

The Impact of Neoliberalism on the Ethical Judgment of Auditors¹

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INTRODUCTION

In the last three decades, a new concept of liberalism called neoliberalism has emerged in economics. This concept extends liberalism and pursues issues such as market law, privatization, deregulation, reducing the role of government for social services, and eliminating public interests and replacing them with individual interests. In fact, with the economic adjustment policies of neoliberalism and privatization; The interests of the majority of people in health and employment jeopardize the interests of the public. Neoliberalism is a concept of political economy theory. This concept emphasizes that human well-being can be best promoted by providing individual entrepreneurial freedoms and skills within the framework of private property, free market, and free trade. This theory believes that education has the greatest benefit for individuals. In other words, in this moral theory, the basis of good and evil is justified based on pleasure, success, and desire. The theory of utilitarianism is one of the tendencies of the ethical school of consequentialism. In this school, the moral value of work is determined based on its external purpose and result.

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Pleasure, profit, power, prosperity, and perfection, may be considered the moral end and result of actions and the criterion of moral values. The main purpose of this study is to introduce the concept of neoliberalism and examine the effect of this thinking on the auditor's judgment. The added value and achievements of this study can be summarized as follows: First, the results of this article can lead to the development of theories and audit texts on auditor judgment, as well as the findings of this study can provide useful information for the community of certified public accountants and other policymakers. The auditing profession about the level of neoliberal thinking among auditors and the effect of this thinking on their judgment.

MATERIALS AND METHODS

The present research is applied research in terms of purpose and descriptive-correlational research in terms of cognition method. The research sample includes 194 auditors who have been selected using a random sampling method. In this study, the Bei-Cheng et al. (2015) Neoliberalism Questionnaire was used to measure neoliberal thinking. This questionnaire consists of 25 seven-choice questions. Also, to measure moral judgment from the Barrainko and Spinoza-Peak (2018) questionnaire, this questionnaire includes 6 questions on a five-point Likert scale. Both are standard questionnaires that have been used by researchers in previous research and have sufficient validity. The collected data were analyzed using Excel and SPSS software.

RESULTS AND DISCUSSION

As can be seen in Figure 1, the adjusted coefficient of determination is 0.156, which indicates that about 15% of the dependent variable changes are expressed based on changes in the independent variables of the regression line, and the rest is affected by other factors in this study. Has not been examined. Since the value of Watson's camera stats (2.075) is between 1.5 and 2.5, the assumption of no correlation between errors is not ruled out and regression can be used.

Figure 2. Model summary

R	R square	Adjusted R square	Sts Error of the estimate	DW	Text
0/417	0/174	0/156	7/181	2/075	Model

As shown in Figure 2, the analysis of variance (ANOVA) is used to check the validity of the regression model. This test has F statistics and significance level. As can be seen in Table 2, the significance level of this test is 0.000 and the value of F is 9.868. Therefore, the above test confirms the accuracy and validity of the regression line (regression model).

Figure 2. analysis of variance ANOVA

Significance	F	Mean square	Df	Sum of Squares	Model
0/0000	9/868	508/873	4	2035/493	Regression
		51/570	188	9695/222	Residual
			192	11730/715	Total

The results of Table 3 show that at the 95% confidence level, there is a negative and significant relationship between the intellectual model of neoliberalism and moral judgment. The variance inflation factor for each of the variables is close to one, indicating that there is no correlation between the independent variables and self-control.

Figure 3. Results

Tolerance	Significance	T	Std. error	B	Text
	0/000	6/061	2/602	15/772	Fixed Amount
0/906	0/127	(1/534)	0/259	(0/397)	Ranking
0/982	./...	(6/004)	0/032	(0/191)	Neoliberalism
0/952	0/041	2/053	0/742	1/523	Auditor
0/955	0/011	2/571	0/824	2/119	Gender

CONCLUSION

Neoliberalism, as one of the thought mechanisms, can reduce the ethical judgment of auditors. Auditor judgment is one of the most important issues in the field of audit research. Some professional jobs, such as judging, medicine, and auditing, are based on the judgment of a professional. If we want to distinguish auditing from other professions, we can consider two characteristics of auditor independence and impartiality and the other is auditor judgment. These two issues give the auditor personality. The primary function of auditors is to certify that the financial statements are free from any material misstatement without any material misstatement. This requires impartiality in

the auditor's judgment. This means that some auditors succumb to their personal preferences and pursue their interests, and are not independent in their judgment. To solve these problems, one must seek to root out and examine the auditors' thought patterns. When auditors act on the reporting desires and needs of managers and their interests, their professional skepticism about the financial statements diminishes, in other words, the quality of the audit is affected. Neoliberal thinking significantly reduces life satisfaction. This pattern of thinking imposes unrealistic high standards of living that can never be achieved. Neoliberalism in its general application often refers to the advocacy of material desires and the underestimation of spiritual matters and is a way of life, a belief, and a complete inclination toward material interests. The findings of this study show that the intellectual model of neoliberalism has a negative and significant relationship with the ethical judgment of auditors. In other words, as the intellectual pattern of individuals increases toward neoliberalism, then the moral judgment of auditors decreases. Based on the evidence of the present study, it can be said that the dominant thought pattern of society plays an important role in judging individuals and the auditing profession. It affects the beliefs, attitudes, behavioral characteristics, and ethical behaviors of auditors. In other words, the present study emphasizes that the ethical behavior of auditors, in addition to individual factors, depends on the thought patterns of society, including the ideas of neoliberalism. The findings of this study are consistent with the theory of neoliberalism in society. According to this theory, neoliberalism is an ideological model that focuses on materialism as a necessary consequence of capitalism and market competition

Keywords: Neoliberalism, Moral judgment, Social interests, Independence.

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