFI = 0.90, NFI = 0.89, and TLI = 0.89. Typically, a good model fit is indicated by an RMSEA below 0.08 and CFI/TLI values of 0.90 or higher (Hooper et al., 2008; Hu & Bentler, 1999). Although the RMSEA slightly exceeded these standards, such values can be acceptable or deemed adequate in complex behavioral models where correlations among constructs can inflate variance. Marsh et al. (2004) argue against relying solely on strict fit index cutoff scores, emphasizing the importance of theoretical soundness and contextual relevance, especially in exploratory studies. Furthermore, Kenny et al. (2015) highlighted that χ^2 and RMSEA are sensitive to sample size, which can lead to misfit when using large datasets. Xia and Yang (2019) recommend considering multiple factors, including data properties, estimation methods, and theoretical consistency, rather than focusing only on numerical thresholds. Overall, the perspective is that, despite marginal deviations from traditional fit criteria, the current model remains both theoretically coherent and empirically valid.

The descriptive statistics, internal reliability, and correlations are presented in Table 2. The internal consistency of all scales is acceptable, with Cronbach's alpha exceeding 0.70 for each (Vaske et al., 2017).

Table 2 - Descriptive statistics, internal reliability, and correlation (r)

	1	2	3	4	5	6	7	8
AR	**0.86**							
MJ	0.79**	**0.87**						
CF	0.78**	0.82**	**0.89**					
TC	0.78**	0.74**	0.92**	**0.89**				
AM	0.60**	0.60**	0.67**	0.55**	**0.76**			
Gender	0.07	0.07	0.08	0.06	0.11	1.00		
Experience	-0.13	-0.09	-0.16	-0.15	-0.09	-0.40	1.00	
Designation	0.08	0.11	0.09	0.10	0.04	0.28	-0.53	1.00
Mean	3.22	3.24	2.87	3.11	2.91	1.00	1.99	2.03
SD	1.04	1.07	1.06	1.27	1.11	0.06	0.14	0.18

Note(s): Cronbach's alphas (α) are on the diagonal in parentheses
Gender: 1 = male, 2 = female & Experience in years: 1 = 5–10, 2 = 11–20, 3 = 21 or above
Designation: 1=Management Controller, 2=Director Accounts, 3=Chief Financial Officer, 4=Manager Accounts - $p \leq 0.05$. ** $p \leq 0.01$.

Source(s): Authors' Own

As shown in Table 3, all indicator loadings for key constructs surpassed the recommended 0.50 threshold, affirming indicator reliability (Hulland, 1999). Additionally, all t-bootstrap values exceeded 1.96, indicating statistical significance and supporting the reliability and convergent validity of the measurement model. The average variance extracted (AVE) for each construct was above 0.50, demonstrating satisfactory convergent validity since each construct explains more than half of the variance in its indicators (Fornell & Larcker, 1981). The composite reliability values ranged from 0.74 to 0.88, indicating strong internal consistency and stability across constructs (Hair Jr et al., 2014). Collectively, these results endorse the psychometric robustness of the scales used in the study.

Table 3 - Factor loading and scale validities

Variables	Items	Loading	CR	AVE
Accountant Role in Management	AR1	0.79	0.88	0.56
	AR2	0.88		
	AR3	0.89		
	AR6	0.91		
	AR7	0.88		
	AR9	0.63		
Technical Competence	TC10	0.89	0.88	0.69
	TC11	0.88		
	TC12	0.91		
	TC4	0.79		
	TC5	0.89		
	TC6	0.89		
	TC7	0.86		

	TC8	0.98		
	TC9	0.97		
Moral Justification	MJ14	0.82	0.85	0.58
	MJ13	0.94		
	MJ12	0.57		
	MJ10	0.55		
	MJ8	0.80		
	MJ7	0.94		
	MJ6	0.58		
	MJ5	0.55		
	MJ3	0.95		
	MJ2	0.90		
	MJ1	0.91		
Cognitive Flexibility	CF1	0.89	0.77	0.59
	CF2	0.88		
	CF6	0.60		
	CF7	0.61		
	CF8	0.79		
	CF9	0.85		
	CF10	0.87		
	CF11	0.87		
Accounting Manipulation	AM4	0.56	0.74	0.65
	AM3	1.00		
	AM2	0.56		
	AM1	0.60		

