

# AUDITOR PROFESSIONAL COMMITMENT AND PERFORMANCE: AN ETHICAL ISSUE ROLE

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## Abstract

This study explores to what extent the auditor's idealism and relativism ethical orientation influences the professional commitment and the auditor's performance. This study uses questionnaire's survey from the auditors who work for Public Accountant Office in Indonesia. The data is analyzed by using the Structural Equation Model. The study reveals that the idealism and relativism ethical orientation have a significant influence to the professional commitment and the auditors' performance.

**Keywords:** Ethical Orientation, Idealism, Relativism, Professional Commitment, Auditor Performance

**JEL Classification:** M41, M48

## 1. INTRODUCTION

The poor of job performance continues to be an important concern for the auditing profession, even this problem has been experienced since the 1970s (AICPA, 2009). The poor performance of work which involves accounting profession either directly or indirectly, for example, manipulation scandal Financial Statements December 31, 2010 PT Kimia Farma Tbk; a member of the Election Committee who allegedly attempted bribery action against the auditors of the State Audit Agency in 2005; allegations of tax evasion in KPP Rungkut Surabaya in 2010; Century Bank case and gets opinions "Do not Give Opinion" in some ministries and state-owned institutions RI (Accountants online, 2015).

Scandal of one of the leading companies in the United States Arthur Andersen, which combined with the unethical actions by Enron, Adelphia Communications, Dynege, WorldCom, and Tyco, raises awareness of the public and stakeholders about the moral decline and unethical posture of public accountant reveals deterioration of moral reasoning as well as ethical standards of public accountants (Esmond-Kiger, 2004; Dellaportas, 2006). That is, the ethical orientation that is based on an unethical act, may reflect the lack of accountant's professional commitment, which then affect the poor performance of the auditor's job.

Cohen Commission Report (AICPA, 2009), shows that the lack of auditor's job performance affect the community and clients involved in paying the auditor. Any failure of performance in the profession, it eventually can be traced from the failure of the auditors themselves. In addition, inefficient or ineffective audit due to lack of job performance will not necessarily lead the audit firm to experience a legal liabilities, a lost revenue, and a lack of credibility. This makes a tendency of irregularities or embezzlement in the audit firms often last longer and it is not known by the public. Such conditions are very interesting and require more in depth research about the determinants that

affect job performance among auditors in Public Accounting Office (PAO).

It can be explained that the most vital issues in a company is the auditor's job performance, including in PAO. This encourages more and more researchers who conduct research on job performance (Simamora, 2004). They generally believe that the performance is the organization of total expectation of the various behaviors of each individual during a certain period of time (Motowidlo, 2003). In this study, the job performance is defined as a set of individual behaviors exhibited in relation to his work or the number of efficiencies gained as a result of individual work (Robbins & Judge, 2008). Job performance reflects the efficiency of the same person on the job in accordance with their legal duties and shows the amount of effort and the power of the individual success. Performance refers to the skills of the job in doing the work and duties.

Research that has been carried out by Muse and Stamper (2007), Chi, et al. (2008) Chi et al. (2008) and Joo and Park (2010) found that the achievement of job performance and contextual performance was proven high positively and significantly influenced by organizational commitment. Research by (Sutanto, 1999) generally indicated that the employee committed a major contribution to the organization because they performed better jobs and behaved in a more optimal in achieving organizational goals.

Other research results stated that professional commitments were related to job performance, behavior, and other (Ketchand & Strawser, 2001) there was a positive relationship between affective commitment and normative for the performance, while the commitment to continuous was unrelated or negatively related (Meyer, et al., 2002). The continuous commitment of the profession had a negative effect on performance (Kalbers & Cenker, 2007). In particular there was a negative relationship between professional commitment and job performance (Sutanto, 1999) but a commitment to

the profession positively affected the job performance (Sani, 2013).

Research on the professional commitment and job performance did show a positive relationship (Sutanto, 1999; Muse & Stamper, 2007; Chi, et al., 2008; Joo & Park, 2010; Rageb, et al., 2013; Sani, 2013). However, there are limitations to the study, which has not examine other factors that may affect professional commitment to job performance. Researchers assume that in addition to professional commitment, job performance is also influenced by variables of idealism and relativism ethical orientation.

