

## **THE EFFECT OF PROFESSIONAL ETHICS AND GENDER ON AUDITOR PERFORMANCE (Case Study at Public Accounting Firms in Bandung City Area)**

**Sepdhiya Athifah Irmawan<sup>a,1</sup>, Paulus Sugiyanto Yusuf<sup>b,2</sup>**

<sup>a</sup>Accounting Department Widyatama University

*Email : [1thif22irmawan@gmail.com](mailto:1thif22irmawan@gmail.com)*

### **ABSTRACT**

*This research is motivated by the increasing cases of fraud committed by both male and female auditors in providing services to clients. Therefore, this study aims to examine and analyze the influence of independent variables namely professional ethics and gender, on the dependent variable which is auditor performance. The research was conducted by distributing questionnaires to Public Accountant Offices (KAP) in the city of Bandung that have valid permits to operate in the service sector granted by the Indonesian Institute of Certified Public Accountants (IAPI) in accordance with the Indonesian Law Pasal 12 Number 5 of 2011, with a population of 69 individuals.*

*In this research, the author used primary data obtained through purposive sampling techniques. Data analysis was conducted using the multiple linear regression analysis method and hypothesis testing was performed using t-tests and F-tests with the assistance of IBM SPSS software version 24.*

*The results of the study indicate that the variable of professional ethics has a partial effect on auditor performance, while the gender variable does not have a partial effect on auditor performance. Additionally, the variables of professional ethics and gender collectively influence auditor performance.*

**Keywords:** *Professional Ethics, Gender, Auditor Performance*

### **1. INTRODUCTION**

According to Law no. 5 of 2013 Article 1 paragraph 1 states that audit is a process of problem identification, analysis, and evaluation of evidence carried out independently, objectively, and operationally based on audit standards. To assess the truth, accuracy, credibility, effectiveness, efficiency, and reliability of information on the implementation of the duties and functions of government agencies. One of the considerations for an auditor in balancing his profession is to have a good basis of professional ethics. By prioritizing professional ethics, auditors must act professionally by establishing professional ethics while carrying out their duties and obligations (Mahmud et al., 2022).

If the auditor does not carry out professional ethics properly, the audited financial reports will not produce relevant and good results. This will influence the decision-making that needs to be made by the auditor (Solehah et al., 2023). Gender can be seen from a social aspect and how they deal with and manage the information they obtain to carry out their duties and obligations and make decisions (Subhi, 2023). This statement is supported by Trisakti Handayani & Sugiarti (2002:6) that gender can be interpreted as a social concept differentiating the roles of men and women. The differences in functions and roles

between men and women are not determined because there are biological or natural differences between the two but are differentiated or sorted according to their respective positions, functions, and roles in various areas of life and development.

There is a stereotype that states that women are social creatures who are emotional and unstable, so they are not suitable to be leaders or lead an organization because the decisions they make will not be fair because they involve too high an emotional element and these decisions are not strong because of the unstable nature of women Herdiansyah, (2016:6). This statement is supported by research conducted by Rahayu & Suryanawa, (2020) that female auditors are more efficient and effective in processing complex information while carrying out their decision-making duties than male auditors. It is suspected that female auditors can differentiate and integrate decisions compared to male auditors who analyze a decision in depth. Auditor performance is one of the benchmarks commonly used to determine whether a job has been carried out well. The involvement of auditors in carrying out the independent assessment function in a company or entity can be seen through the achievement of auditor performance results. To produce good auditor performance, it can be seen through the work abilities and abilities possessed by each individual (Mahmud et al., 2022). In general, providing services to clients within legal limits can maintain public support for professional self-regulation (Shaub, 1989). Conducting audits is a serious concern for researchers and regulatory bodies after a series of audit failures and lawsuits against audit firms (Khalil & Nehme, 2021). There was a case involving the auditor of the Public Accounting Firm (KAP) partner of Ernst and Young (EY) who had made an error in presenting the financial statements of PT Hanson International Tbk (MYRX). This error is subject to sanctions by the Financial Services Authority (OJK) by imposing sanctions, namely recording the Registered Certificate (STTD) for one year (CNBC Indonesia, 2019). Sherly Jokom, a public accountant who is a member of Ernst and Young Global Limited, is an accountant who provided audit services for PT Hanson International Tbk, was proven to have violated the capital market law and the code of ethics for the public accountant profession from the Indonesian Institute of Public Accountants (IAPI). The error referred to by the OJK was a misstatement of the value of up to IDR 613 billion due to the recognition of income from transactions with a gross value of IDR 732 billion (CNBC Indonesia, 2019).

