THE INFLUENCE OF PROFESSIONAL ETHICS AND EMOTIONAL INTELLIGENCE IMPLEMENTATION ON AUDITOR PERFORMANCE

Mahmud¹, Budi Eko Soetjipto², Cipto Wardoyo³
Faculty of Economics, Universitas Negeri Malang, Malang, East Java, Indonesia¹,²,³
Sekolah Tinggi Ilmu Ekonomi Yapis, West Nusa Tenggara, Indonesia¹
Email: mahmud.2104139@students.um.ac.id, memettdompu@gmail.com, budi.eko.fe@um.ac.id, cipto.wardoyo.fe@um.ac.id

ARTICLE INFO

Received : 14 April 2022
Revision : 02 May 2022
Received : 18 May 2022

ABSTRACT

This study aims to determine the effect of professional ethics and emotional intelligence on the performance of auditors at the District Inspectorate Office Dompu. The method used in this study is a quantitative method with a descriptive and associative approach using primary data. Statistical analysis used in this research is validity test, reliability test, normality test, classical assumption test, multiple linear regression analysis, hypothesis testing using t-test and f test and coefficient of determination analysis with the help of the SPSS program. The study results reveal: 1) professional ethics and emotional intelligence have a simultaneous effect on auditor performance. The F value of 3.24 is more minor than the Fount of 39.810, with a significant value less than 0.05, which is 0.000. 2) professional ethics and emotional intelligence significantly affect auditor performance with the result that the t value on professional ethics is 3.513, which means that the t count is more significant than the t table of 1.68595 and has a significant level of 0.05. This shows that the professional ethics variable positively affects auditor performance. The t value of emotional intelligence is 4.285, with a significance value of 0.032. In other words, the emotional intelligence variable positively affects auditor performance. So that future researchers can add or respond to other variables besides professional ethics and emotional intelligence on auditor performance to realize even better research.

Keywords: Professional ethics; emotional intelligence; auditor performance

Introduction

Today, auditors have become a vital profession that can affect the economic growth of a country. Accountant who supervises the implementation of good corporate governance (Latifah, 2019). So an auditor must have good skills and competencies to collect and analyze audit evidence to give the correct opinion. One of the considerations for an auditor in balancing the profession is having an excellent ethical basis. By prioritizing ethics, it is essential for professional status in carrying out their activities. Data analysis, IT development, and leadership are essential accounting competencies (Sumarna, 2020).

The public accountant profession is essential as an independent party responsible for interested parties through reliable and transparent audit results. One of the most critical indices in any audit activity is the final result, as is the case of audits and the quality...
depends on audit services or so-called audit reports. The internationalisation of the professional accountants necessitates convergence on both the technical and training and ethical levels (Espinosa-Pike & Barrainkua-Aroztegi, 2014). So that the auditor must present financial statements in the best way that follows the professional code of ethics (Salehi & Dastanpoor, 2021). The good or bad of the assigned task depends on the performance of the auditor (Verwey & Asare, 2022).

Three factors affect auditor performance: individual, work quality, and psychological factors (Salehi, Seyyed, & Farhangdoust, 2020). The factors that affect an auditor’s performance are individual factors that come from themselves (ethics), psychological factors, and the ability to manage emotional and spiritual ability factors (Hasibuan, 2019). These concepts are integrated units to produce quality audit reports. Public accountants have an essential role in society, especially in increasing the credibility and quality of an entity’s financial statements. Public accountants will strongly influence the users of creditor information and investors before they make decisions or give their trust (Simarmata, 2018).

Auditors have great trust in users of financial statements, so auditors must continue to pay attention to audit quality (DeFond & Zhang, 2014). The process of auditing financial accounts is difficult and highly skilled (Werner, Wiese, & Maas, 2021). It is not only limited to the quality of the audits produced. A broader range of professional auditors in carrying out the independent appraiser function in a company is seen in achieving the auditor’s performance results (Yuen, Law, Lu, & Guan, 2013). To produce a good performance, see perfection in the ability to work and see the abilities possessed by each individual. These abilities are in the form of professional ethics and emotional intelligence (Asry & Ginting, 2020). The role of auditors in an organization is essential to audit the form of financial statements and can be accounted for by interested parties.

