

# The Effect of Role Conflict and Ethical Sensitivity on Auditor Performance with Moderation of Emotional Intelligence

Elvina Lase, Teng Sauh Hwee,\* Yusuf Ronny Edward

University of Prima Indonesia, Medan, North Sumatra, Indonesia

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## ABSTRACT

Auditors are required to be professional to carry out their duties properly in examining the client's financial statements to provide benefits to the client and interested parties on the audit results. However, this professional attitude cannot be separated from the auditor's role conflict and his ability to make ethical decisions. Therefore, this study aimed to examine the effect of role conflict and ethical sensitivity in improving the auditor's performance using emotional intelligence as a moderating variable. The cluster sampling technique was used to determine the number of samples, as many as 86 auditors at the Medan City Public Accounting Firm. The data was collected using a questionnaire method. Fifty-six auditors were used for hypothesis testing and research analysis, while 30 other auditors were used to determine validity and reliability tests. This study uses a structural equation model to test the hypothesis. The results show that role conflict harms auditor performance, while ethical sensitivity increases auditor performance. On the other hand, emotional intelligence does not mediate the effect of role conflict and ethical sensitivity on auditor performance. The implication of the results of this study is the need for public accounting firms to manage internal competition between auditors so as not to lead to personal conflicts that can decrease audit quality. Public accounting firms also need to develop an ethical culture among their auditors.

## ABSTRAK

Auditor dituntut untuk profesional agar dapat melaksanakan tugasnya dengan baik dalam memeriksa laporan keuangan klien sehingga memberikan manfaat bagi klien dan pihak-pihak yang berkepentingan atas hasil audit tersebut. Namun sikap profesional ini tidak bisa lepas dari adanya konflik peran yang dijalankan auditor dan kemampuannya dalam membuat keputusan berdasarkan etika. Oleh karena itu, tujuan dalam penelitian ini adalah untuk menguji pengaruh konflik peran dan sensitivitas etika dalam meningkatkan kinerja seorang auditor dengan menggunakan kecerdasan emosional sebagai variabel moderasi. Teknik sampling gugus digunakan untuk menentukan jumlah sampel sebanyak 86 auditor pada Kantor Akuntan Publik kota Medan. Pengumpulan data primer menggunakan metode kuesioner. Dari sampel, 56 auditor digunakan untuk uji hipotesis dan analisis penelitian, sementara 30 auditor lain digunakan untuk menentukan uji validitas dan reliabilitas. Penelitian ini menggunakan model persamaan struktural untuk menguji hipotesis. Hasil penelitian menunjukkan bahwa konflik peran menurunkan kinerja auditor, sedangkan sensitivitas etikameningkatkan kinerja auditor. Di sisi lain, kecerdasan spiritual tidak memediasi pengaruh konflik peran dan sensitivitas etika terhadap kinerja auditor. Implikasi dari hasil penelitian ini adalah perlunya kantor akuntan publik untuk mengelola persaingan internal antar auditor agar tidak mengarah pada konflik pribadi yang dapat menurunkan kualitas audit. Kantor akuntan publik juga perlu mengembangkan budaya beretika dikalangan auditornya.

## 1. INTRODUCTION

Auditors, both individually and in teams, are expected to contribute to the company's financial governance. Therefore, the auditor must be

professional and competent to produce reliable audit reports and increase the client company's financial performance accountability. Auditor performance reflects work to achieve better

\* Corresponding author, email address: tengsauhhwee@unprimdn.ac.id

organizational goals (Ado et al., 2020; Al-ahdal & Hashim, 2021). However, sometimes the auditor's performance is not as expected. Often there are conflicts of interest and ethical problems faced by auditors that impact the quality of audit results.