Source(s): Authors' own

Discriminant validity was assessed using the criterion by Fornell and Larcker (1981), a widely accepted method in validation studies. As shown in Table 4, the diagonal elements represent the square root of the AVE for each construct, while the off-diagonal elements display the inter-construct correlations. Discriminant validity is confirmed as the diagonal values are consistently higher than the off-diagonal correlations, indicating that each construct shares more variance with its own indicators than with others (Fornell & Larcker, 1981). Moreover, the AVE values satisfy the required range, reinforcing the distinctiveness and empirical separation of the constructs in the measurement model.

Table 4 - Discriminant Validity

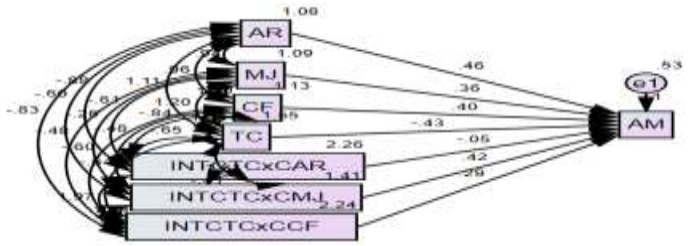
	CF	**AR**	**AM**	**MJ**	**TC**
CF	0.68				
AR	0.60	0.74			
AM	0.68	0.73	0.71		
MJ	0.47	0.56	0.65	0.69	
TC	0.46	0.45	0.66	0.47	0.82

Source(s): Authors' Own

5. Research Results

The statistical software AMOS and SPSS were applied to thoroughly test the research hypotheses and evaluate the overall structural model. Each proposed path was vigilantly examined for its magnitude, direction, and statistical significance, providing empirical evidence that supports the proposed relationships. The comprehensive findings, containing path coefficients (β), t-values, and p-values, are outlined in Table 5, which offers a thorough overview of the model's statistical robustness. Furthermore, Figure 3 visually represents the structural relationships, aiding in the interpretation of interactions among the variables. Collectively, these analyses strengthen the theoretical framework and provide valuable insights into the behavioral mechanisms that drive accounting manipulation.

Figure 3 – Structural Model



Source(s): Authors' Own

Table 5 - Structural Model Results

Hypotheses	Path			(β)	t-value	p-value
H1	AM	<---	AR	.461	4.926	***
H2	AM	<---	MJ	.362	1.997	.046
H3	AM	<---	CF	.401	3.458	***
	AM	<---	TC	-.435	-4.422	***
H4	AM	<---	INTCTCxCAR	-.047	-.634	.526
H5	AM	<---	INTCTCxCMJ	.420	3.009	.003
H6	AM	<---	INTCTCxCCF	-.294	-3.608	***

Note(s): AM – Accounting Manipulation, AR – Accountant's Role, MJ – Moral Justification, CF– Cognitive Flexibility, TC – Technical Competence
* $p \leq 0.05$. *** $p \leq 0.01$

Source(s): Authors' Own

The results from the structural equation modeling provide strong experiential evidence supporting the expected relationships within the study.

H1: The findings show a significant positive effect, with β = 0.46 and p < .001, indicating that accountants in managerial or strategic roles are motivated to engage in manipulative financial reporting. These results support the idea that as accountants move from traditional roles to strategic business partners, they gain the discretion and authority to influence financial outcomes (Goretzki et al., 2018). It also aligns with stewardship perceptions, suggesting close ties to organizational goals may lead accountants to rationalize manipulative adjustments as beneficial to the firm (Jack, 2020).

H2: The findings reveal a significant positive effect, with β = 0.36 and p = .046, showing that higher levels of moral justification increase the likelihood of accounting manipulation. These results strengthen moral disengagement theory (Bandura et al., 1996), which posits that management controllers often rationalize unprincipled behaviors as serving higher organizational objectives. Existing research indicates that professionals frequently reinterpret manipulative actions as necessary (Moore et al., 2012), thereby reducing ethical conflicts (Harrington, 2025). From a stewardship perspective, such justification allows management accountants to view manipulation not as misconduct but as a tool to support organizational sustainability.