Several cases that occurred were considered auditor failures that occurred recently, especially in the city of Dompu, NTB. Beginning with the case of embezzlement of the Regional Secretary's assets: BPK conducted a preliminary audit of the handling and issuance of all movable and immovable assets, Official Houses and Official Vehicles. The Regional Secretary conveyed to the Dompu Regional Government that he would still be firm in issuing asset issues. In fact, until now, the local government continues to collect detailed data on these government assets (Topikbidom.com).

Another case is related to the appeal of the Dompu housing case worth Rp. 6.3 billion. The NTB Prosecutor’s Office has filed an appeal for the Rp 6.3 billion corruption case to PT Pesona Dompu Mandiri as the developer. The case process stated that the public prosecutor could not accept the acquittal against the developer and the case. The reason is that the audit of state losses from the NTB Representative BPKP is not considered. According to him, the case is believed to indicate corruption because there is an audit result that states that state losses have arisen as a result of the corrupt act (Suara NTB).

Based on those phenomenon, auditor have to be a qualified person and have emotional intelligence because relying solely on ability is insufficient. Without emotional control or maturity, it is difficult for auditors to have the choice to withstand the pressure of frustration, and stress, in solving problems as a professional risk and accepting responsibility, as stated in the Indonesian Accountant Code of Ethics. So that it will affect the results of their performance or if there are deviations, fraud and controls or shared efforts. Because someone who has high emotional intelligence can know and handle their emotions and manage other people’s sentiments effectively, based on the above phenomenon, the inspectorate office becomes attractive as the object of this research so that the research entitled "The Effect of Ethics and Emotional Intelligence on Auditor Performance".

Method

A. Place and time of research

The research object was the auditors who worked at the Dompu Regency Inspectorate Office-NTB. The sampling technique in this study is to use saturated sampling (census). The use of saturated sampling is carried out considering the limited number of
respondents so that all members of the population that the authors use as samples in this study. The sample of this research is auditors who receive and have filled out a questionnaire that the authors distribute directly, amounting to 38 auditors.

**B. Measurement Scale**

This study uses a Likert scale instrument to measure the effect of professional ethics and emotional intelligence on auditor performance. The Likert scale helps measure a person's approval and disapproval of an object. This is measured through the statements contained in the questionnaire. Respondents were asked to choose one of the five available answer options.

| Table 1 Respondents Measurement Scale (Likert Scale 1s/d5) |
|---|---|---|---|---|---|
| Strongly disagree | Disagree | Neutral | Agree | Strongly agree |

**C. Operational Definition and Measurement of Research Variables**

The operational variable is an attribute, nature, or value of a person, object or activity that has a particular variation determined by the researcher to be studied and then drawn conclusions. The variables in this study consisted of two variables, namely:

1) Independent variable (X), i.e. all variables that are not tied to other variables or are often called independent variables. The independent variables in this study are emotional intelligence (X1) and auditor performance (X2).

2) Other variables influence the dependent variable (Y), namely the dependent variable. The dependent variable in this study is the auditor (Y).

**Method**

The data analysis technique used in this research is the descriptive statistical analysis technique, namely the statistics used to analyze the data by describing or describing the data that has been collected as it is intended to make conclusions that apply to the general public or generalization (Creswell, 2012).

**A. Validity and Reliability Test**

1. **Validity Test**

   Validity aims to measure the validity of a questionnaire that has been distributed. The questionnaire is said to be valid if the questions contained in the questionnaire can reveal something that the questionnaire will regulate. This validity test is done by comparing the value of $r$ (product-moment) of table $r$ with (product-moment) count (analysis).

   1) If $r$ count < $r$ table (at a significant level of 5%), then the items in the questionnaire significantly correlate with the total score, meaning that the questionnaire items are declared valid.

   2) If $r$ count > $r$ table (at a significant level of 5%), the questionnaire item is declared valid.

2. **Reliability Test**

   A reliability test explains measurements that have been carried out many times and produce almost always the same information and do not produce differences in the results of many and meaningful information. Information discrepancies will always exist. Reliable or convincing measurements will not always produce exact information. The measuring instrument used in this study is a Cronbach Alpha minimum of 0.60 or more. The questionnaire is said to be reliable if the results of the statistical test are as follows:

   1) If the Cronbach Alpha value is 0.60, then the instrument is said to be reliable or the homogeneity of the items (reliable).