There are several cases of problematic audit results in Indonesia. In 2019, a public accounting firm was sanctioned for providing audit report results deemed not following the facts. The Indonesia Financial Services Authority (OJK) gives an administrative sanction by canceling the registration of the Public Accounting Firm of Satrio, Bing, Eny, and Partners as a Public Accounting Firm under Deloitte Indonesia for an audit conducted at PT SNP, a finance company listed on the Indonesia Stock Exchange. The company received an unqualified opinion from the Public Accounting Firm. However, based on the results of the OJK examination, SNP Finance, which is part of the Columbia Group, provided financial reports that were not following the actual financial condition, causing losses to many parties. The audited annual financial reports were used to obtain credit from banks and issue Medium Term Notes (MTN), which have the potential to default and become non-performing loans (Ayuningtas, 2019). Another case was when the Ministry of Finance, through the Center for Financial Professional Development, suspended the license of Public Accountant Kasner Sirumpea concerning the audit of the 2018 Annual financial statements of PT Garuda Indonesia Tbk (GIAA). This sanction was caused by misrepresenting the 2018 Annual financial statements related to the cooperation agreement to provide connectivity services with PT Mahata Aero Teknologi. This misrepresentation caused the company to record a profit of US\$ 809,946, compared to a previous loss of US\$ 216.58 million. In this case, the auditor was judged to have failed to implement a quality control system when examining Garuda Indonesia's report.

The various cases of poor quality audit reports cannot be separated from the conflicting roles played by the auditors and the ethical sensitivity aspect in carrying out a professional and independent audit function. Role conflicts, differences in perceived values, and dependence in two or more groups on the auditor can affect the overall performance of the auditor. Several preliminary studies support the relationship between role conflict and auditor performance, but the direction of the influence is inconclusive. Ratnawati (2020) states that if two different orders are received simultaneously, one of the orders could

be ignored. Role conflicts can also arise because of organizational bureaucratic control mechanisms that conflict with norms, rules, ethics, and professional independence (Bonner et al., 2016). This condition causes an auditor not to carry out his work optimally, thereby reducing his performance (Afifah et al., 2015; Amilin, 2017; Jamaluddin et al., 2021). However, role conflict can also encourage each individual to show the best performance. Schepers et al. (2016) state that role conflict can motivate auditors to be more enthusiastic about carrying out their work to impact their performance positively.

Each auditor also needs to understand the code of ethics in carrying out their duties and maintaining quality, image, and dignity. A higher understanding of ethics improves auditor performance (Gusti et al., 2018). As an independent party, the auditor must prioritize ethics in making an audit opinion (Nasution & Ostermark, 2019). Adherence to professional ethics will improve audit quality (Handoko & Pamungkas, 2020; Kuntari et al., 2017; Nasrabadi & Arbabian, 2015). The more sensitive an auditor is to professional ethics, the better the audit quality and performance (Afifah et al., 2015; Badera & Jati, 2020). However, Zahmatkesh & Rezazadeh (2017) state that ethical sensitivity does not affect auditor performance.

The description above shows that the effect of role conflict and ethical sensitivity on auditor performance is not uniform. This indicates that there are factors that moderate the relationship. One of the factors that can be a moderator is emotional intelligence. Liman & Merkusiwati (2017) state the importance of auditor emotional intelligence in determining auditor performance. Emotional intelligence makes auditors have empathy and self-control, and avoid actions that harm other parties (Yogantara & Adnantara, 2017). Emotional intelligence can assist auditors in overcoming problematic decisions (Dewi & Dewi, 2018). This means that when facing a role conflict or professional ethics, an auditor with emotional maturity will be able to make the right decisions. Therefore, emotional intelligence can reduce an auditor's misbehaving tendency and improve audit quality (Yang et al., 2018).

This study aims to examine the behavioral factors of auditors, such as role conflict and ethical sensitivity, in influencing auditor performance. The novelty of this study is to examine the moderating role of emotional intelligence in the relationship between these two psychological factors and auditor performance. Therefore, this study aims to examine the effect of role conflict and ethical sensitivity in

improving auditor performance with the moderating variable of emotional intelligence.

## **2. THEORETICAL FRAMEWORK AND HYPOTHESES**

### **Attribution Theory**

Attribution theory explains how people conclude the basic causes and reasons for doing an action or deciding to act in a certain way (Alderman, 2017; Hikmayah & Aswar, 2019). According to Suputra & Widhiyani (2020), attribution theory determines how people will be judged differently, depending on the meanings of certain behaviors. The cause of social perception is due to dispositional and situational attributions (Hewett et al., 2018). Dispositional attribution or internal causation refers to aspects of an individual's behavior, such as personal traits, self-perceptions, abilities, and motivations. Meanwhile, situational attributions or external causes refer to the environment that influences behavior, such as values, social conditions, and public views.