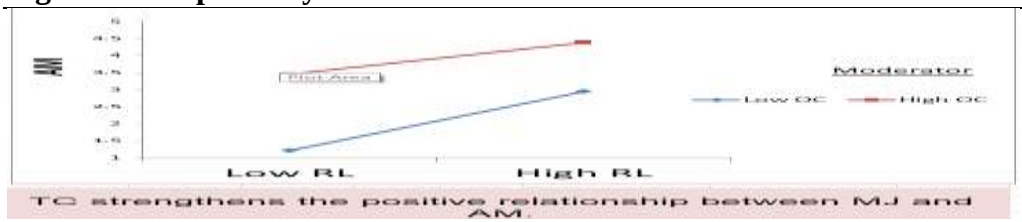
H3: The findings demonstrate a significant positive effect, with β = 0.40 and p < .001, implying that accountants with higher cognitive flexibility are more susceptible to engaging in manipulative practices. Cognitive flexibility enables approaching problems from various perspectives, which facilitates selecting reporting strategies to achieve desired outcomes (Martin & Rubin, 1995). These results align with current studies showing that such cognitive adaptability enables management accountants to exploit gaps in financial standards and manipulate judgments selectively to influence reported results (Fourné et al., 2023).

H4: Regarding the moderating effects, (Technical Competence × Accountant Role → Accounting Manipulation) was not supported, with β = -0.047 and p = .526, demonstrating that technical competence does not expressively moderate the relationship between accountant role and manipulation. These findings recommend that technically skilled accountants in management roles may not resist manipulation pressures when prioritizing organizational loyalty or stewardship (Sikka, 2015). Prior research emphasizes that technical expertise alone does not mitigate the contextual and cultural factors that normalize manipulative behavior within organizations (Modell, 2022).

H5: The moderating effect of (Technical Competence × Moral Justification → Accounting Manipulation) was supported, with β = 0.420 and p = .003, demonstrating that technical competence improves the positive relationship between moral justification and accounting manipulation. These results indicate that when management accountants morally justify their actions, higher technical skills allow them to carry out more sophisticated, structured, and less detectable manipulative practices. This supports the view that technical mastery can serve as both a protective and enabling factor, allowing the execution of ethically questionable actions under the guise of technical legitimacy (Moore et al., 2012).

To better understand this moderating effect, a slope analysis was performed and is presented in Figure 4. It showed that when technical competence is high, the link between moral justification and manipulation becomes significantly stronger. This suggests that management accountants with greater technical expertise are more capable of translating moral rationalizations into deliberate, complex, manipulative behaviors (Tenbrunsel & Messick, 2004). The research underscores that professional knowledge and competence can help conceal unprincipled practices when paired with self-serving justifications (Murphy & Free, 2016). Overall, these findings confirm that technical competence intensifies both the cognitive and practical pathways through which moral justification fosters accounting manipulation.

Figure 4 – Slope Analysis



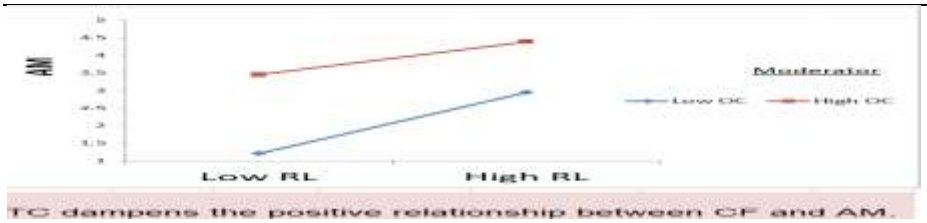
(Technical Competence × Moral Justification → Accounting Manipulation)

Source(s): Authors' Own

H6: The moderating effect of (Technical Competence × Cognitive Flexibility → Accounting Manipulation) was also supported, with β = -0.294 and p < .001, indicating that technical competence reduces the positive link between cognitive flexibility and accounting manipulation. These results suggest that while cognitively flexible accountants can creatively navigate complex reporting situations, those with high technical skills are more likely to direct this flexibility toward ethical judgment rather than manipulative behavior. Prior research by Palmer et al. (2004) supports this, showing that competence strengthens ethical restraint and accuracy in challenging decision contexts, consistent with stewardship principles emphasizing accountability over opportunism.

