THE INFLUENCE OF PROFESSIONALISM, JOB SATISFACTION, AND PROFESSION ETHIC OF AUDITOR ON AUDIT QUALITY OF FINANCIAL REPORT (A STUDY ON AUDITOR WORKED IN PUBLIC ACCOUNTING FIRM AT BANDA ACEH AND MEDAN CITIES)

Qorry Nitty*1, M. Rizal yahya *2
1,2Program Studi Akuntansi Fakultas Ekonomi dan Bisnis Universitas Syiah Kuala e-mail: nittyqorry@gmail.com*1, Kaprizalyahya@yahoo.com*2

Abstrak
The purposes of this study is to determine the influence of professionalism, job satisfaction, and profession ethic of auditors on audit quality of financial report at public accounting firm in Banda Aceh and Medan cities. The data used are secondary data from list of a names public accounting firm and the primary data in the form of respondent's answer from questionnaire data collection. This study taken non-probability sampling which was convenience sampling. The population are the auditors who worked at public accounting firm. This study used multiple linear regression analysis for the data analysis technique, in which the result showed that professionalism, and profession ethic simultaneously affect auditors on audit quality. Partially, only the job satisfaction of auditor does not influence audit quality.

Keywords: Professionalism, Job satisfaction, Profession Ethic, Auditor, Audit Quality.

1. Introduction

Financial statements are designed to solve asymmetry information between internal and external investors. financial statement need to be audited by auditor. Auditor have the capability to detect the material misstatement exists in the sample being investigated during the audit process. audited financial report which performed by auditor may assists the users to assure the efficiency of the financial market (Kell and Boynton, 1992).

Audit quality would produce financial report that can be trusted as the basis to decision making process. Therefore, the highest trust from the user will motivate the auditor to focus on audit quality. Professionalism is become one of aspect that influence the audit quality. It is a key element of all occupations, including auditors. Professionalism refers to knowledge and professional behavior. Every professional auditors must obey to the valid regulations and provisions of the country. The provisions required to be a professional and independent auditor is have an education and practical experience. Furthermore, the major reason that expects the professionalism to behave professional is to increases the trust of public user on audit quality of financial report.

Many companies went bankrupt due to business failure that related to auditor failure in performing their duty. Auditor failure can threat the appropriateness of financial report and influence the
society perception, especially the users of financial report. Many cases has occurred related to auditor profession, such as Enron in United State (U.S). In Enron case, manipulation was practiced by managers to attract the investors. Andersen's public accounting firm was behind the manipulation of financial report making.

Profession ethics become required in audit quality. Code of ethics is needed to sets public accountant behavior in performing their tasks. Professional accountant's responsibility is not exclusively to satisfy the necessity of an individual clients or employer. Code of ethics provides a framework to assist an accountant to identify, evaluate and respond to threats to compliance with the fundamental principles. If the identified threats are insignificant, the auditor should complied to the fundamental principles.

Another factor which influence an audit quality is job satisfaction. Job satisfaction is one criterion for establishing the health of organization in providing effective service which is depend on the human resources (Fitzgerald, 1994 in Crossman and Abbou Zaki, 2003). Job satisfaction experienced by auditors will affect the audit quality given. Job satisfaction could be said to fulfil by several desires and necessity through their job (Koesmono 2005 in Brahmasari and Suprayetno, 2008).

In conclusion, audit quality may develops the credibility of financial report information. The credibility of financial report information may assists the user and give benefit to the economics business. According to Nteseo (2013) states that the professionalism of auditor have a positive relationship to the audit quality. The findings from Futri and Juliarsa (2014) shows that profession ethics has positive influences toward audit quality. Futri and Juliarsa (2014) shows that job satisfaction positively influences audit quality.

The purpose of this research is to find empirical evidence about the influence of professionalism, job satisfaction, and profession ethic of auditor on audit quality of financial report at Banda Aceh and Medan's public accounting firm simultaneously or partially. Compared to other research, this research investigated how professionalism, job satisfaction, and profession ethic variables can affect audit quality of financial report.

