

# The Influence of Emotional Intelligence, Professional Ethics, and Professionalism on Auditor Performance at the Public Accounting Firm in Bali Province

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**Abstract:** This study aims to determine the effect of emotional intelligence, professional ethics, and professionalism on auditor performance in public accounting firms or KAP. This research was carried out at KAP in Bali Province which is listed in the IAPI 2018 directory. This research was conducted at KAP in Bali Province, amounting to 9 offices with a total number of auditors as a population of 77 people. This research uses nonprobability sampling method with saturated sample technique. The data were collected by using a questionnaire method. The number of questionnaires returned was 64 questionnaires. Data were analyzed using multiple linear regression analysis. The results showed that emotional intelligence, professional ethics and professionalism had a positive effect on the performance of auditors at KAP in Bali Province.

**Keywords:** Emotional Intelligence, Professional Ethics, Professionalism, Auditor Performance.

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## I. INTRODUCTION

Public accountants are accountants who carry out work at the Public Accounting Firm (KAP) and provide professional auditing services to clients (Halim, 2015: 19). Public accounting firm, hereinafter known as KAP, is an institution or forum for public accountants in carrying out their duties that has a permit from the Minister of Finance. The services provided are in the form of operational audit services, compliance audits, and financial report audits (Halim, 2015: 14).

Auditor performance shows the performance of duties or audit actions that have been completed by the auditor within a certain period of time. The auditor is intended to ensure that the implementation of activities is in accordance with the policies and plans that have been set and the auditor to ensure that the objectives have been achieved economically, effectively and efficiently and there is compliance with applicable policies, laws and regulations. So important is the performance of an auditor for a client, then an auditor must have the expertise and competence to analyze audit evidence, because the professional skills of auditors affect their performance (Nugraha and Ramantha, 2015).

There are three factors that influence performance, namely individual factors, psychological factors, and organizational factors (Choiriah, 2013). One of the psychological factors that can affect the performance of an auditor is emotional intelligence. Research conducted by Bayu (2019) states that emotional intelligence makes a person have the ability to manage emotions and recognize feelings of oneself and others. These include the ability to motivate yourself, the ability to manage personal emotions, and the ability to interact socially.

Organizational factors that can affect auditor performance are professional ethics. Ethics in carrying out the profession are basic things that must be the concern of auditors (Widiarini and Suputra, 2017). The implementation of professional work is inseparable from ethics because professional behavior is needed for all professions so that ethical professions get the trust of people with high ethical awareness. An auditor with high professional ethics tends to be professional in carrying

out his duties in accordance with the professional code of ethics and auditing standards, so that the audit results obtained will show the actual situation. Ethics as a rule or standard determines the behavior of members of a profession. With high ethical awareness, an auditor will be professional in completing his duties so that it has a positive effect on auditor performance (Arumsari and Budiarta, 2014).

Individual factors that come from within that can affect the performance of auditors, namely professionalism. Auditor professionalism is needed in carrying out the profession (Pratiwi and Widhiyani, 2017). Professionalism means that an auditor is obliged to carry out his duties with sincerity and care, avoiding negligence and dishonesty. Professionalism is an important concept in supporting performance. Auditors who have high professionalism will have an impact on auditor performance (Dewi, 2018).

Research on the effect of emotional intelligence on auditor performance has been conducted by Choiriah (2013), the results show that good emotional intelligence can be seen from the ability to know yourself, self-motivation, self-control, empathy, and social representation have a positive effect on auditor performance. The results of this study are also supported by research conducted by Putra (2016) and Ratnantari (2017) which states that emotional intelligence has a positive effect on auditor performance. Based on the description above, the hypotheses that can be formulated as follows:

H<sub>1</sub>: Emotional intelligence has a positive effect on auditor performance.

Professional ethics requires the commitment of auditors to fulfill the principles of professional ethics and contribute to providing a high sense of responsibility for work completion (Oktarini and Ramantha, 2016). The sense of responsibility makes the auditors try their best to complete the work properly and with quality. Research conducted by Arumsari (2016) and Pratiwi (2017) states that professional ethics has a positive effect on auditor performance, this research is also supported by research conducted by Susila (2018) which states that the increasing professional ethics possessed by auditors, the auditor's performance in completing the tasks is increasing. Based on the description above, the hypotheses that can be formulated as follows:

H<sub>2</sub>: Professional ethics has a positive effect on auditor performance.