   2) If the Cronbach Alpha value is 0.60, then the instrument is said to be reliable, or there is no homogeneity of items (not reliable).

**B. Classic Assumption Test**

1. **Heteroscedasticity Test**

   The heteroscedasticity test aims to test in the linear regression model whether there is an inequality of variance from the residuals from one
observation to another observation. If the residual variance from one other observation remains, it is called homoscedasticity, and if it is different, it is called heteroscedasticity. The geyser test determines whether the pattern of disturbance variables contains heteroscedasticity or not. If the statistical value t count < table, it does not contain heteroscedasticity.

2. **Multicollinearity Test**

Auditor performance in multicollinearity test (Tolerance and VIF): the multicollinearity test is a test carried out to determine whether, in a regression model, there is a correlation between independent or independent variables. If the independent or independent variables are correlated, then this variable is not orthogonal. Orthogonal variables are independent or independent variables equal to zero. A good regression model should not correlate with independent or independent variables.

**Decision-based on Tolerance value.**

1) If the tolerance value is more significant than 0.10, there is no multicollinearity in the regression model.

2) If the tolerance value is less than 0.10, multicollinearity in the regression model—is decision-based on VIF (Variance Inflation Factor) Value.

3) If the value of VIF < 10.0, it means that there is no multicollinearity in the regression model.

4) If the VIF value is > 10.0, it means multicollinearity in the regression model.

3. **Normality Test**

A normality test is used to test whether the regression model has a normal distribution. To test whether the residuals are normally distributed or not by performing statistical tests. A simple statistical test can be performed using the Kolmogorov Smirnov test.

The questionnaire is said to be expected if the results of the normality test are as follows:

1) The data is usually distributed if the sig count (P-value) is 0.05.

2) If the sig count (P-value) is 0.05, then the data is said to be not normally distributed.

C. **Multiple Linear Regression**

Multiple Regression Analysis used by researchers intends to predict how the condition (up and down) of the dependent variable (criteria) if two or more independent variables as predictor factors are manipulated (increase in value). In this study, there are three independent variables and one dependent variable.

Regression Equation:

\[ Y = a + b_1X_1 + b_2X_2 + e \]

**Information:**

Y: Auditor's Decision  
a: Constant  
b: Regression Coefficient  
X1: Professional Ethics  
X2: Emotional Intelligence  
e: Regression error (regression error)

D. **Hypothesis Testing**

1. **t-test**

The t statistic test shows how far the influence of one explanatory or independent variable is individually in explaining the variation of the independent variable. If the significance value (Sig) < 0.05 probability, then there is an effect of the variable (X) on the variable (Y) or the hypothesis is accepted. If the significance value (Sig) > then the hypothesis is not accepted.

2. **Test F (Simultaneous Test)**

The F test shows whether all the independent variables included in the model have a combined effect on the dependent or dependent variable. The F test determines whether there is a simultaneous effect of the independent variable on the dependent variable.

Hypothesis testing was carried out using the F test by comparing the F value of the regression analysis results with the Ftable value at the fundamental level = 0.05.

3. **Coefficient of Determination Test (R^2)**

The coefficient of R square is used to measure the closeness of the relationship between the dependent and independent variables. The greater the value of the correlation coefficient, the closer the relationship and vice
versa, namely by squaring the coefficients found by using the formula:

\[ D = R^2 \times 100\% \]

Where:

- D = Coefficient of determination
- \( R^2 \) = Correlation coefficient of independent variable with dependent variable
- 100\% = Contribution Percentage

To facilitate researchers in managing the analysis, researchers use a computer program, namely the Statistical Program for Social Science (SPSS).

**Results And Discussion**

A. Data Analysis

1. Description of Research Data

Questionnaires were directly distributed to respondents from January 26, 2022, to February 16, 2022. The questionnaires distributed and processed using SPSS were 38 questionnaires.