Research conducted by Surfah Rulan Dhari (2019) stated that auditor professional ethics have a significant influence on auditor performance. The statement regarding the professional ethics variable is supported by research conducted by Ayu Putu Maharani et al., (2022) that professional ethics has a significant positive influence on auditor performance, while research conducted by (Timor & Hanum, 2023) states that professional ethics does not significant effect on auditor performance. This statement is supported by research conducted by Keumala Hayati et al., (2020) stated that professional ethics does not affect auditor performance. Research conducted by Dwita Ratna Sari et al., (2021) states that the gender variable has a positive effect on auditor performance. This statement is supported by research conducted by Muhyi Subhi (2023) which states that the gender variable has a positive effect on auditor performance. Research conducted by Jennifer Howen (2021) states that the gender variable in auditor performance does not have a significant positive influence on auditor performance. This statement is supported by research conducted by Gustamin Abjan et al., (2021) states that the gender variable does not influence auditor performance.

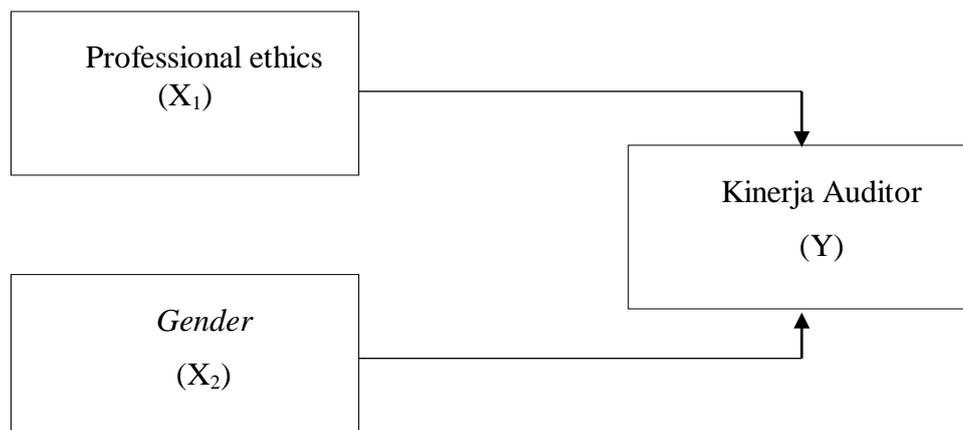
## 2. LITERATURE REVIEW

According to IAPI (2013) in SA 200 states that the terminology auditor is used to refer to the person or persons who carry out the audit (usually the engagement partner or other members of the engagement team) or if relevant KAP (Public Accounting Firm). If an ISA intends to state that a provision or responsibility must be fulfilled by the engagement partner, then the term “engagement partner” is used (and not the term “auditor”).

Ethics is one of the main elements of the profession which is the basis for every accountant in carrying out their professional activities. Ethics is a very important tool as a means of social control to maintain the dignity and honor of the profession, as well as protecting society from all forms of deviation and abuse of expertise (Global Indonesian Accountants Association, 2016).

Gender is the traits and behavior that are socially formed and imposed on women and men. Differences in traits and behavior that have an impact on differentiating roles, status, position, and so on are the result of power relations between the male gender and the female gender (Hermawati et al., 2018:3).

According to Risa Agustin, (2020:339) in the KBBI states that performance is something that is achieved or an achievement that is shown. According to Sandra Khalil & R. Nehme, (2021) Performance is the result of work in quality and quantity achieved by an employee or a department or an organization in carrying out its duties and targets in accordance with the responsibilities given to it in a certain assessment period.



*Figure 1 : Thinking Framework*

The hypothesis in this research is:

H10: Professional Ethics has no effect on auditor performance.

H11: Professional Ethics has a positive effect on auditor performance.

H20: Gender has no effect on auditor performance.

H22: Gender has a positive effect on auditor performance.

### **3. DATA AND RESEARCH TECHNIQUE ANALISYS**

This research uses an explanatory quantitative approach. Explanatory research is research whose aim is to explain or prove the relationship between research variables. This relationship can take the form of correlational, causality (cause and effect) (Nuryaman & Christina, 2015:6). In this research, the sampling technique that will be used is purposive sampling, namely that samples are taken with a specific aim or objective. Someone or something is taken as a sample because the researcher assumes that someone or something has the information needed for their research (Suryani & Hendryadi, 2018:202).

In obtaining information related to the problems raised in the research, the author obtained data from the Public Accounting Firm (KAP) in the Bandung City Region. The primary data source in this research was obtained from auditors at the Public Accounting Firm (KAP). The method used is a survey method which was carried out by distributing questionnaires to respondents in this research. The data analysis technique used in this research is descriptive statistics, and multiple linear regression analysis using the Statistical Product Service Solutions (SPSS) Ver.24 analysis tool.