### **Auditor Performance**

Performance is the result of work achieved by a person or group of people in an organization because of their authority and responsibility in achieving organizational goals legally, without violating the law, and following morals and ethics (Jackson et al., 2018). Audit performance is the work result of an auditor or group of auditors carrying out and completing their work within a predetermined time and providing good results following their responsibilities.

Independent external audit plays an important role in providing information about the quality of the company's financial statements. They assess whether the company's financial statements follow applicable accounting principles and provide an opinion on the financial statements (Kusumawati & Syamsuddin, 2018). When an auditor has accountability, he will carry out the work with all his efforts and thoughts to complete his duties according to the time and standards set (Zahmatkesh & Rezazadeh, 2017). In general, the auditor's performance includes the quantity of work, the ability to achieve work goals, how much evaluation is received from superiors, the quality of relationships with clients, and managing time and costs (Gayatri & Suputra, 2016).

### **Emotional Intelligence**

Emotional intelligence is a set of abilities used to feel, express, and assimilate emotions in oneself and

others (Brody et al., 2020). Emotional intelligence plays an important role in thinking and making decisions in various contexts and environments. This intelligence is related to the ability to control the feelings and emotions of oneself and others and to use this information to guide that person's thoughts and actions (Abdo et al., 2021).

Suwatno (2019) states that someone with emotional intelligence has the characteristics of being able to solve organizational problems in the environment, think broadly and innovatively, adapt to environmental changes that affect the organization's existence and self-development, motivate oneself and withstand frustration, and be able to regulate moods and control stress without paralyzing the ability to think. Emotional intelligence is positively related to organizational performance and team decision-making ability (Kearney et al., 2017). Emotional intelligence can also reduce the tendency of auditors to misbehave and improve audit quality (Yang et al., 2018).

### **Role Conflict and Auditor Performance**

Role conflicts often arise when someone is required to comply with various requirements or rules. Compliance with a certain requirement will cause difficulties in meeting others (Robbins & Judge, 2017). Role conflict can increase stress, increase turnover, and decrease employee job satisfaction (Belias et al., 2015; Nouri & Parker, 2020; Rhee et al., 2020; Sutanto & Wiyono, 2017). The next impact of role conflict is decreased employee performance (Al-Malki & Juan, 2018; Nambisan & Baron, 2021; Ukeka & Raimi, 2016).

Auditors are often faced with role conflicts in carrying out their duties. They try to comply with the ethics and norms of the auditor's profession and, at the same time, consider the interests or expectations of clients, which may not be entirely the same. External parties, such as investors and creditors, expect auditors to find irregularities in the company's financial statements, while the client company management expects auditors to ignore manipulations in company financial statements (Akther & Xu, 2020).

Role conflicts can also arise due to limited time and resources available to auditors (Yang et al., 2018). Meeting the audit completion target is a key element in the auditor's performance appraisal (Broberg et al., 2017). Time pressure can encourage auditors to behave deviantly, not comply with professional and ethical standards, and perform poorly (Nor et al., 2015).

Different requirements, time constraints, and limited resources can create conflicts in work and prevent auditors from functioning adequately to reduce audit quality (Afifah et al., 201; Shbail, 2018; Smith & Emerson, 2017). Role conflicts make each auditor competitive without prioritizing teamwork that may reduce audit performance (Atmadja & Saputra, 2018). Therefore, the first hypothesis can be formulated as follows:

**H<sub>1</sub>:** Role conflict has a negative effect on auditor performance

### **Ethical Sensitivity and Auditor Performance**

Ethical sensitivity relates to determining the ethical nature of a decision that can affect the auditor's performance (Susanti, 2017). Audit activities need to be based on attitudes, morals, and the ability to carry out their duties and obligations properly and objectively. High ethical sensitivity encourages an auditor to disclose fraud in financial statements and make more responsible decisions (Kara et al., 2018; Su'un & Hajering, 2020).