Uyar and Özer (2011) following Al-Aidaros, et al. (2011) investigated the relationship between an ethical orientation and a commitment to the professions. Perceptions, intentions and ethical behaviors also has a strong relationship with professional commitment (Elias, 2006; Greenfield Jr, et al., 2008) but this study did not investigate further the influence of relativism and idealism ethical orientation and professional commitment simultaneously on job performance of professional organizations members.

Research Edwards, et al. (2008), (Hyz, 2010), Susanto dan Hastomo (2009), Dizgah, et al. (2012), Funmilola, et al. (2013), Rageb, et al. (2013) studied the relationship between job satisfaction and job performance, but the study did not investigate the influence of other factors such as the mediating role of organizational commitment in relationships ethical orientation towards job performance and job satisfaction on the job performance. The study also did not investigate the effect of professional commitment mediation to other variables. Some of them showed the limitations of previous studies because of an ethical orientation and job satisfaction can basically affect the professional commitment, or an ethical orientation and job satisfaction can be mediated by a professional commitment which in turn may be partially or high or low simultaneously affected the job performance.

Some previous studies on this job performance has been done. But the findings obtained also still showed inconsistent results. Therefore, this study carried out a test on a model that could explain whether the professional commitment affect the relationship between the ethical orientation of idealism and relativism on the auditor's job performance. This model is based on the theory of goal setting. The first purpose of this study is: to analyze the influence of idealism and relativism ethical orientation on the auditor's job performance; Second, to analyze the influence of idealism and relativism ethical orientation towards professional commitment; third, to analyze the professional commitment to the auditor's job performance; fifth, to analyze the influence of idealism and relativism orientation towards auditor job performance mediated by professional commitment.

The rest of the paper proceeds as follows; in section two, it reviews relevant literature and hypotheses development on professional commitment, performance and ethical orientation. Section Three describes the data, population and sample, variables and methodology. Section Four summarizes the results, followed by discussions. Section Five discusses the conclusions.

## 2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

### 2.1. Ethical Orientation and Professional Commitment

According to Forsyth (1980) the value of ethical orientation of employees is driven by two characteristics, namely idealism and relativism. Idealism Ethical Orientation refers to things that are trusted by people with the consequences of not violating moral values. Ethical idealism is associated with the extent to which individuals believe that the desired consequences (positive) can be achieved without violating moral rules. Idealistic attitude is defined as impartiality and avoid the various interests.

According to Barnett & Valentine (2004), idealistic individual is who has principles with emphasis on the welfare of others. Galla (2006) the ethical idealism refers to the belief that the consequences of the decision desired can be obtained without violating the noble values of morality. This Dimension is described as an individual attitude toward actions and how the action has led to others (Coleman & Wilkins, 2009). With high ethical ideals, he believes that the ethical action should have positive consequences and always will have no impact or effect to the slightest harm others (Barnett & Valentine, 2004).

Meanwhile, relativism assume that in this world is nothing the absolute (Bertens, 2007). Everything is relative, depending on the measuring, so everything must be related by the measurer to get a relative truth, not an absolute truth. According Dubbink and Smith (2001), this idea is based on the idea that everything changes and nothing remains. As an ethical view, relativism finds a good and evil, a right and wrong depends on each person and the culture of the people. Relativism is the opposite of absolutism that was not convinced of the absoluteness norms Bertens, (2007). Relativism is an attitude of rejection on absolute moral values in directing ethical behavior. Realistic individuals believe that morals are subjective, which differ from one another.

This study refers to the opinion of the Hilton & Southgate (2007) that the professional commitment reflects the auditors behavior who have adherence to the practice of auditing standards according to the organization's goals, which indicates that they are running the audit process with confidence, acceptance, and his own goal to retain clients who are connected with the results significantly in performance audits. Thus, professional commitment may have a positive relationship with ethical awareness audit, the quality audit reports and best audit practices that affect the quality of the audit.

Many previous studies have been done on the effect of ethical orientation towards professional commitment, which generally indicates a positive influence. Shafer (2009) conducted a study on the relationship of ethical climate, conflict of professional organizations, and organizational commitment. This study aims to determine the effect on the company's ethical climate Public Accounting Office China on the perception of the auditor regarding the conflict of professional

organizations and affective organizational commitment. The results showed that perceptions of ethical climate was significantly associated with affective commitment.