### **4. RESULT AND DISCUSSION**

#### **The Influence of Professional Ethics on Auditor Performance**

Based on the results of research tests, professional ethics partially influences the performance of auditors at KAPs in the Bandung City Region. This is in line with research conducted by (Dhari, 2019) and (Maharani et al., 2022) which states that professional ethics partially influences auditor performance, while research conducted by (Timor & Hanum, 2023) and (Hayati et al., 2020) was rejected because the results of the study stated that professional ethics had no partial effect on auditor performance.

The existence of professional ethics has an important role that can influence the auditor's performance in providing optimal performance results. When auditors are able to develop their ability to identify and handle ethical problems in their profession, they can avoid potential ethical problems that could harm the parties concerned. Apart from that, implementing professional ethics can prevent negative impacts that could destroy their reputation and career as auditors.

#### **The Influence of Gender on Auditor Performance**

Based on the results of research tests, gender does not have a partial influence on the performance of auditors at KAP in the Bandung City Region. This is in line with research conducted by (Abjan et al., 2021) and (Howen, 2021) which states that gender has no partial effect on auditor performance, while research conducted by (Sari et al., 2021) and (Subhi, 2023) states that gender has a partial effect on auditor performance.

An auditor's performance is not viewed based on sex or gender. An auditor's performance can be assessed based on ability and understanding of auditing so that it can

produce satisfactory performance. Auditors who consider gender factors while carrying out their duties can hinder the achievement of optimal performance.

### **The Influence of Professional Ethics and Gender on Auditor Performance**

Based on the results of research tests, the independent variables, namely professional ethics and gender, influence jointly or simultaneously the dependent variable, namely the performance of auditors at KAPs in the Bandung City Region. The results of the coefficient of determination show that the independent variables, namely professional ethics, and gender, can explain the dependent variable, namely auditor performance, by 40.3%, while 59.7% is influenced by some other factors that are not explained in this research. These factors can be in the form of intellectual intelligence or intellectual quotient (IQ), emotional intelligence or emotional quotient (EQ), auditor experience, or other competencies that can assess the quality of auditors in providing optimal performance.

The differences in characteristics between men and women can influence auditor performance. These characteristics can be in the form of traits, personality, thought patterns, and taking action when faced with various situations, as stated in the research of M. Alfurqon Subhi (2023).

This will not result in decreased auditor performance as long as each auditor has knowledge, guidelines, and experience as a form of individual competence. During the audit process, this can be used to provide optimal performance and quality and reliable audit results with material and actual evidence as long as the audit process is carried out by applicable audit standards and codes of ethics.

## **5. CONCLUSION**

Based on the results of data processing and discussion, it can be concluded for this research that:

1. Professional ethics partially influences the performance of auditors at Public Accounting Firms in the Bandung City Region.
2. Gender has no partial effect on the performance of auditors at Public Accounting Firms in the Bandung City Region.
3. Professional ethics and gender simultaneously influence the performance of auditors at Public Accounting Firms in the Bandung City Region.

## **REFERENCES**

- Abjan, G., Maslichah, & Junaidi. (2021). *Pengaruh Kompetensi, Pengalaman Kerja, dan Gender Terhadap Kinerja Auditor (Studi Empiris Pada KAP Di Kota Malang)*. *E-JRA Universitas Islam Malang*, 10(01), 44–57. <http://riset.unisma.ac.id/index.php/jra/article/view/9921>
- Agustin, R. (2020). *Kamus Lengkap Bahasa Indonesia* (S. Jaya (ed.)). Serba Jaya.
- Dhari, S. R. (2019). *Pengaruh Kecerdasan Emosional (EQ), Kecerdasan Intelektual*