According to Gusti et al. (2018), standards and guidelines related to auditor ethics are associated with ethical dilemmas faced when practicing as an auditor. This auditor's ethical standards serve as general guidelines for auditors when conducting the audit process and providing opinions on audit results to produce more ethical decisions (Johari et al., 2017). Understanding ethical sensitivity improves the audit quality and auditor's performance (Badera & Jati, 2020; Dewi & Dewi, 2018). Based on this description, the second hypothesis can be formulated as follows:

**H<sub>2</sub>:** Ethical sensitivity has a positive effect on auditor performance

### **Emotional Intelligence, Role Conflict, and Auditor Performance**

Auditors interact with clients when planning, executing, and compiling audit reports. During these interactions, auditors receive much pressure from clients, such as requests to ignore manipulation in financial statements or make financial statements better from the perspectives of investors and creditors. The client can also emphasize that if the auditor does not fulfill his request, he will not use the services of the auditor in the future. Requests that do not follow professional, ethical standards can cause auditors to compromise decisions and reduce audit quality (Harber et al., 2020). One of the factors that can mitigate the pressure caused by role

conflict is emotional intelligence (Yang et al., 2018).

The emotional intelligence inherent in auditors positively affects their emotions and ability to control themselves when simultaneously handling two or more tasks (Wiguna et al., 2020). Role conflicts that cause job dissatisfaction and stress harm auditor performance. Emotional intelligence can assist auditors in solving problems encountered when carrying out audits (Yogantara & Adnantara, 2017). Emotional intelligence also allows an auditor to control his emotions to make better decisions (Abdo et al., 2021; Johari et al., 2017). Emotional intelligence can also reduce the tendency of auditors to behave deviantly, thereby increasing audit quality (Yang et al., 2018). With a high level of emotional intelligence, auditors can deal with role conflicts to better improve their performance. According to Dewi & Ramantha (2019), emotional intelligence can weaken the negative influence of role conflict on auditor performance. Therefore, the third hypothesis can be formulated as follows:

**H<sub>3</sub>:** Emotional intelligence moderates the effect of role conflict on auditor performance

### **Emotional Intelligence, Ethical Sensitivity, and Auditor Performance**

Afifah et al. (2015) state that auditors need to be more sensitive in understanding professional and ethical issues. They also need to apply ethical standards to support the goals of professional norms, which is reflected in a high level of sensitivity. This understanding of ethics directs the auditors' attitudes, behavior, and actions in achieving better results, thereby improving their audit quality. The positive impact of ethical sensitivity on work quality will be better if accompanied by high emotional intelligence.

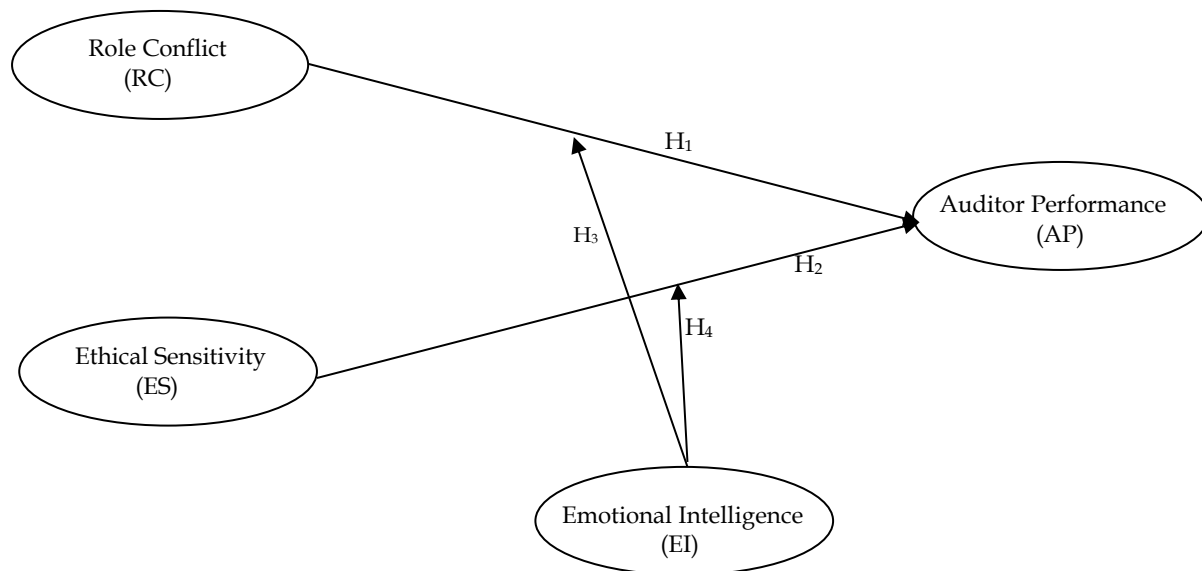
Emotional intelligence plays an important role in thinking and making decisions in various contexts and environments (Kearney et al., 2017). Emotional intelligence refers to an individual's ability to analyze an ethical problem based on his understanding obtained from the workplace and the surrounding environment (Abdo et al., 2021). Emotional intelligence enables a person or team to make better decisions (Bouzuenda, 2018; Zhou et al., 2019). Thus, emotional intelligence can improve employee performance (Alferaih, 2017; Brody et al., 2020; Vratskikh et al., 2016).