The remainder of this paper is organized as follows. Section 2 reviews the selected previous studies and formulates the hypothesis. Section 3 presents methodological framework for the basic of analysis. Section 4 discusses the empirical findings and their implications the and finally section 5 provides the closing remarks of this paper.

2. Review of Selected Previous Studies

Gray (1988) in Askary (2015), professionalism is defined as a preference by accountants to exercise individual professional judgment in undertaking accounting tasks. In spite of that, every auditor also must commit himself or herself to their professional responsibilities. Bustami (2013) who conducted a research to all auditor in Public Accounting Firm at DKI Jakarta around find a positive relationship between professionalism of auditor on audit quality. This causes every auditor must performing their professional level which extremely required in their job. In contrast with Fietoria, et al. (2016) found a professionalism of auditor does not affect audit quality significantly. The professionalism on the research refer to the implementing of appropriate responsibility with it field, profession standard, and code of ethics.
According to Hoppock (1935) in Aziri (2011) defines job satisfaction as any combination of physiological, physiological and environmental circumstances that causes a person truthfully say "I am satisfied with my job" responsibility with it field, profession standard, and code of ethics. Moreover, Robbins (2015:46) describes job satisfaction is positive feeling about someone's job resulted from an evaluation and it characteristics.

The result research by Futri and Juliarsa (2014) showed that job satisfaction has significant positive effect on the audit quality. It was means the level of employee's job satisfaction in Public Accounting Firm's Bali around had a higher level of satisfaction that created the employee's feeling satisfied with their job. In contrary to Pratiwi, et al. (2010) found the research results of job satisfaction of auditors has no influence significantly to audit quality.

In order to provide an effective audit quality, an auditor should obey to the code of ethics when performing their duty and make sure the auditor will not making a fraud to the ethic procedures of regulations (Farida, et al., 2016). In addition, stated by Hanjani (2014) auditor in conducting their job has a guidance toward ethic rules. Therefore, auditor had an obvious direction in expressing their suitable decision and can answer to the parties or user to those using the decision making.

In code of ethic profession, auditor are regulated by some problem, whether about principle problem which adopted by auditor or standard practical which set for auditor. However, the research results showed by Jurneadi, et al. (2014), Farida, et al. (2016), and Arbabian, et al. (2015) that profession ethic of auditor has a positive influence significantly to the audit quality. Moreover, if only all of auditor fulfill code of ethics in conducting their job as it will influence the audit quality.

Based on the description above, it can be a model of research:

Taking the literature review and previous findings as the point of departure, the researcher hypothesizes:

**H1:** The professionalism of auditor has meaningful effects on audit quality of financial report

**H2:** Job Satisfaction of auditor has meaningful effects on audit quality of financial report

**H3:** Profession Ethic of auditor has meaningful effects on audit quality of financial report

### 3. Research Methodology

#### Data

This study used quantitative method and intended to conduct hypothesis testing. Study populations were all auditors who worked at public accounting firms in Banda Aceh and Medan cities. The sample technique was used convenience sampling. The total of sample were 66 auditors in which taken by 5 job positions which were managers, partner, supervisor, junior auditor, and senior auditor. These
job position was took because the researcher wants to see the influence of professionalism, job satisfaction, and profession ethic of auditor on audit quality of financial report.

Table 1
Data Distribution of Research Sample

<table>
<thead>
<tr>
<th>No</th>
<th>Name of Public Accounting Firm</th>
<th>Questionnaires sent</th>
<th>Questionnaires Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Drs. Syamsul Bahri, MM, Ak &amp; Rekan</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Edward L. Tobing Madillah Bohori</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Erwin, Zikri &amp; Togar</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Fachruddin &amp; Mahyuddin</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>Hasbuh &amp; Basri</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Hadiawan</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Katio &amp; Rekan</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>Drs Biasa Sitepu</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>Mahlizar Abbas</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>Selamat Sinuraya &amp; Rekan</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Syahrun BatuBara</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>12</td>
<td>Drs. Tarmizi Taher</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>13</td>
<td>Drs. Wagimin Sendjaja</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>14</td>
<td>Chatim, Atjeng, Sugeng &amp; Rekan</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>15</td>
<td>Dorkas Rosmiaty, SE</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>16</td>
<td>Drs. Tasmin A. Rahim</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>17</td>
<td>Drs. Darwin S. Meliala</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>66</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: Primary Data