### Table 2

**Test Results Quantitative Description**

| Descriptive Statistics | N  | Minimum | Maximum | Mean   | Std. Deviation |
|------------------------|----|---------|---------|--------|----------------|
| Professional ethics    | 38 | 11.00   | 24.00   | 20.5263| 3.16857        |
| Emotional Intelligence | 38 | 17.00   | 33.00   | 28.6842| 3.61756        |
| Auditor Performance    | 38 | 18.00   | 33.00   | 29.8421| 3.37340        |
| Valid N (listwise)     | 38 |         |         |        |                |

Sourced from processed primary data from SPSS 2022 researchers

Based on table 2, it is known that the sample observed in this study was 38. In addition, the overall value of the variables indicated by the average value, the highest value, the lowest value, and the standard deviation value were positive numbers.

The professional ethics variable shows the lowest value of 11.00 and the highest value of 24.00; meanwhile, the average value is 20.5263. The standard deviation value is 3.16857, smaller than the average value. The emotional intelligence variable shows the lowest value of 17.00 and the highest value of 33.00. Meanwhile, the average value is 28.6842, and the standard deviation value is 3.61756, which is smaller than the average value. This indicates that the data is in good condition. The auditor's performance variable shows the lowest value of 18.00 and the highest value of 33.00. Meanwhile, the average value is 29.8421, and the standard deviation value is 3.37340, which is smaller than the average value. This indicates that the data is in good condition and does not vary much.

B. Data Testing

1. Validity Test

The calculation results show that all items can be valid because all questionnaire items have a person correlation value more significant than the \( r \)-table and have a significance of less than 0.05. The calculated \( r \)-value is greater than the \( r \)-table value. The following table of validity:

### Table 3

**Validity Test Results**

| Variable     | Question | r count | \( r \) table | Information |
|--------------|----------|---------|---------------|-------------|
| Professional ethics | 1       | 0.750   | 0.3120        | Valid       |
|              | 2       | 0.826   | 0.3120        | Valid       |
|              | 3       | 0.701   | 0.3120        | Valid       |
|              | 4       | 0.683   | 0.3120        | Valid       |
|              | 5       | 0.705   | 0.3120        | Valid       |
| Emotional Intelligence | 1       | 0.644   | 0.3120        | Valid       |
|              | 2       | 0.638   | 0.3120        | Valid       |
|              | 3       | 0.673   | 0.3120        | Valid       |
|              | 4       | 0.723   | 0.3120        | Valid       |
|              | 5       | 0.526   | 0.3120        | Valid       |
|              | 6       | 0.475   | 0.3120        | Valid       |
Sourced from processed primary data from SPSS 2022 researchers

2. Reliability Test

The reliability of the test shows that all variables are reliable because the Cronbach alpha value for each variable is more significant than 0.660.

| Auditor Performance | Cronbach’s Alpha | Cross of Value | Information |
|---------------------|------------------|----------------|-------------|
| 1                   | 0,700            | 0,3120         | Valid       |
| 2                   | 0,835            | 0,3120         | Valid       |
| 3                   | 0,762            | 0,3120         | Valid       |
| 4                   | 0,568            | 0,3120         | Valid       |
| 5                   | 0,556            | 0,3120         | Valid       |
| 6                   | 0,653            | 0,3120         | Valid       |
| 7                   | 0,496            | 0,3120         | Valid       |

Sourced from processed primary data from SPSS 2022 researchers

3. Normality Test

The table above has a more significant than 0.05, the residual value is 0.955. This shows that if the residual value is distributed.

| Unstandardized Residual | Alpha |
|-------------------------|-------|
| N                       | 38    |
| Asymp. Significance (2-tailed) | 0,955 |

Sourced from processed primary data from SPSS 2022 researchers

4. Multicollinearity Test

Based on the table above, it can be seen that the tolerance value of the independent variable is more than 0.1, and the VIF value is less than 10. This indicates that there is no multicollinearity.

| Variable                 | Tolerance | VIF  |
|--------------------------|-----------|------|
| Professional ethics      | 0,468     | 2,136|
| Emotional intelligence   | 0,468     | 2,136|

Sourced from processed primary data from SPSS 2022 researchers

5. Heteroscedasticity Test

The calculation results above show that the second significance value is greater than the alpha value of 0.05. Thus, in the regression model, there is no heteroscedasticity.
The Influence of Professional Ethics and Emotional Intelligence Implementation on Auditor Performance.