Previous research has shown that emotional intelligence and professional ethics positively affect auditor ethical judgments (Ismail & Rasheed, 2019; Ismail & Yuhani, 2018; Johari et al., 2017).

Furthermore, Brody et al. (2020) prove that emotional intelligence can moderate the relationship between ethical sensitivity and auditor performance. Based on the description above, the fourth hypothesis is as follows:

**H<sub>4</sub>:** Emotional intelligence moderates the effect of ethical sensitivity on auditor performance

Based on the above discussion, the research framework is presented in Figure 1.



**Figure 1.** Research framework

### 3. RESEARCH METHOD

#### Population and Sample

This research uses quantitative methods based on the philosophy of positivism to examine the sample. This study sample involves employees from twenty-four Medan Public Accounting Firms, divided into fourteen partnership public accounting firms and ten individual public accounting firms. The cluster sampling method selects 86 auditors from eight partnership public accounting firms. This public accounting firm was chosen because it is registered in the Indonesia Financial Service Authority (OJK) and has many auditors.

Validity and reliability tests were conducted using thirty auditors, consisting of fifteen auditors from Drs. Syamsul Bahri, MM, Ak. and KAP Partners, and fifteen KAP Joachim Poltak Lian Michell and KAP Partners. The remaining six public accounting firms with a total of 56 auditors used for hypothesis testing are as follows: fifteen auditors from Drs. Public Accounting Firm Albert Silalahi and Partners, fifteen from Public Accounting Firm Fachrudin and Mahyuddin, ten from Hidajat, Arsono, Public Accounting Firm Paul Hadiwinata, Retno, Palilingan and Rekan, seven from Public Accounting Firm Selamat Sinuraya and Partners, six from Drs. Katie and Partners Public Accounting Firm, and three from the Artawan Edward Public Accounting Firm branch.

#### Data Analysis Technique

The structural Equation Model (SEM) based on Partial Least Square (PLS) approach is used for hypothesis testing. PLS is a model based on components or variants of SEM, which is used to test a series of connections that are relatively difficult to measure at the same time. According to Hair Jr et al. (2021), the research analysis technique using PLS consists of several stages, namely: (1) the outer model (reflective test), namely the validity and construct reliability test of each indicator, and (2) the inner model (structural test), which aims to determine whether there is an influence between variables. The hypothesis is significant if the t-statistics > t-table at a significant level ( $\alpha$ ) = 0.05.

#### Variable Definitions and Indicators

Auditor performance refers to the completion of audit work carried out in audited financial statements and independent reports. This performance is carried out based on competence, work experience, professional attitude, and the auditor's ability (Viera et al., 2021). The indicators used to measure the auditor's performance are the assessment of the quantity of work, the ability to achieve work goals, the number of evaluations received from supervisors, the quality of

relationships with clients, and the ability to manage time and costs (Hadisantoso et al., 2017)

Role conflicts arise when the auditor must comply with various demands or rules, where compliance with a certain demand will cause difficulties in meeting others (Robbins & Judge, 2017). Three indicators measure role conflict: two different orders received simultaneously, assignments with limited materials and resources, and working with two or more groups (Shbail, 2018). Ethical sensitivity refers to the ability of the auditor to determine the ethical nature of a decision taken when conducting an audit (Ismail et al., 2016). This variable can be measured by modifying Shaub's ethical sensitivity scenario, which consists of the accountant's inability to complete the assigned task within the specified time frame, using office hours for personal activities, and the auditor's lack of

understanding accounting principles (Dewi & Dewi, 2018). Emotional intelligence is the ability to recognize the feelings of oneself and others (Faris et al., 2021). The indicators used to measure emotional intelligence include motivation, self-control, self-awareness, empathy, and social skills (Brody et al., 2020).