Uyar and Özer (2011) conducted a study on the relationship between ethical orientation and commitment to the profession through the data collection from the professional accountants throughout Turkey. This study aims to examine the relationship between the individual ethical orientation (ethical philosophy) and the professional commitment of the professional accountants. This study develops a structural relationship between ethical orientations, ethical awareness, ethical decisions and ethical dimensions. The results showed that there was no significant relationship between the level of ethical orientation of professional accountants and their commitment. In the case of making decisions about ethical issues related to their profession, the judgment of the professional accountant with an orientation of justice and deontological was strongly influenced by their normative and affective professional commitment, while the decision of professional accountants with relativist and teleological orientation associated with ethics was strongly influenced by their continuation commitments.

The research showed that the level of awareness of professional accountants ethical who had deontological justice orientations was higher than the accountant who had relativist and / or teleological orientation. Professional accountants who had justice orientations against illegal operations and demands of the client or company, behaved in accordance with truth, honesty and social responsibility. The results showed that as the level of ethical awareness increasing the respect for the profession and the motivation to continue in the profession of the organization that he worked was also increasing. Conversely, accountants who had a low level of ethical awareness would have a continuation commitment, but in low normative and affective commitment level. An affective professional commitment is very important for accountants to make ethical decisions, as well as continuation commitment and normative commitment. Based on the explanation, the first hypothesis (H1) and the second hypothesis (H2) can be formulated as follows:

**H1:** Idealism ethical orientation has positive effect on the auditor professional commitments.

**H2:** Relativism ethical orientation negatively affect the auditor professional commitments.

## **2.2. Professional Commitment and Job Performance**

According to (Mathis & Jackson, 2004) a professional commitment as the degree to which employees believed and accepted the organization's goals, as well as the desire to stay with the organization and a form of work commitments that arose. They were not just passive loyalty, but also involved active relationships with labor organizations which had the goal of providing all efforts for the success of the organization concerned.

Tests which were carried out by Ketchand & Strawser (2001), found various dimensions of professional commitment which demonstrated an association between professional commitments to

performance. While Siders, et al. (2001) and Fernando, et al. (2005) gave the same conclusion that professional commitment had a positive impact on performance.

Elias (2006) stated that the professional commitment was the form of individual engagement to his profession. Furthermore, Pai, et al. (2012) wrote in his article that the professional commitment to the profession was a mental dependence, confidence and individual identification of the various goals and values, in which the individual was willing to dedicate hard works for the profession.

Many previous studies were done on the effect of professional commitment to the performance of the work, which generally indicated a positive influence Ketchand & Strawser (2001), examined the various dimensions of professional commitment that showed a relationship between the professional commitment and job performance. Siders, et al. (2001) and Fernando, et al. (2005) also gave the same conclusion that professional commitment positively influences job performance.

Sutanto (1999) conducted a study on the relationship between employee commitment and job performance. Sutanto's study (1999) showed that the employee were committed to give a great contribution to the organization because they would perform a work and behave in achieving the organization's goals. Furthermore, workers who are committed to their organizations felt contented to be a member, believed, and felt right with the organization or with what is sought by the organization, as well as intended to do what was good for the sake of the organization. There was a positive and significant relationship between commitment and supervisors and performance. This means that the supervisor would be a good predictor rather than a commitment to the organization. Therefore, to improve performance within the organization, creating an employee commitment to the supervisor was more valued than to the organization.

Meyer, et al. (2002) conducted a meta-analysis study about antecedent, correlation, and the consequences in the relationship between affective commitment, continuation, and normative to the organization. This study aims at assessing the relationship between affective commitment, continuation, and normative organization, and the relationship between the three forms of commitment and the variables identified as antecedent, correlation, and the consequences in the Three-Components Model of Meyer, et al. (1993).

This study found that three forms of commitment can be distinguished from each other and can be distinguished from job satisfaction, job involvement, and commitment to the job. Affective commitment and continuation generally correlated as expected with variable antecedent hypothesized. Three forms of commitments were negatively related to turnover, and affective commitment had the most powerful and the most favor correlation with the results pertaining to the organization (attendance, performance, and organizational citizenship behavior) and the outcomes related to employees (as well as the stress of work and family conflict). Normative commitment was related to the desired result, though it was not strongly correlated. The

continuation commitment was unrelated or negatively related to these results.