6. Multiple Regression Test

| Variable                  | B       | t count | Sig. | Information |
|---------------------------|---------|---------|------|-------------|
| (Constant)                | 8,915   |         |      |             |
| Professional ethics (X₁)  | 0,623   | 3,513   | 0,000| Significant |
| Emotional Intelligence (X₂)| 0,284   | 4,285   | 0,032| Significant |

| Coefficient     | Results | Uji F   | Results |
|-----------------|---------|---------|---------|
| R               | 0,833   |         | F Count | 39,810   |
| R Square (R2)   | 0,695   |         |         |          |
| Adj R Square (Adj R2) | 0,677   |         | Sig. F  | 0,000    |

Multiple Linear Regression

\[ Y = a + b_1X_1 + b_2X_2 + e \]

Auditor Performance = 8,915 + 0,623 + 0,284 + e

Sourced from processed primary data from SPSS 2022 researchers.

The multiple regression equation in this study can be written as follows:

\[ Y = 8,915 + 0,623X_1 + 0,284X_2 \]

7. Coefficient of Determination Test

From Table 8, it can be concluded that the value of Adjusted R Square (coefficient of determination) is 0.677, which means that the influence of the independent variable (X) on the dependent variable (Y) is 67.7%, other variable's influence the remaining 32.3%.

8. Simultaneous Test (F)

As shown in Table 8, the F value obtained is 39.810 with a significance level of 0.000. Because the significance level is less than 0.05 and the F-table value of 3.24 is smaller than the calculated F of 39.810, it can be said that professional ethics and emotional intelligence have a simultaneous effect on auditor performance.

9. t-test

Table 8 shows that the t value of the professional ethics variable is 3.513, which means that the t count is more excellent than the t table of 1.68595 and has a significant level of 0.000 more minor than the standard significance of 0.05. This shows that the professional ethics variable positively affects auditor performance.

The t value for emotional intelligence is 4.285, with a significance value of 0.032. In other words, the emotional intelligence variable positively affects auditor performance.

a. The Influence of Professional Ethics on Auditor Performance

Based on test t indicates that the calculated t value is greater than the t table value (3.513>1.68595), and the significant value is smaller than the significant value of 5% (0.000<0.05). This shows that professional ethics has a significant positive effect on auditor performance.

Yuwono (2011) said that every profession that provides services to the community requires the trust of its service users. Public trust in service quality can be achieved if the profession applies high-quality standards to the implementation of professional work by members of the profession. Professional ethics has several standards that apply in a professional organization. So it can be concluded that professional ethics are provisions that regulate what is good and what is wrong and about moral rights and obligations that must be obeyed by someone.
who has a full-time job or profession and lives from that work by relying on a high skill. Most respondents have given positive responses from the questionnaire distributed for professional ethics at the Dompu Regency Inspectorate Office, which adheres to the professional code of ethics. The rules of professional ethics issued by the Indonesian Institute of Certified Public Accountants follow the professional standards of Public Accountants. When examining financial statements, one must work according to the code of ethics that has been set. So this professional ethics is very influential on the performance of auditors at the Inspectorate Office of Dompu Regency.

b. The Influence of Emotional Intelligence on Auditor Performance

Based on the t-test shows that the calculated t value is greater than the t table value (4.285 > 1.68595), and the significant value is smaller than the significant value of 5% (0.032 < 0.05). This shows that emotional intelligence has a significant positive effect on auditor performance.

Asteria (2014) says that emotional intelligence is a part of social intelligence, which involves the ability to monitor social feelings that involve the ability to other people, sort through all of them, and use this information to guide thoughts and actions. Emotional intelligence can help build relationships that lead to happiness and well-being. Emotional intelligence is a component that makes someone smart in using their emotions. So it can be concluded that emotional intelligence is the ability to process certain types of information that makes a person able to control the turbulence of thoughts, feelings, and passions in any intense or overwhelming mental state.

Most respondents have given positive responses to the questionnaire distributed for emotional intelligence at the Dompu Regency Inspectorate Office. So with this, emotional intelligence is very influential on the performance of auditors at the Inspectorate Office of Dompu Regency.

Based on the calculation results, it is found that emotional intelligence dramatically influences the performance of auditors at the Dompu Regency Inspectorate Office in the variables of self-awareness, self-regulation, motivation, empathy and social skills affect the level of auditor performance.