Auditors with high professionalism will produce reliable financial report audit results so that they have a positive effect on their performance (Nugraha and Ramantha, 2015). Research conducted by Arumsari and Budiarta (2016) states that professionalism has a positive effect on auditor performance. This is also supported by research conducted by Hengsaputra and Ardana (2017) and Susila (2018) which states that the higher the professionalism of the auditors, the higher the performance of the auditors, so that they can satisfy clients. Based on the description above, the hypotheses that can be formulated as follows:

H<sub>3</sub>: Professionalism has a positive effect on auditor performance.

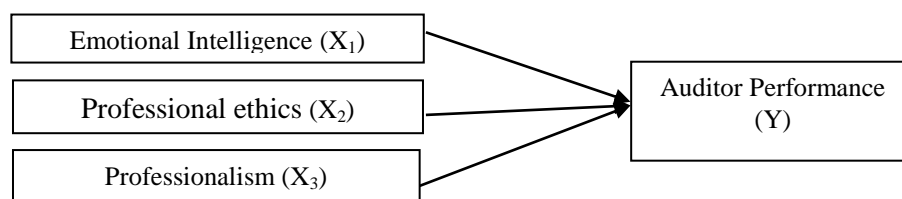


Figure 1: Conceptual Framework

## II. RESEARCH METHODS

The approach used in this research is a quantitative approach that is associative. The location of this research was conducted at the Public Accounting Firm (KAP) in Bali Province which was listed in the Directory published by the Indonesian Institute of Certified Public Accountants (IAPI) in 2018 which were all located in the Province of Bali. The population in this study were all auditors who worked at the public accounting firm in Bali, totaling 77 people. The sampling method used in this study is the nonprobability sampling method with saturated sample technique. Data collection methods used in this study were using a questionnaire. The data in this study were analysed using multiple linear regression analysis techniques with the Statistical Package for Social Science (SPSS) program.

### III. RESULT AND DISCUSSION

Descriptive statistics provide information about the characteristics of the research variables, namely the number of samples, the maximum value, the minimum value, the average value, and the standard deviation. The results of descriptive statistics can be seen in table 1 as follows:

**Table 1: Descriptive Statistics Test Results**

Variable	N	Min.	Max.	Mean	Deviation Standart
Emotional intelligence	64	22	44	36,86	8,269
Professional ethics	64	12	24	19,69	5,130
Professionalism	64	20	40	33,03	8,059
Auditor performance	64	16	32	26,41	6,381

Source: Research Data, 2021

After doing descriptive statistics, normality test is performed. The normality test results show that the Asymp value. Sig (2-tailed) of 0,108 is greater than 0.05. This shows the data used in this study has a normal distribution. Multicollinity test results indicate that emotional intelligence, professional ethics, and professionalism shows tolerance > 0.10 and VIF value <10. Therefore, it can be concluded that the independent variables in this study are free from multicollinearity or there is no correlation between variables free. Heteroscedasticity test results showed that the significance value of the variable emotional intelligence, professional ethics, and professionalism on absolute residual variables were above 0.05, so it can be concluded that the data used in this study did not have heteroscedasticity problems.

**Table 2: Analysis of Multiple Linear Regression**

Variable	Unstandardized Coefficients		t-statistik	Sig.
	$\beta$	Std. error		
(Constant)	1,577	2,371	0,665	0,509
Emotional intelligence	0,203	0,078	2,604	0,012
Professional ethics	0,402	0,131	3,077	0,003
Professionalism	0,285	0,079	3,597	0,001
Adjusted R <sub>square</sub>	0,648			
F <sub>count</sub>	39,678			
Sig. F <sub>count</sub>	0,000			

Source: Research Data, 2020

Based on table 2, the regression coefficient value of each independent variable has a significance value of t test less than 0.05. This shows that all independent variables have a significant effect on the dependent variable. The adjusted R square value in this study was 0,648. This means that variations in audit quality can be significantly affected by emotional intelligence, professional ethics, and professionalism by 64,8 percent, while the remaining 35,2 percent is explained by other factors not explained in the research model. Test results F (F Test) shows that the significance value of P value 0,000 is smaller than  $\alpha = 0.05$ , this means that the model used in this study is feasible. This result gives the meaning that all independent variables are able to predict or explain the phenomenon of auditor performance. In other words there is an influence in the F test of emotional intelligence, professional ethics, and professionalism on auditor performance. This means that the model can be used for further analysis or in other words the model can be used to project because the results of goodness of fit are good with a significance value of P value 0,000.