Dixit and Bhati (2012) conducted research on the effect of employee commitment and sustainable productivity. The results showed that employee commitment, both affective commitment, normative and continuation were significantly related to job performance, especially from the aspect of sustainable productivity in the auto parts industry. The findings in this study revealed that there was a positive relationship between the three dimensions of organizational commitment, namely affective, continuation and normative, and the sustainable productivity of the organization.

The study identified the impact of organizational commitment to sustainable productivity in the auto parts industry. Sustainable productivity of automobile component industry employee depends more on affective commitment and continuous commitment of employees. The findings showed a positive signal of employees who show commitment and attachment to the organization's employees. In addition, the study also found that employees in the car components industry was very vibrant in reflection the continuation commitment in their work environment to improve their labor productivity in the organization. Employee's commitment of car components was also emphasized through their affective commitment to the goals of the organization. Auto-component industry needed to ensure that the level of employee commitment was based on the attachment of the organization and continuous action that needed to improve and to maintain employee productivity levels.

The research results showed also that the employees that were very committed to their job may be more productive, had a higher level of satisfaction than employees with low commitment. An increased employee commitment also helped the car components company to retain employees and to move to overcome global competition.

**H3:** Professional commitment positively affects to auditor job performance.

### **2.3. Ethical Orientation and Job Performance**

Idealism ethical orientation is an ethical orientation which refers to the extent to which employees care about the welfare of others and strive not to harm others. In the context of the organization, an ethical orientation of employees reflects idealism prioritizing the interests of employees to achieve organizational goals. Employees who have an idealism ethical orientation tends to make ethical values prevailing in society as a reference in performing organizational tasks. They uphold ethical values are consistent in doing the job. The applied moral values is consistently used to measure the pros and cons of auditors in carrying out the work. This is because they embrace moral values universally while doing the work in achieving the overall objectives of the organization. With this ethical orientation, employees can reduce personal interests and emphasize the job performance in the organization (Forsyth, 1980).

Research conducted by Shaub, et al. (1993) against the auditors in four public accounting firms has provided an empirical evidence that the auditor

idealism positively affects on the profession commitment. Khomsiyah and Indriantoro (1998) in their research at the government auditor (BPKP) found the evidence that the idealism positively affected the profession commitment. Research Shaub, et al. (1993) stated that auditors with a high idealism would believe and accepted the values of the profession, doing a great effort on behalf of the profession by acting independently. Ulum (2005) showed an empirical evidence that idealism positively affected on the actual independence of the auditor of the Audit Board.

Research of Kleiser, et al. (2003) showed that relativistic managers were more likely advising the seller to perform unethical practices, so that the job performance was not good, but it could not be proved to the idealistic manager. Accordingly, the idealistic auditor would have a good job performance.

Idealism is positively associated with ethical action judgment. On the other hand, relativism is negatively associated ethical action judgment (Barnett & Valentine, 2004; Hall, et al., 2005). An idealistic auditor would have a good job performance compared to the relativist auditors (Elias, 2006). Auditors with high idealism would have a good performance because of concern for the welfare of others (community/public) and tried hard not to harm others as well as would make efforts to do their job properly. Therefore, idealistic auditor would be positively related to job performance.

**H4:** Idealism ethical orientation positively affects on auditor job performance.

Relativism ethical orientation is an ethical orientation which refers to the rejection of the universal or absolute moral principle. In the context of the organization, relativism ethical orientation of employee reflects the primacy of the interests of employees to achieve personal goals and tend to deviate from the principle of universal organization (Forsyth, 1980).

Employees who have more loosely relativism ethical orientation in view of the rules of the organization. They may violate the norms prevailing in a particular circumstance or situation. They can set the right and wrong option in doing the job according to personal preference. Offense against the moral values are tolerated in doing their work in accordance with the circumstances. This is because they do not make moral values as a consistent size in determining a good or not they do the job. With this ethical orientation, employee is difficult to reduce their personal interests, so it tends to pay less attention to the job performance in the organization.

Research conducted by Shaub, et al. (1993) against the auditors in four public accounting firms provide empirical evidence that the relativism auditor negatively affect the commitment of the profession. Khomsiyah and Indriantoro (1998) in their research to the government auditor (BPKP) found evidence that relativism does not affect the commitment of the profession. Shaub, et al. (1993) stated an auditor who was a relativist tend to unaccepted the values in the accounting profession, so it would have a negative effect on the independence. Further research Ulum (2005) showed empirical evidence that relativism adversely affected

the independence of the actual auditor of Audit Board.