#### 4. DATA ANALYSIS AND DISCUSSION

##### Demographic Characteristics of Respondents

Data was collected by distributing questionnaires containing the respondent's education level, age, gender, position, and years of service to the Medan public accounting firm auditors. There are 56 auditors as the sample of this study. Table 1 shows that most respondents are male auditors aged 25-34 years, have a bachelor's education, and are junior auditors with one year of experience.

**Table 1.** Demographic characteristics of respondents

Characteristics	Details	Freq.	Percentage
Gender	Male	35	63%
	Female	21	37%
Age	< 25 year	11	19%
	25-34 year	26	46%
	35-49 year	12	22%
	> 49 year	7	13%
Education	Diploma	6	11%
	Undergraduate	39	69%
	Post Graduate	11	20%
Position	Senior Auditor	14	25%
	Partner	4	7%
	Junior Auditor	38	68%
Years of service	1 year	29	52%
	2 - 3 year	13	23%
	4 - 5 year	8	14%
	> 5 year	6	11%

##### Descriptive Statistical Analysis.

Descriptive statistics analyze or summarize data to make it relevant and easier to understand. This study uses primary data collected through a questionnaire with each variable measured using a Likert scale, with a 5-point scale range, namely (1) strongly disagree, (2) disagree, (3) neutral, (4) agree, and (5)

strongly agree. Table 2 describes the variables of auditor performance, role conflict, ethical sensitivity, and emotional intelligence. In general, the respondents have good audit performance, high conflict roles, good ethical sensitivity, and a moderate level of emotional intelligence.

**Table 2.** Descriptive statistics

Variable	Indicator	Mean	Std. Deviation
Auditor Performance (AP)	AP1	3.821	0.684
	AP2	3.857	0.875
	AP3	3.786	0.674
	AP4	3.607	0.859
	AP5	3.643	0.693
	AP6	3.893	0.900
	AP7	3.786	0.860
Emotional Intelligence (EI)	EI1	2.875	0.851
	EI2	3.214	0.781
	EI3	3.089	0.920
Role Conflict (RC)	RC1	3.929	0.753
	RC2	3.714	0.647
	RC3	3.643	0.854
	RC4	3.964	0.823
	RC5	3.679	0.782
Ethical Sensitivity (ES)	ES1	3.500	0.824
	ES2	3.607	0.795

**Research Instrument Test**

Convergent validity with reflective indicators is evaluated using the Average Variance Extracted (AVE) >

0.5 (Hair Jr et al., 2021). As shown in Table 3, all variables meet the conditions of convergent validity.

**Table 3.** Average Variance Extracted (AVE)

Variable	AVE
Auditor Performance (AP)	0.617
Emotional Intelligence	0.649
Role Conflict	0.538
Ethical Sensitivity	0.854

Discriminant validity value is an additional concept where two different concepts must show adequate differences. Discriminant validity is assessed using the Fornell-Larcker criteria, provided that the square root of the AVE of each construct variable

(bold) must be greater than the highest correlation with other constructs (Hair Jr et al., 2021). Table 4 presents the results of Fornell-Larcker, which shows that all variables meet the requirements of discriminant validity.

**Table 4.** Fornell-Larcker criteria

Variable	AP	EI	RC	ES
Auditor Performance (AP)	<b>0.785</b>			
Emotional Intelligence (EI)	0.268	<b>0.806</b>		
Role Conflict (RC)	-0.602	-0.096	<b>0.733</b>	
Ethical Sensitivity (ES)	0.568	0.062	-0.491	<b>0.924</b>

Testing discriminant validity can also be done by comparing the value of outer loading with cross-loading. Discriminant validity is met when the outer loading value is greater than the cross-loading value (Hair Jr et al., 2021). Table 5 shows that the values of

outer loading (bold) of all constructs are greater than the values of cross loading, which means that all constructs meet the requirement of discriminant validity.