Research Variable and Variable Measurement Technique

This study empirically to describes the factors that influence audit quality of financial report in public accounting firms at Banda Aceh and Medan cities. There were 2 variable that involved in this research which were audit quality as dependent and 3 factors which influence the audit quality which were professionalism, job satisfaction, and profession ethics (independent variable). Audit quality was determined by 3 factors, each factors has amount of a variety of questions, and all of question in questionnaires were measured by 5 internal scales point started with: 1) strongly disagree, 2) disagree, 3) neutral, 4) agree, 5) strongly disagree.

The questionnaires distribution was sent to auditors directly and indirectly which were the researcher was directly distributed the questionnaires to the public accounting firms, while some questionnaires were distributed through personal email of auditor. The time that given in questionnaire distribution were 3 weeks that start on June 5th 2017 until June 26th 2017.

Data Analysis Method

In this research, the data analysis used was multiple linear regression. Multiple Linear regression
was used to examine the influence of professionalism, job satisfaction, and profession ethic of auditor on audit quality.

4. Findings and Discussion

Validity Test

Validity test was used to measure whether a questionnaire has been validated or not. The questionnaires have been valid if every questions of the set on question paper discovered what have been measured. Model guidance is valid if the level of it significance is under 0.05.

From 3 variables with 66 of respondents showed every value of questions has the significant level of < 0.05. Therefore, all of the questions of the variables stated were valid except for number 6 on job satisfaction variable (X2) with had a significant value 0.243 > 0.05 (Invalid).

Reliability Test

Reliability test was used to estimate the consistency of research instrument. The research instrument is reliable if the Cronbach Alpha value is over 0.6. In this test indicated that the coefficient value of alpha cronbach's of professionalism, job satisfaction, profession ethics, and audit quality variable were above 0.6. This means all of the variables were reliable.

Multiple Regression Linear Analysis

In this study, the researcher took professionalism, job satisfaction, and profession ethics as an independent variable, and audit quality as dependent variable. To discover how big the effect of each independent variable X1, X2, and X3 on dependent variable Y, the variables can be analyzed by using multiple regression linear analysis. The analysis results could be seen in the table 4.17 below:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.669</td>
<td>4.303</td>
<td>.853</td>
<td>.397</td>
<td></td>
</tr>
<tr>
<td>Professionalism</td>
<td>.250</td>
<td>.099</td>
<td>.245</td>
<td>2.53</td>
<td>.014</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.023</td>
<td>.053</td>
<td>.038</td>
<td>.425</td>
<td>.673</td>
</tr>
<tr>
<td>Profession Ethics</td>
<td>.513</td>
<td>.082</td>
<td>.608</td>
<td>6.23</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Audit Quality

According to the table 4.15, the following result was founded:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \]

\[ Y = 3.669 + 0.250X_1 + 0.023X_2 + 0.513X_3 + e \]

According to the coefficient regression analysis, it can be concluded that:

1. The value audit quality could be seen by the constant value of 3.669. This means Professionalism, job satisfaction, and profession ethics does not influence the audit quality.
2. The influence of professionalism on audit quality. If the influence of professionalism on audit quality seen by the big of coefficient regression 0.250, it
could be inferred that in every 1 increase of ethics would increase the variable by 0.250 in certain that job satisfaction and profession ethics are constant.

3. The Influence of job satisfaction on audit quality. If the influence of job satisfaction on audit quality seen by the coefficient regression 0.023, it can be inferred that in every 1 increase of job satisfaction would increase the variable of audit quality by 0.023 in provision that profession ethics and professionalism are constant.

4. The influence of Independent variable profession ethics on audit quality, if it seen by the big of coefficient regression 0.513, it can be inferred that every 1 increase of profession ethics would increase the variable of audit quality by 0.153 by provisions that job satisfaction variable and professionalism are constant.