The first hypothesis ( $H_1$ ) can be seen statistically that the fall test on the rejection of  $H_0$  is rejected and  $H_1$  is accepted for the first hypothesis. This indicates the acceptance of the first hypothesis that emotional intelligence has a positive effect on the performance of auditors at KAP in Bali Province. The coefficient of variable  $X_1$  is positive 0.203, meaning that emotional intelligence has a positive effect on Auditor Performance. If emotional intelligence increases while professional ethics and professionalism remain, the auditor's performance will increase by 0.203. The results showed that there was a relationship between emotional intelligence and auditor performance. The higher the emotional intelligence of an auditor, the stronger the performance level. Emotional intelligence is a cognitive ability that exists in individuals in adapting

themselves effectively to a competitive and dynamic environment (Grece Setiawan and Latrini, 2016). The results of this study are in line with the study of Gupta et al. (2019) which states that the willingness and ability to do self-introspection, manage emotions, and always try to spur enthusiasm in a stressful state when conducting an examination tends to allow an auditor to be able to compete to complete work and be able to complete work on time. If auditors have a high level of emotional intelligence and have an unyielding attitude, then they are able to carry out their duties properly and efficiently. The results of this study are also consistent with research conducted by Putra (2016) and Ratnantari (2017) which states that emotional intelligence has a positive effect on auditor performance.

The second hypothesis ( $H_2$ ) can be seen from the statistic that the fall test on the rejection of  $H_0$  is rejected and  $H_2$  is accepted for the second hypothesis. This indicates the acceptance of the second hypothesis that professional ethics has a positive effect on the performance of auditors at KAP in Bali Province. The coefficient of variable  $X_2$  is positive 0.402, which means that professional ethics has a positive effect on Auditor Performance. If professional ethics increases while emotional intelligence and professionalism remain, the auditor's performance will increase by 0.402. The results showed that there was a relationship between professional ethics and auditor performance. The higher the professional ethics of an auditor, the stronger the performance level is. The ability of auditors to use proficiency, professional expertise and honesty in being accountable for their work, enables them to complete work on time according to good standards and quality (Nugraha and Ramantha, 2015). The results of this study are in accordance with research conducted by Arumsari (2016) and Pratiwi (2017) which states that professional ethics has a positive effect on auditor performance, and research conducted by Susila (2018) states that the increasing professional ethics possessed by auditors, the performance auditors in completing their duties are increasing.

The third hypothesis ( $H_3$ ) can be seen from the statistic that the drop test on rejection  $H_0$  is rejected and  $H_3$  is accepted for the third hypothesis. This indicates the acceptance of the third hypothesis that professionalism has a positive effect on the performance of auditors at KAP in Bali Province. The coefficient of variable  $X_3$  is positive 0.285 which means that professionalism has a positive effect on auditor performance. If professionalism increases while emotional intelligence and professional ethics remain, the auditor's performance will increase by 0.285. The results showed that there was a relationship between professionalism and auditor performance. The higher the professionalism of an auditor, the higher the level of performance. Professionalism shows the ability of an auditor to carry out tasks with precision and seriousness. In essence, professionalism is an attitude that is owned by someone who carries out work in accordance with expertise in their field and the ability to minimize errors in auditing financial statements. Auditors with high professionalism will produce reliable financial report audit results so that they have a positive effect on their performance (Nugraha and Ramantha, 2015). The results of this study are also in accordance with research conducted by Arumsari and Budiarta (2016), Hengsaputra and Ardana (2017) and Susila (2018) which states that the higher the professionalism of the auditors, the higher the performance of the auditors, so that they can satisfy clients.

#### **IV. CONCLUSION**

Based on the analysis and discussion, it can be concluded that the emotional intelligence has a positive effect on auditor performance. The high emotional intelligence of an auditor is supported by the ability to control emotions in dealing with client demands, assisting auditors in completing tasks, finding and solving problems related to effective task completion, and an attitude of not giving up easily so that auditor performance increases. Professional ethics have a positive effect on auditor performance. The high professional ethics of an auditor supports the auditor's performance. Professional ethics of auditors in carrying out their duties, avoiding actions that can reduce the reputation of auditors to increase competence, being careful in carrying out their duties so that the performance of auditors increases. Professionalism has a positive effect on auditor performance. The high professionalism of auditors, using all abilities and knowledge, accuracy in using the knowledge base and audit work skills tends to improve auditor performance.

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