Kleiser, et al. (2003) showed that relativistic managers were more likely to advise the seller in performing unethical practices, so that their job performance was not good, but it could not be proved to the idealistic manager. Thus, the job performance of relativistic auditor would be less good.

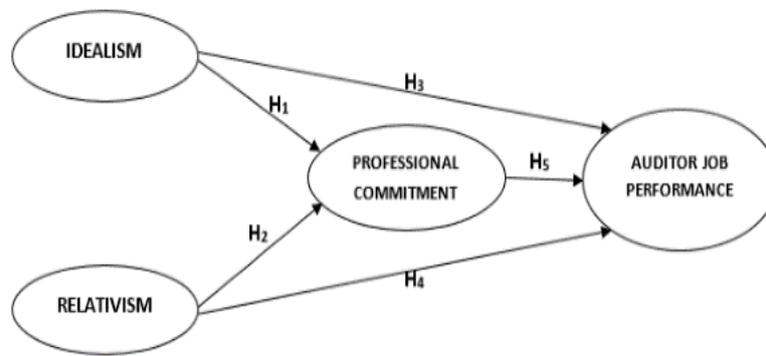
Different moral philosophy of individual would have a different perspective (Forsyth, 1980). Idealism was positively associated with judgment for ethical action and relativism was negatively associated with judgment for ethical action (Barnett and Valentine, 2004; Hall et al., 2005). An idealistic auditor would have a good job performance compared with the

auditors that the relativist (Elias, 2006). Auditors who was a relativist, would tend to resist rules or moral principles that were universal including quality control received by the organization of public accountants (PAO, AICPA, and others) or the organization of government accountants (Audit Board, GAO, and others) throughout the world. Based on the explanation, the relativist auditor would be negatively related to job performance.

H5: Relativism ethical orientation negatively affect auditor job performance.

Empirical research model can be seen in Figure 1.

Figure 1. Empirical research model



### 3. RESEARCH METHOD

#### 3.1. Population and Sample

This study established that the population of this study was all auditors working at 489 Public accounting office in Indonesia (IAP, 2015). The samples in this study were based on sampling method based on the ease (convenience sampling method). This method was chosen because the population of auditors working in public accounting office in Indonesia is not known with certainty.

The auditors for the research sample were the auditor who occupied the position of junior, senior and manager. The sample size was an important consideration to obtain a representative sample number. The number of samples required by maximum likelihood estimation was between 200-400 (Ghozali, 2014). In addition, the minimum sample size required for a study using data analysis with structural equation model that is five (5) or 10 times the amount to be estimated (Hair Jr. et al., 2010). In this study there were 35 indicators and 5 hypothesis, so the minimum required number of samples was  $35 \times 5 = 175$ .

#### 3.2. Data Collection Methods and Measurement

This research data was a cross section that was obtained from the auditor who worked in PAO in Indonesia. This research was conducted by survey method. The research instrument used was a questionnaire. The overall research questionnaire was adopted from previous research that has been used to conduct a survey of auditors working in the

public accounting firm. Previous study reported the overall questionnaires used to have good validity and reliability. Nevertheless, the inherent weaknesses in the research survey into consideration should be wary in its use. There were two drawbacks of concern, namely the possibility of respondent bias and a low level of development of the questionnaire. To address both of these weaknesses, the researcher used the contact personnel to each public accounting office. Questionnaires were sent through to the 329 PAO throughout Indonesia and the received data were 386 respondents. The entry data were 223. Measurement of the individual constructs in this study used a 7-point Likert scale. The response of a questionnaire was prepared in a seven scale format, ranging from Strongly Disagree (1) to Strongly Agree (7). The highest score indicated a significant influence, while the smallest score indicated a less influence on the variables.

The total sample of 223 respondents was adequate for compliance with the required sample size in maximum likelihood estimation which was between 200-400 (Ghozali, 2014). It exceeded the minimum number of samples required for research that used data analysis with structural equation model namely,  $3 \times 35$  the number of indicators for a research or it was similar to 175 (Hair Jr., et al., 2010).