- (IQ), Kecerdasan Spiritual (SQ), Kecerdasan Sosial, Etika Profesi, Kompetensi Dan Independensi Terhadap Kinerja Auditor (Studi Pada Kantor Akuntan Publik Kota Pekanbaru Dan Batam)
- Handayani, T., & Sugiarti. (2002). *Konsep dan Teknik Penelitian Gender* (S. Dharma (ed.); Edisi Pert). UMM Press.
- Hayati, K., Berutu, E., Lase, M., & Manurung, J. A. (2020). *Pengaruh Profesionalisme, Etika Profesi, dan Pelatihan Auditor terhadap Kinerja Auditor pada BPKP Sumatera Utara. ISOQUANT: Jurnal Ekonomi, Manajemen Dan Akuntansi*, 4(2), 200–211. <https://doi.org/10.24269/iso.v4i2.460>
- Herdiansyah, H. (2016). *Gender dalam Perspektif Psikologi* (A. Suslia & didik erma Irawan (eds.)). Salemba Humanika.
- Hermawati, W., Luhulima, A. S., Latifa, A., Irwanti, A., Pranoto, A., Carolina, Laksari, C. S., Nilawati, D., Ushijima, K., Akbar, M., Amelia, M., Romadona, M. R., Noveria, M., Simamora, N. G., Sintawardani, N., Sriharjo, S., Dharmanto, S., Achmad, S., Maludin, S., ... Suharta, H. (2018). *Gender Dalam Ilmu Pengetahuan dan Teknologi Perkembangan, Kebijakan, & Tantangannya di Indonesia*. LIPI Press.
- Howen, J. (2021). *Analisis pengaruh profesionalisme, independensi, etika profesi, tekanan waktu, dan gender terhadap kinerja auditor di KAP Jakarta* [Kwik Kian Gie School of Business]. <http://eprints.kwikkiangie.ac.id/3578/>
- IAPI. (2013). *Standar Audit (“SA”) 200 Tujuan Keseluruhan Auditor Independen dan Pelaksanaan Audit Berdasarkan Standar Audit*. In *Standar Profesional Akuntan Publik* (p. 25). Institut Akuntan Publik Indonesia.
- Ikatan Akuntan Indonesia Global*. (2016). *Kode Etik*. <https://web.iaiglobal.or.id/Kode-Etik/Tentang Kode Etik>
- Indonesia, C. (2019). *Lagi-lagi KAP Kena Sanksi OJK, Kali Ini Partner EY*.
- Khalil, S., & Nehme, R. (2021). Performance evaluations and junior auditors’ attitude to audit behavior: a gender and culture comparative study. *Meditari Accountancy Research*, 31(2), 239–257. <https://doi.org/10.1108/MEDAR-04-2021-1285>
- Maharani, ayu putu guna, Gamayuni, rindu rika, & Widiyanti, A. (2022). *Pengaruh Kecerdasan Emosional, Kecerdasan Intelektual, Kecerdasan Spiritual, Dan Etika Profesi Terhadap Kinerja Auditor*. 3(8), 17.
- Mahmud, M., Soetjipto, B. E., & Wardoyo, C. (2022). The Influence of Professional Ethics and Emotional Intelligence Implementation on Auditor Performance. *Journal of Social Science*, 3(3), 507–515. <https://doi.org/10.46799/jss.v3i3.343>
- Nuryaman, & Christina, V. (2015). *Metodologi Penelitian Akuntansi dan Bisnis Teori dan Praktik* (R. Sikumbang (ed.)). Ghalia Indonesia.
- Rahayu, N. K. S., & Suryanawa, I. K. (2020). *Pengaruh Independensi, Profesionalisme, Skeptisme Profesional, Etika Profesi dan Gender Terhadap Kualitas Audit Pada KAP di Bali*. *E-Jurnal Akuntansi*, 30(3), 686. <https://doi.org/10.24843/eja.2020.v30.i03.p11>
- Sari, Dwita Ratna, Mursalim, Lannai, D., & Ahmad, H. (2021). The Effect of Accountability, Audit Knowledge and Gender on Internal Auditor Performance. *Point of View Research Accounting and Auditing*, 2(2), 150–159. <https://journal.accountingpointofview.id/index.php/povraa>
- Shaub, M. K. (1989). an Empirical Examination of the Determinants of auditors ethical sensitivity. In Dissertation. Texas Tech University.
- Solehah, S., Hidayah, N., Layi, M., & Ariyani, A. D. (2023). *Pengaruh Etika Profesi,*

*Independensi, Profesionalisme, Gaya Kepemimpinan dan Kecerdasan Emosional Terhadap Kinerja Auditor Pada Kantor BPKPAD Bantul. Angewandte Chemie International Edition, 6(11), 951–952., 3(Vol. 8 No.1 (2023): AKUBIS-Juni-2023), 10–27. <https://doi.org/https://doi.org/10.37366/akubis.v8i01.784>*

Subhi, muhammad alfurqon abdul muhyi. (2023). *Pengaruh Gender, Work-Life Balance, dan Workload Terhadap Kinerja Auditor Dimoderasi Oleh Work From Home* [Universitas Islam Negeri Syarif Hidayatullah]. <https://repository.uinjkt.ac.id/dspace/handle/123456789/67985>

Suryani, & Hendryadi. (2018). *Metode Riset Kuantitatif Teori dan Aplikasi Pada Penelitian Bidang Manajemen dan Ekonomi Islam*. Prenamedia Group.

Timor, S. D., & Hanum, Z. (2023). *Pengaruh Etika Profesi dan Independensi Auditor Terhadap Kinerja Auditor dengan Profesionalisme sebagai Variabel Intervening*. Owner, 7(3), 2217–2224. <https://doi.org/10.33395/owner.v7i3.1584>