The slope analysis, shown in Figure 5, confirms that high technical competence directs adaptive cognitive tendencies toward legitimate professional judgment, compliance, and analytical rigor, rather than opportunistic actions. The interaction plot reveals that at high levels of technical competence, the positive relationship between cognitive flexibility and manipulation is notably weakened. Conversely, accountants with lower technical skills and high cognitive flexibility are more prone to engage in manipulative practices (Savic, 2023).

Figure 5 – Slope Analysis



(Technical Competence × Cognitive Flexibility → Accounting Manipulation)

Source(s): Authors' Own

Generally, these results highlight the composite interaction among role, cognitive, moral, and technical factors influencing behavior. The positive relationships associated with managerial role, moral justification, and cognitive flexibility emphasize the risks intrinsic in discretionary judgment, despite its importance in stewardship (Byrne & Pierce, 2018). Technical competence turns into a double-edged sword: it can bound accounting manipulations when combined with cognitive flexibility, but may smooth them when linked to moral rationalizations. These results strongly support the stewardship theory underpinning the study, showing that

accountants' propensities toward manipulation are deeply rooted in the intricate interplay of role identity, cognitive frameworks, moral reasoning, and professional expertise.

6. Discussion

The robust positive relationship designates that accountants in management roles are more likely to be involved in accounting manipulation. When management accountants convert into business partners, they often prioritize management objectives over their ethical responsibilities as record keepers. The prevalent research underlined that although this role development can create more value (Moll & Yigitbasioglu, 2019), it might also diminish ethical boundaries, permitting discriminatory disclosure and opportunistic reporting. Such an issue is especially prominent in emerging economies, where institutional oversight is limited, and accountability is more socially driven. Such environments increase the likelihood of discretionary behavior (Goretzki et al., 2018).

The positive relationship between moral justification and accounting manipulation supports the theory of moral disengagement (Bandura et al., 1996), which proposes that ethical rationalization inspires misconduct. By recreating unethical actions as valuable to the organization, individuals can weaken moral restrictions. This propensity is particularly relevant in family firms and in emerging economies, where relational duties and loyalty often take precedence over formal compliance (Carnegie & Napier, 2012). Therefore, moral justification functions as a cognitive rationale that legitimizes manipulative deeds concealed as stewardship.

The evidence indicates that cognitive flexibility substantially influences accounting manipulation, demonstrating that while it can nurture innovation, it also opens the door to ethical ambiguity. Martin and Rubin (1995) argue that cognitive flexibility allows for flexible reinterpretation of information, which is valuable in creative settings but harmful when it leads to justified manipulation. Current research supports that this adaptability enhances strategic reasoning in uncertain conditions, potentially resulting in moral compromise in environments with weak institutional enforcement (Fourné et al., 2023).

The lack of substantial moderation suggests that technical competence does not lessen the propensity toward manipulation driven by extended roles for management accountants. While professional expertise is valued, it alone cannot prevent opportunistic behavior if disconnected from ethical principles. Modell (2022) pointed out that technical skills can serve managerial interests in relationally governed contexts, emphasizing that competence without an ethical foundation may facilitate manipulative conduct.

The positive moderation indicates that technical competence amplifies the effect of moral justification on accounting manipulation. This implies that skilled management accountants can more effectively rationalize manipulative behavior, leveraging their expertise to conceal unethical actions. This dynamic is well-documented; moral reasoning combined with technical skills can lead to more sophisticated forms of wrongdoing (Moore et al., 2012). Fundamentally, moral disengagement can be incorporated into a calculated manipulation framework, reinforcing the concept of accounting manipulation.

The negative form of interaction recommends that technical competence can also limit the manipulative influence of cognitive flexibility, steering adaptive reasoning toward ethical problem-solving and compliance. Preceding studies illustrate that knowledgeable accountants tend to maintain consistent moral judgment and demonstrate stronger ethical decision-making (Bonner & Lewis, 1990). This corresponds with the moral

development model (Rest et al., 1997), which indicates that ethical decision-making benefits from a combination of moral reasoning and technical expertise.