## 4. RESULT AND DISCUSSION

### 4.1. Test result of Full Model Structural SEM

Based on the table 1, it can be seen the test results in overall fit model using X2 test (chi-square) was obtained a value of 320.306 with a p-value of 0.131. Referring to the X2, the test result obtained in overall model was goodness of fit. Likewise, when viewed grades GFI = 0.901, RMSEA = 0.020, AGFI = 0,981; TLI = 0.995; CFI = 0.995 and overall meets the fit criteria. So it can be concluded that this model research is accepted.

**Table 1.** Evaluation for Fit Indexes of Structural Model

Fit Index	Result	Recommended Value	Evaluation model
Chi-Square	320,306	<829,4	Fit
Probabilities	0,131	>0,05	Fit
Chi-Square/DF	1,093	<2	Fit
GFI	0,901	>0,90	Fit
RMSEA	0,020	<0,08	Fit
A GFI	0,981	>0,90	Fit
TLI	0,995	>0,90	Fit
CFI	0,995	>0,90	Fit

### 4.2. Hypothesis Testing of Direct Effect

Based on the results of data processing as presented in Table 2, the coefficient estimation of Path and Statistics Test can be seen from the path coefficients of the Idealism for Professional Commitment variables of 0.347 with a positive direction. That is, the higher the idealism, the higher the professionals commitment. Hypothesis H1 had enough evidence to be accepted/ supported, it was indicated by a p-value <0.05 (5% significance level) which meant that the test results were significant. This meant the

**Table 2.** Coefficient Direct Effect and Hypothesis Testing

Hypothesis	Path	Direction	Coefficient	P-value	Conclusion
H1	Idealism → Professional Commitment	+	0,347	0,000	Accepted
H2	Relativism → Professional Commitment	-	-0,031	0,018	Accepted
H3	Professional Commitment → Job Performance	+	0,387	0,000	Accepted
H4	Idealism → Job Performance	+	0,340	0,000	Accepted
H5	Relativism → Job Performance	-	-0,152	0,006	Accepted

Based on the results of data processing as presented in Table 2. The coefficient estimation of Path and Statistics Test can be seen from the path coefficient of Idealism variable against the job performance of 0.340 with a positive direction. That is, the higher the idealism, the higher the job performance. Hypothesis H4 have enough evidence to be accepted / supported, indicated by a p-value <0.05 (5% significance level) which meant that the test results were significant. That is, Idealism positively influenced job performance. The test results indicated that the auditor job performance was affected directly by idealism. Therefore it was said that the idealism of an auditor affect the auditor job performance positively and significantly.

Based on the results of data processing were presented in Table 2. The coefficient estimation of Path and Statistics Test can be seen from the path coefficients of the Relativism variables for job performance of -0.152 with a negative direction. That is, the higher the relativism, the lower the job

Idealism positively affected on the Professional Commitment. Hypothesis test results proved that the auditor's professional commitment was directly influenced by the Idealism. Therefore it was said that the idealism of an auditor significantly had a positive influence to the auditor's professional commitment.

Based on the results of data processing as presented in Table 2, the coefficient estimation of Path and Statistics Test can be seen from the path coefficients of the Relativism Professional Commitment variables of -0.031 with a negative direction. That is, the higher the Relativism, the lower the Professional Commitment. Hypothesis H2 had enough evidence to be accepted / supported, indicated by the p-value 0.018 < 0.05 (5% significance level) which meant that the test results were significant. That is, Relativism significantly had a negative influence to the Professional Commitment.

Based on the results of data processing presented in Table 2, the coefficient estimation of Path and Statistics Test could be seen from the path coefficient Professional Commitment variable to the Job Performance of 0.387 with a positive direction. That is, the higher the commitment Professional, the higher the job performance. Hypothesis H3 had enough evidence to be accepted/supported, indicated by a p-value <0.05 (5% significance level) which meant that the test results was significant. That is, the Professional Commitment positively influenced on job performance. It also means that the auditor job performance is affected directly by the professional commitment. Therefore it is said that the professional commitment of an auditor affect the auditor job performance variable positively and significantly.

performance. Hypothesis H5 had enough evidence to be accepted / supported, indicated by the p-value 0.006 <0.05 (5% significance level) which meant that the test results were significant. It concluded that Relativism negatively influenced the job performance. The test results proved the hypothesis that the auditor job performance directly influenced by relativism. Therefore, it can be said that relativism significantly had a negative influence to an auditor job performance.

