

Utilitarianism; Motivational Values and Audit Commercialization: Evidence of the Audit Private Sector¹

Elahe Zare Ebrahimabadi², Bahman Banimahd³,

Mehdi Moradzadehfard⁴, Ghodratalah Talebnia⁵

Received: 2023/07/18

Accepted: 2023/11/05

Research Paper

INTRODUCTION

Commercialization is an integral part of any business and profession. This concept means customer orientation and giving importance to the customer. The auditing profession is an economic activity and research shows that auditors spend a lot of time on marketing and commercialization activities in order to attract new customers. The reason for this is the increased competition in the auditing market. Competition causes small audit firms to engage in commercial activities compared to large firms in order to stay in the market (Shojaa et al., 2017). With the formation of the Iranian association of certified public accountants (IACPA) and development of the audit market in Iran, the activities related to commercialization have expanded among audit firms. This may have an adverse effect on the quality of the audit. Also, studies show that love money and customer orientation have flourished with increasing

1. doi: 10.22051/jera.2023.44146.3145

2. Ph.D. Student, Department of Accounting, Science and Research Branch, Islamic Azad University, Tehran, Iran. (elahe.zare.eb@gmail.com).

3. Professor, Department of Accounting, Karaj Branch, Islamic Azad University, Karaj, Iran. (Corresponding Author). (Dr.banimahd@gmail.com).

4. Associate Professor, Department of Accounting, Karaj Branch, Islamic Azad University, Karaj, Iran. (Moradzadehfard@yahoo.com).

5. Associate Professor, Department of Accounting, Science and Research Branch, Islamic Azad University, Tehran, Iran. (Gh -talebnia@yahoo.com).

competition in audit market. Probably, this causes auditors to turn to selling opinions and prefer their personal interests to public interests (Mashhadi et al., 2018). The suspension of some audit partners by the disciplinary committee of the IACPA shows that audit partner prefer individual interests over public interests. In confirmation of this issue, Bagherzadegan et al. (1401) believe that neoliberalism thinking in Iran's economy in recent years has caused individual interests to be prioritized in comparison to the public interests in different groups of people in the society, including auditors, and ethical judgment in audit profession is declining.

Due to lack of sufficient study about commercialization activities of the audit profession in Iran, this study seeks to find an answer to this question, what are the mutual effects of utilitarianism, motivational values, and commercialization of the auditing profession? The contribution of this research can be listed as follows: First, the results of this research can lead to the expansion of audit theories and texts about commercialization of the audit profession. Also, the findings of this research can provide useful information for the IACPA and other policy makers of audit profession about the level of self-interest, motivational values among auditors and their effects on the commercialization of the audit profession. Also, this paper can provide suggestions for the policy makers of the audit profession, professors and researchers to conduct future research.

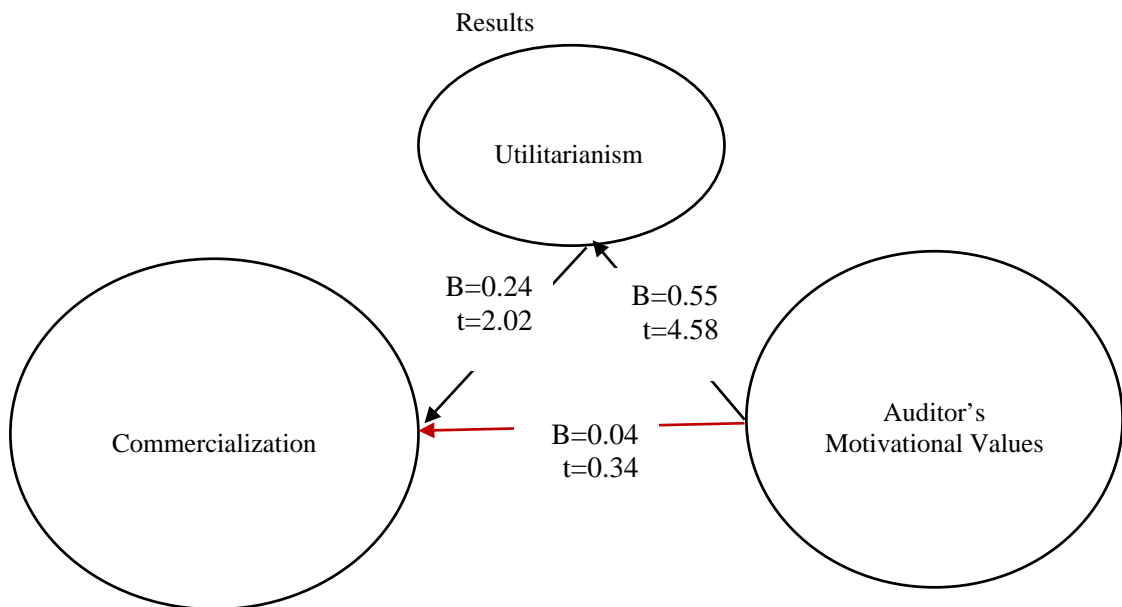
MATERIALS AND METHODS

In this paper, we apply a survey method by using questionnaire. We measure audit commercialization using a 17-question questionnaire in a seven-choice Likert scale. This questionnaire has been used in previous studies, including Broberg et al. (2018). To measure the utilitarianism variable, the questionnaire of Moshagen et al. (2018) was used. This questionnaire is also designed with ten questions on a five-choice Likert scale. To measure motivational values, the questionnaire of Lindeman and Verkasalo (2005) was used, which has five questions in the eight-item Likert scale. The statistical sample of the research includes 146 managers and audit partners working in private audit firms, 70% of whom are men

and 30% are women. The research hypotheses were tested through structural equation method by using Lisrel software.

RESULTS AND DISCUSSION

The results of this paper show that auditor's motivational values have a positive and significant effect on utilitarianism, and utilitarianism, in turn, causes the commercialization of the auditing profession. In other words, **Auditor's Motivational Values** do not directly effect on commercialization of the audit profession and theses values indirectly effect on audit commercialization through auditor's utilitarianism.



CONCLUSION

The findings of this study show that when auditors' utilitarianism is increased, also, audit commercialization increases. In other words, this paper confirm that auditors' desire for audit commercialization is influenced by their self-interests.

We believe that auditors' tendency towards individual motivational values (self-interests) weakens the duty of social accountability and moral compliance in public interest. Therefore, it can be said that auditors' desire for personal interests will cause them to not perform their duties properly

in order to protect public interests. This issue damages the credibility and dignity of the audit profession. The auditor's professional and social credibility has been given to him by society over time and he is expected to fulfill his assurance duty properly. The tendency of auditors to gain more benefits will cause his honesty, competence and professional care, independence and impartiality to be respected in fulfilling his social responsibility. This will ultimately damage the auditor's credibility.

Keywords: Commercialization, Motivational Values, Utilitarianism and Audit Profession.

JEL Classification: M42, M31.

COPYRIGHTS



This is an open access article under the CC BY-NC-ND 4.0 license.