Taken together, these findings reveal that accounting manipulation results from a composite interplay of role expectations, moral cognition, and professional skills. Technical competence performs as both a factor that can spur morally justified wrongdoing and a means to decrease opportunistic thoughts (Byrne & Pierce, 2018). When observed through manipulation theory, these insights validate that manipulation in emerging markets is not merely due to poor governance but results from a sophisticated convergence of skills, cognitive frameworks, and moral interpretations. This emphasize that unethical manipulation in such contexts is deliberate, covert, and rooted in both technical ability and moral ambiguity (Sikka, 2015).

6.1. Theoretical implications

The present study progresses comprehension of accounting manipulation by integrating concepts of moral disengagement, technical competence, and ethical climate into a comprehensive model. It builds on principled and behavioral accounting theories by presenting how technical expertise and organizational norms collectively influence manipulative intentions. The current research explains how management accountants justify manipulative actions in environments with weak governance and limited regulation, exclusively in emerging economies (Bandura et al., 1996; Moore et al., 2012).

6.2. Practical implications

The research highlights the need for organizations to reinforce their ethical training and reassess the responsibilities attached to managerial and controller roles to decrease manipulation risks. Forming peer oversight and fostering a strong ethical climate are significant strategies to neutralize the pressures that enable accounting manipulations. Moreover, the regulatory bodies should emphasize on developing competence-based ethics frameworks and refining monitoring systems, predominantly in emerging-market firms, where informal controls often enable such behaviors (Carnegie & Napier, 2012). This research underlines the importance of aligning technical skills with ethical standards to effectively minimize manipulation risks.

6.3. Limitations

The cross-sectional design of the study, capturing data at a single point, restricts the ability to infer causality (Setia, 2016). Its emphasis on emerging economies may also limit the applicability of findings to different institutional or cultural settings (Byrne & Pierce, 2018). Furthermore, belief in self-reported data raises concerns about social desirability bias and response bias, especially with sensitive topics like accounting manipulation.

6.4. Future Directions

The Prospect research should apply longitudinal or experimental designs to better comprehend how manipulative behaviors progress and how moral disengagement tools grow over the period (Bowen et al., 1999). Increasing the scope to incorporate several institutional contexts and industries would offer relative insights and augment external validity. Additionally, the exploration into the psychological drivers of management controllers, as well as the probable of emerging technologies like AI in detecting manipulation, offers promising paths for advancing accounting research.

6.5. Conclusion

The study explains the composite and twofold role of technical competence in influencing the manipulative behavior of management accountants within moral and cognitive frameworks. On first thought, the technical expertise improves moral justification, permitting sophisticated rationalizations and enabling the implementation of complex manipulative actions. Alternatively, it diminishes the impending for manipulation that may arise from cognitive flexibility (Bowen et al., 1999). The results highlight that technical skill alone is not adequate to dictate ethical outcomes; rather, it is the interaction between an individual's competence and the organizational ethical climate that eventually influences whether this expertise is directed toward compliance or manipulation (Byrne & Pierce, 2018). Hence, the findings pointed out the dire need for the incorporation of strong ethics and accountability systems into professional education. Such methodology certifies that technical mastery is balanced with a sense of moral responsibility, which is vital for curbing accounting manipulation. This aligns with previous research on the importance of fostering ethical behavior alongside technical skills (Bandura et al., 1996; Moore et al., 2012).

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Declarations: Competing interest: The authors declare they have no financial interest.

Ethics Declaration: This study did not involve any animals or sensitive data, and therefore did not require ethical approval.

Ethical Statement: The current study is based on the voluntary and anonymous participation of professional accountants associated with recognized accountancy bodies in Pakistan. Informed consent was acquired from all participants before their contribution, and privacy was firmly preserved during the course of the research. The research abides by recognized principles of ethics for human research, confirming respect and autonomy. Even though official institutional ethical approval was not obligatory due to the insignificant-risk, non-interventional nature of the study, all measures were directed in agreement with national research ethics standards.

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