4.4 Hypothesis Testing

F-Test

Table 3
F-Test Calculation

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1000,504</td>
<td>3</td>
<td>333,501</td>
<td>34,581</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>597,936</td>
<td>62</td>
<td>9,644</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1598,439</td>
<td>65</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Audit Quality
b. Predictors: (Constant), Profession Ethics, Job satisfaction, Professionalism
Source: Primer Data Processed

Table 3 showed the significance value 0.000<0.05 so that H<sub>0</sub> ignored and H<sub>1</sub> accepted. It showed that the professionalism, Job satisfaction, and profession ethic simultaneously has meaningful effect on audit quality.

T (Partial)-Test

Table 4
T-Test Calculation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.669</td>
<td>4.303</td>
<td>.853</td>
<td>.397</td>
<td></td>
</tr>
<tr>
<td>Professionalism</td>
<td>.250</td>
<td>.099</td>
<td>.245</td>
<td>2.530</td>
<td>.014</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.023</td>
<td>.053</td>
<td>.038</td>
<td>.425</td>
<td>.673</td>
</tr>
<tr>
<td>Profession Ethics</td>
<td>.513</td>
<td>.082</td>
<td>.608</td>
<td>6.237</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Audit quality
Source: Primer Data Processed

Table 4 showed that professionalism and profession ethic has partially influence on audit quality because the significant value are 0.014 and 0.000. While for job satisfaction variable has significant value as much 0.673 which means job satisfaction has no influence on audit quality.
The result of adjusted R square ($R^2$) could be seen below:

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R$ Square</th>
<th>Adjusted $R$ Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.791</td>
<td>.626</td>
<td>.608</td>
<td>3.1055</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Profession Ethics, Job satisfaction, Professionalism  
b. Dependent Variable: Audit quality

According to Table 3 there were correlation between two or more independent variables (Professionalism (X1), Job Satisfaction (X2), Profession Ethics (X3)) on dependent variable of Audit Quality as much 0.791. It means there is a strong relationship between independent variable and dependent variable.

The value of multiple determination coefficients (R-square) is 0.626 or 62.6%. This means that 62.6% the variance of audit quality was influenced by professionalism, job satisfaction, and profession ethics. Meanwhile, the rest 37.4% were influenced by other research variable.

**Discussion**

**The Influence of Professionalism of Auditor on Audit Quality**

Based on the results of multiple linear regression, coefficient regression value indicated that professionalism had significant effect on audit quality. This is suitable similar with the hypothesis made, where professionalism had significant effect on audit quality. Therefore, the highest professionalism on auditor's self, the higher accuracy of audit opinion will be given.

**The Influence of Job Satisfaction of Auditor on Audit Quality**

Based on multiple regression results, coefficient regression value indicated job satisfaction did not have influence on audit quality. This finding is similar to the hypotheses that had been made, where job satisfaction did not influence audit quality. It can be concluded that auditors worked at public accounting firm located at Banda Aceh and Medan cities has a large satisfaction on their job.

**The Influence of Profession Ethics of Auditor on Audit Quality**

The regression model found that profession ethics has a meaningful effect on audit quality. This is in line with the hypotheses that had been researched which is profession ethic has meaningful effect on audit quality. However, in order to set effective audit quality, it is necessary for auditor to must fulfil any job to the standard ethic that has been organized.

**5. Conclusion**

1) This research object is restricted to public accounting firm's at Banda Aceh and Medan cities only. There are a lot of indices that can be observed, even the public accounting firm which located around of Indonesia.

2) This study research only using questionnaires as research instrument. Moreover, the conclusion
only based on the data collected by questionnaire distribution.

3) The data in this research collected from the perception answer of respondents trough questionnaire. Big possibility that the respondent perception is different with the reality.

4) This research only using four independent variable which are, professionalism, job satisfaction, and profession ethic. Some of variables might be influence the audit quality which did not included in this study research.

Suggestions

1) Future research should add more research object by widening the population or use the entire public accounting firm on auditor in Indonesia
2) Future research should add more independent variable which may influence the audit quality.
3) Future research might conducting the study research with interview directly to the respondent in order to obtain the accuracy data.
4) Future research recommended to distributes questionnaire with the right and appropriate time and the data will be collected broadly.

References