**Table 5.** Outer loading and cross-loading

Indicator	AP	EI	RC	ES
AP1	<b>0.742</b>	0.088	0.456	0.425
AP2	<b>0.800</b>	0.241	0.506	0.490
AP3	<b>0.852</b>	0.216	0.179	0.466
AP4	<b>0.699</b>	0.254	0.087	0.480
AP5	<b>0.673</b>	0.174	0.270	0.378
AP6	<b>0.864</b>	0.270	0.630	0.437
AP7	<b>0.845</b>	0.208	0.419	0.445
EI1	0.234	<b>0.891</b>	-0.019	-0.022
EI2	0.202	<b>0.739</b>	0.179	-0.050
EI3	0.210	<b>0.779</b>	0.087	-0.080
RC1	0.216	0.003	<b>0.621</b>	0.246
RC2	0.430	0.188	<b>0.755</b>	0.231
RC3	0.504	-0.009	<b>0.810</b>	0.414
RC4	0.440	0.076	<b>0.771</b>	0.268
RC5	0.509	0.077	<b>0.695</b>	0.563
ES1	0.502	-0.060	0.416	<b>0.918</b>
ES2	0.546	-0.054	0.489	<b>0.931</b>

Furthermore, the reliability of this research instrument is tested using Cronbach's alpha and composite reliability with values above 0.60 (Hair Jr et al.,

2021). Table 6 shows that all constructs satisfy the requirements and therefore they are valid.

**Table 6.** Results of validity test

Variable	Cronbach's Alpha	Composite Reliability
Auditor Performance (AP)	0.895	0.918
Emotional Intelligence (EI)	0.725	0.846
Role Conflict (RC)	0.789	0.852
Ethical Sensitivity (ES)	0.830	0.922

### Hypothesis Test

The research hypothesis is tested using the Structural Equation Model (SEM) based on Partial Least Square (PLS). A research hypothesis is accepted if the value of t-statistics > t-table with alpha ( $\alpha$ ) = 0.05. Thus, if the t-statistic value > 1.96, then the hypothesis is accepted. Table 7 presents the results of testing the research hypothesis. This table proves that auditor

performance (AP) is significantly negatively affected by role conflict (RC) and positively significantly influenced by ethical sensitivity (ES). Emotional intelligence (EI) significantly increased auditor performance, but this variable does not significantly moderate the effect of role conflict and ethical sensitivity on auditor performance.

**Table 7.** Results of hypothesis testing

Relationship	Coefficient	T-Statistics	P-Value	Conclusion
RC → AP	-0.362	3.337	0.001	Accepted
ES → AP	0.406	3.419	0.001	Accepted
EI → AP	0.239	2.002	0.046	Accepted
RC*EI → AP	0.036	0.334	0.731	Rejected
ES*EI → AP	0.048	0.474	0.636	Rejected
R-Square	0.526			



Table 7 shows that the model's coefficient of determination (R-Square) is 0.526, which means 52.6 percent of auditor performance variables can be explained by variations in role conflict, ethical sensitivity, and emotional intelligence. Other variables beyond this study explain the remaining 47.4 percent. This research model is moderate (Hair Jr et al., 2021).

### **Discussion and Analysis**

The first hypothesis (H<sub>1</sub>) is accepted, meaning that role conflict significantly negatively affects auditor performance. Role conflicts that arise from different demands, time constraints, and limited resources can create conflicts that reduce auditor performance (Afifah et al., 201; Shbail, 2018; Smith & Emerson, 2017). When an auditor faces different demands, from meeting professional, ethical standards and client expectations to ignoring various findings that deviate from applicable accounting standards, the auditor is often forced to make composite decisions that impact the quality of audit results (Harber et al., 2020). Parties outside the company, such as investors, creditors, and governments, expect auditors to find irregularities in the company's financial statements, while clients expect auditors to ignore manipulations in the company's financial statements (Akther & Xu, 2020). Limited resources and demands for a short time to complete the audit can also create unfair competition between auditors and lead to work stress (Shbail, 2018). This condition causes the relationship between audit team members to deteriorate and harms the audit work results. Finally, auditors often have to perform audits on several corporate clients with different audit teams. Working with different teams makes an auditor adjust to different work rhythms. In addition, different audit teams also have different levels of competence and coherence. As a result, auditors who work with several teams at different times have higher stress and lower quality of work (Yogantara & Adnantara, 2017). Overall, role conflict makes each auditor competitive without prioritizing teamwork, which negatively impacts audit results (Atmadja & Saputra, 2018).

