

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

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ABSTRACT

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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 Fable 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.

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

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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 Dompus, 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 Dompus 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 Dompus 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 Dompus 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 Dompus 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)

1	2	3	4	5
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).

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

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

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 F_{table} 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

R² = 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 distributed directly 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

	7	0,660	0,3120	Valid
Auditor Performance	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

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

Table 4
Reliability Test Results

Variable	Cronbach's Alpha	Cross of Value	Information
Professional ethics (X1)	0,784	0,60	Reliable
Emotional Intelligence (X2)	0,732	0,60	Reliable
Auditor Performance (Y)	0,776	0,60	Reliable

Sourced from processed primary data from SPSS 2022 researchers

3. Normality Test

Table 5
Normality Test Results

Information	Unstandardized Residual	Alpha
N	38	
Asymp. Significance (2-tailed)	0,955	0,05

Sourced from processed primary data from SPSS 2022 researchers

The table above has a significance value (2-tailed) is 0.955. This shows that if the residual value is

more significant than 0.05, the residual data is usually distributed.

4. Multicollinearity Test

Table 6
Multicollinearity Results

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

Sourced from processed primary data from SPSS 2022 researchers

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.

5. Heteroscedasticity Test

Table 7
Heteroscedasticity Test Results

Variable	Significance	Alpha	Information
Professional ethics	0,038	0,05	There is no heteroscedasticity
Emotional intelligence	0,536	0,05	There is no heteroscedasticity

Sourced from processed primary data from SPSS 2022 researchers

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.

6. Multiple Regression Test

Table 8
Results of Multiple Analysis

Partial				
Variable	B	t count	Sig.	Information
(Constant)	8,915			
Professional ethics (X ₁)	0,623	3,513	0,000	Significant
Emotional Intelligence (X ₂)	0,284	4,285	0,032	Significant

Coefficient	Results	Uji F	Results
R	0,833	F Count	39,810
R Square (R ²)	0,695		
Adj R Square (Adj R ²)	0,677	Sig. F	0,000

Multiple Linear Regression

$$Y = a + b_1X_1 + b_2X_2 + e$$

$$\text{Auditor Performance} = 8,915 + 0,623X_1 + 0,284X_2 + e$$

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.

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