Conclusion

Based on the results of the research described previously, it can be concluded that professional ethics has a significant effect on the performance of auditors at the Inspectorate Office of Dompu Regency. The better the professional ethics of the auditors at the Dompu Regency Inspectorate Office, the higher the level of auditor performance. The more knowledge or intelligence of the auditors at the Dompu Regency Inspectorate Office, the higher the level of auditor performance. Emotional intelligence has a significant effect on the performance of auditors at the Inspectorate Office of Dompu Regency.

This study has several limitations that can hinder the study results, namely during the distribution of the questionnaire, and some respondents were not serious about filling out the questionnaire given. Besides that, some respondents were not too serious when reading the questionnaire, so the answer choices given were not following the reality.

Based on the conclusions above, it is hoped that further research can present quality research results with suggestions regarding some further research can use more samples than this study so that the results obtained can be more accurate. Further research can use other variables so that different new variables can be found that will affect professional ethics and emotional intelligence.

References

Asry, S., & Ginting, H. (2020). Effect of Professional Ethics and Emotional Intelligence on Auditor Performance.
The Influence of Professional Ethics and Emotional Intelligence Implementation on Auditor Performance.

Journal of Research in Business, Economics, and Education, 3(3), 576–589. Google Scholar

Asteria, P. V. (2014). Mengembangkan kecerdasan spiritual anak melalui pembelajaran membaca sastra. Universitas Brawijaya Press. Google Scholar

Creswell, J. W. (2012). Educational research: Planning conducting and evaluating quantitative and qualitative research (4th ed.). Boston, MA. Google Scholar

DeFond, M., & Zhang, J. (2014). A review of archival auditing research. Journal of Accounting and Economics, 58(2–3), 275–326. Scopus

Espinosa-Pike, M., & Barrainkua-Aroztegi, I. (2014). A universal code of ethics for professional accountants: Religious restrictions. Procedia-Social and Behavioral Sciences, 143, 1126–1132. Scopus

Hasibuan, B. (2019). Pengaruh Kecerdasan Emosional, Intelektual Dan Etika Profesi Terhadap Kinerja Auditor Pada Kantor Akuntan Publik Jakarta Timur. Goodwill, 1(1 April), 59–67. Google Scholar

Latifah, E. (2019). Peran Akuntan Syariah Di Era Disruption. Al-Musthofa: Journal of Sharia Economics, 2(1), 15–29. Google Scholar

Salehi, M., & Dastanpoor, Z. (2021). The effects of psychological factors on the performance of independent auditors in Iran. Current Psychology, 40(4), 1621–1630. Google Scholar

Salehi, M., Seyyed, F., & Farhangdoust, S. (2020). The impact of personal characteristics, quality of working life and psychological well-being on job burnout among Iranian external auditors. International Journal of Organization Theory & Behavior. Google Scholar

Simarmata, J. (2018). Pengaruh Intelliegence Quotient, Emotional Quotient, Spiritual Quotient, Dan Self Efficacy Terhadap Kinerja Auditor (Studi Empiris Pada Beberapa Kantor Akuntan Publik Di Jakarta Selatan). Jurnal Liabilitas, 3(2), 73–91. Google Scholar

Sumarna, A. D. (2020). Akuntan Dalam Industri 4.0: Studi Kasus Kantor Jasa Akuntan (KJA) di Wilayah Kepulauan Riau. KRISNA: Kumpulan Riset Akuntansi, 11(2), 100–109. Google Scholar

Verwey, I. G. F., & Asare, S. K. (2022). The joint effect of ethical idealism and trait skepticism on auditors’ fraud detection. Journal of Business Ethics, 176(2), 381–395. Google Scholar

Werner, M., Wiese, M., & Maas, A. (2021). Embedding process mining into financial statement audits. International Journal of Accounting Information Systems, 41, 100514. Scopus

Yuen, D. C. Y., Law, P. K. F., Lu, C., & Guan, J. Q. (2013). Dysfunctional auditing behaviour: empirical evidence on auditors’ behaviour in Macau. International Journal of Accounting & Information Management. Google Scholar

Yuwono, I. D. (2011). Memahami bagai etika profesi dan pekerjaan. MediaPressindo.