The second hypothesis (H<sub>2</sub>) is accepted, which means that ethical sensitivity has a significant positive effect on auditor performance. This is in accordance with Gusti et al. (2018), who state that an auditor makes decisions by applying ethical sensitivity to improve performance. Professional, ethical standards and guidelines that can influence ethics greatly assist auditors in dealing with dilemmas in carrying out their profession. An important factor in ethical judgment and behavior is

the individual's awareness that they are moral agents. The ability to recognize ethical or moral values in a decision, known as ethical sensitivity, is an important factor in improving auditor performance. Understanding the code of ethics needs to be directed at the attitude and behavior of the auditor in maintaining the quality and image of a professional auditor. This code of ethics regulates the interaction of auditors with other parties, such as maintaining good relations with clients. High ethical sensitivity encourages an auditor to disclose fraud in financial statements, make more responsible decisions, and produce higher quality audit reports (Kara et al., 2018; Su'un & Hajering, 2020).

Emotional intelligence cannot moderate the relationship between role conflict on auditor performance. Thus, the third hypothesis (H<sub>3</sub>) is rejected. The results showed that emotional intelligence is not a moderating variable that can mitigate the negative impact of role conflict on the performance of the Medan Public Accounting Firm auditor. This means that auditors who face role conflicts may not need the ability to control their feelings and emotions in completing their work properly. This indicates that the auditor can handle the role conflicts they face without having to experience emotional stress that reduces their performance. The results of this study are in line with Cendana & Suaryana (2018) and Dahniar & Arfah (2019), which state that emotional intelligence does not help auditors when faced with pressure or demands to achieve high performance. Auditors cannot motivate themselves to work in situations that cause discomfort. However, this result is different from Amilin (2017) and Yang et al. (2018), stating that emotional intelligence moderates role conflict on auditor performance due to varying samples.

The result of testing the fourth hypothesis (H<sub>4</sub>) is rejected, which means that emotional intelligence cannot strengthen the relationship between ethical sensitivity and auditor performance. These results indicate that an auditor's ethical sensitivity is sufficient to make him perform well without being supported by emotional intelligence. An understanding of ethical issues that direct the auditors' attitudes, behavior, and actions has been able to encourage the auditors to carry out their work well. The result of this study does not support Brody et al. (2020), proving that emotional intelligence can moderate the relationship between ethical sensitivity and auditor performance.

The moderating effect of emotional intelligence, which was not significant in this study, does not mean that it is not important in determining auditor performance. The test results in Table 7 prove that

emotional intelligence has a positive effect on auditor performance. This proves that emotional intelligence plays an important role in thinking and making decisions in a stressful environment, such as auditing activities (Kearney et al., 2017). Emotional intelligence makes the auditor or auditor team better able to solve audit problems, think more broadly and innovatively, better adapt to environmental changes that affect audit implementation and decisions, motivate oneself and the team, and better cope with stress to improve audit performance (Alferaih, 2017; Brody et al., 2020; Vratskikh et al., 2016).

## 5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

The study results prove that role conflict significantly reduces auditor performance, while ethical sensitivity significantly increases auditor performance at the Medan Public Accounting Firm. However, emotional intelligence cannot moderate the relationship between role conflict and ethical sensitivity to auditor performance. One interesting finding is that emotional intelligence itself has a positive effect on auditor performance. This result indicates the vital role of emotional intelligence in improving audit quality and auditor performance.

This research implies that auditors must be professional and multitasking in working while applying ethical sensitivity to complete their duties. They also need to have good attitudes, morals, and values to drive increased performance. Public accounting firms need to manage internal competition among audit team members to avoid personal conflicts and mitigate possible pressure from clients that can reduce audit quality. Public accounting firms also need to develop an ethical culture and moral awareness among their auditors.

There are two limitations of this research. This study focuses on limited scope, such as using only a sample of Medan Public Accounting Firm auditors. For this reason, further research needs to expand the research area throughout Indonesia to obtain a broader picture of audit behavior and performance. The determination coefficient value is 0.526, which indicates that other variables outside the model influence 47.4 percent of the variation in auditor performance. Further research needs to examine other relevant variables, such as intellectual intelligence as moderating, or leadership style, self-efficacy, and locus of control as independent variables.

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