### 4.3. Mediation Effect

Testing for mediation aimed at detecting the position in mediating variables within the model. SEM Approaches to test the mediating variables could be done by Sobel Test Based on this research. The hypothesis testing could be explained below.

The professional commitment mediated the influence of idealism ethical orientation towards

auditor job performance. Calculation for Results Sobel Test to test the mediating variable significance level as it had been presented in the table above. Sobel Test value of 3.50083022 with P-value equal to

0.00046381 under 0.05. This showed that with their professional commitment could improve the relationship Idealism against job performance.

**Table 3.** Summaty of Role Test Results for Sobel Test Mediating Variable

Indirect Effects	Through	Sobel Test Value	P-Value	Mediating Function
IDL→JP	PC	3,50083022	0,00046381	Mediating
REL→JP	PC	-0,49806493	0,61843828	Not Mediating

Professional commitment mediated the influence of relativism ethical orientation of the auditor job performance. Calculation for Results Sobel Test tested the mediating variable significance level as it had been presented in the table above. Test Sobel value of -0.49806493 with P-value equal to 0.61843828 was above the significance level 0.05. This is showed that Professional Commitment cannot mediate the association of Relativism and Job Performance.

## 5. CONCLUSIONS

Idealism ethical orientation evidence a significant positive influence on the auditor professional commitments. This means, the higher the idealism, the higher the auditor professional commitments. The findings of this study are consistent with some previous research. Results of previous studies show that idealism auditor positively affects on the auditor professional commitments (Shaub, et al., 1993; Khomsiyah & Indriantoro, 1998). The higher idealism, the higher the auditor professional commitments. Auditors with high idealism believe and accept the values of the profession and perform a great effort on behalf of the profession.

Relativism ethical orientation is proved to have a significant negative effect on the auditor professional commitments. A significant negative results imply that the relativism degrades the professional commitment significantly. This finding is consistent with the theory of goal setting (goal-setting theory) in which individuals have multiple goals, and select the destination, and they are motivated to achieve these goals (Weiner, 1985). Employees who have a high professional commitment incline to have a strong motivation to achieve the goals of the profession. Meanwhile employees who are not committed to their work, motivation to achieve the goal will be low.

These findings are consistent with several previous studies conducted by Ketchand & Strawser (2001) that find various dimensions of professional commitment which demonstrated an association between professional commitments with job performance. While Siders, et al. (2001) and Fernando, et al. (2005) give the same conclusion that professional commitment has a positive influence on the auditor job performance.

Idealism ethical orientation is proved to have a significant positive effect on auditor job performance. It means, the higher the idealism, the higher the auditor's job performance. This finding is consistent with the theory of goal setting that states the relationship between the goals set by the job performance (performance). A person who understands the purpose (what the organization wishes him) would affect his behavior. Ethical

idealism refers to the belief that the consequences of the decision desired can be obtained without violating the noble values of morality. Idealism is described as the individual attitudes toward actions and how actions that lead to others (Coleman & Wilkins, 2009). Someone with a higher ethical ideals, believes that an ethical action should have positive consequences and will always have no impact or no effect to others (Barnett & Valentine, 2004).

This finding is also consistent with several previous studies that support this goal-setting theory, which states that Idealism is positively related to the job performance. The higher the idealism of someone, the higher his chance to have a good job performance because of concerning for the welfare of others (community/public). He also avoids to harm others and would make efforts to do their job properly, or the higher the level of a person's beliefs about the extent to which the behavior or actions that they do affect the success or failure that they experienced, the better the one's job performance (Barnett and Valentine, 2004; Hall et al., 2005; Elias, 2006).

Relativism ethical orientation is proved to have a significant negative effect on the auditor's job performance. It means that the higher the relativism, the lower the auditor's job performance. The findings of this study are consistent with some previous research. Results of previous studies show that relativistic managers are more likely to advise the seller to perform unethical practices would lead to a worse job performance, but it cannot be proved to the idealistic manager. Thus, the relativistic auditor's job performance will be less good (Kleiser, et al., 2003; Elias, 2006). The higher the relativism, the lower the person's job performance. The findings of significant negative effect can also be interpreted that relativism has a considerable influence on the auditor's job performance.

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