



A Model for the Effect of Emotional Intelligence Components on Auditor's Ethical Judgment by Considering the Personality Trait of Extraversion

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ABSTRACT

The present study aimed to explain the relationship between the emotional intelligence components and auditor's ethical judgment by considering the personality traits of extroversion. The research method was applied in terms of objective and correlation in terms of descriptive method. Emotional intelligence was considered as an independent variable and ethical judgment as a dependent variable. In addition, extroversion trait was considered as a moderating variable. The population included certified public accountants who were members of the Iranian Society of Certified Public Accountants working in the auditing organization in 2019. The total number was about 1400 subjects. Sampling was calculated through Morgan table and Cochran's formula as 385 people and the samples were selected by simple random method. Two questionnaires and a scenario were used to measure the variables. In order to analyze the results, a structural model with Smart PLS software was used. The results indicated a positive relationship between emotional intelligence and ethical judgment. Extraversion has a significant effect on the interaction between self-motivation and ethical judgment, as well as between self-awareness with ethical judgment and modulates the relationship. But, it has no modulating effect on the relationship between self-control, empathy, social skills, and ethical judgment.

Keywords: Ethical judgment, emotional intelligence, extraversion.

1. Introduction

Entering a specialized profession which requires decision-making needs distinct characteristics, the most important of which is the ability of making professional, high-quality, and uniform judgments (Ebrahimi and Esmailzadeh, 2015). Judgment is the process of making a choice or decision which leads to an activity. This is a simple definition of judgment. However, the judgment process probably has a broader meaning. In terms of concept, judgment involves the understanding the subject, searching for information, evaluating and weighing the existing information, considering the value and desirability of potential consequences, and finally making the decision (Gibbins and Mason, 1998). Professional judgment is a concept used in most disciplines (Popa et al., 2011). In auditing, professional judgment means the use of knowledge and experience in the framework of accounting standards, auditing and professional behavior code to make decisions on choosing an option from different options (Kade and Salari, 2013). Reliability in auditing and usefulness in financial reporting depend on good judgment by professionals. Professional judgment is the foundation of accounting and auditing (Asadi and Nemati, 2015). According to the Canadian Association of Chartered Accountants (1995): "Professional judgment is the essence of auditing. The value that is created by auditing financial statements comes from the auditor's judgment and generally from the set of professional judgments which are made within the framework of accounting and auditing standards."

The auditor encounters professional judgment at all stages from the beginning to the end of an audit work, involving the acceptance of a task, planning, collection, evaluation of evidence, and reporting. If the auditors' judgment is based on professional principles and standards away from any bias, the reliability on the audit reports will increase. Many studies have been conducted on professional judgment in auditing during the recent years (Popa et al. 2011). Studies by Nelson and Tan (2005) indicated that these studies date back to the 1970s when the focus was on analytical methods, evidence evaluation, personal characteristics, and auditors' cognitive limitations. Previous studies considered the auditor's judgment as a function of individual characteristics and abilities, but some researchers believe that environmental factors can affect liability requirements (Martinov & Pflugrath,

2009). Here, the main question is what are the criteria for the auditor's judgment?

Studies indicated that feelings affect emotions and emotions affect feelings and thus affect people's judgments about different issues (Bar-On, 2006). Emotional intelligence was raised for the first time in 1920 by Thorandick as social intelligence. In this study, he reviewed cognitive intelligence and stated the concept of social intelligence for describing specific aspects of success (Dulewicz, Higgs & Slaski, 2003). In another definition, Bar-On (2006) considered emotional intelligence as a set of abilities and capabilities which empower a person to adapt to the environment and achieve success in life. According to him, emotions are the core of life. Emotions lead to preferences in thoughts, memory creation, creation of different perspectives on problem solving, and the facilitation of creativity. In addition, different emotions create different patterns of information processing (Salovey, Bedell, Detweiller & Mayer, 2000). Therefore, as an important variable, it can affect ethical judgment. The focus of such studies was mainly on auditing-psychology during the 1980s-1970s, seeking to answer the question of whether auditors' judgments are affected by psychological and biased conditions or not? (Popa et al., 2011). Theories in ethics assume that different moral behaviors of individuals are based on the personal characteristics of the decision maker (Gimbar et al., 2016). In other words, different behaviors arise from differences in characters, as each person's personality is composed of all his traits. In this regard, the results of studies by Amirkhani, Vahdat, Hazratian (2010) indicated the relationship between personality traits and Internet ethics. However, the previous studies have less investigated the effect of personality traits as moderating variable affecting the other relationships of variables on ethical judgement. In fact, there is a gap which is consistent with the research literature that judgment is influenced by individual and personality traits. In this study, emotional intelligence and extraversion personality traits are regarded as two psychological factors on auditor's ethical judgment. The researcher aimed to explain the relationship between emotional intelligence components and auditor's ethical judgment by considering the personality trait of extraversion.

Theoretical Framework and review of the research

Ethical judgement

Ethical judgment is a factor in the process of ethical decision making and precedes ethical intention and behavior. Studying the perceptions and factors affecting the understanding of ethical aspects of issues is significant because the way ethical issues are processed determines the decision and behavior of individuals in different situations (Latan et al., 2019). In other words, the ability to recognize and evaluate complicated ethical situations when making decisions is a prerequisite for ethical behavior (Rast, 1986). Although no well-defined rules exist for practicing and improving ethical judgment, the final decision or action is significantly affected by individuals' social status, as well as their personal attitude towards ethical philosophy, the latter of which is significantly based on personal personality and values (Pohling et al., 2016). Kohlberg (1981) considered the ethical reasoning of individuals as a function of the level of ethical development. According to Kohlberg's model, there are three levels of ethical development: pre-conventional, conventional, and post-conventional. Each of these levels is divided into two steps, finally leading to six steps of ethical development, and each step is cognitively higher than the previous step. At the level of pre-conventional ethical development, individuals behave ethically to avoid punishment (step one) or to receive reward (step two). At this level, the consequences of any action determine the judgement of ethical situations. At the level of conventional ethical development, the ethical decision-making of individuals is affected by their acceptance in groups and society. At this level, individuals tend to obey the laws completely, but this obedience of laws is not just about avoiding punishment or gaining reward. However, the important thing is the popularity and ultimately the maintenance of discipline in group or society. In general, this level emphasizes the relationship between individuals and values of society and the groups to which the individual belongs. Organizational and social values take precedence when these are in conflict with personal interests. At the level of post-conventional ethical development, transcendent concepts such as justice, fairness, and human rights determine the ethical or unethical actions of individuals. When personal interests or social rules

conflict with such concepts, individuals avoid their interests or even deviate from social rules and values (Schinkel & Ruyter, 2017). Kohlberg's ethical development model in the field of this research is important due to the effect of accounting training and emphasis of the need to adhere to accounting principles and standards on accountants' score in ethical development tests. In accounting, it is emphasized that the right action is the lack of conflict in that action, principles, procedures, and standards of accounting. This process of judgment and decision-making is associated to the third and fourth steps of Kohlberg's ethical development model (Abdolmohammadi and Baker, 2006).

Emotional intelligence

Emotional intelligence as an individual trait plays a dual role in organizations. The individuals with higher emotional intelligence can use this skill to provide the way for organizational development, but also may use this ability to benefit themselves (Goleman, 1995). According to Duff et al. (2012) and Cook et al. (2011), high emotional intelligence is essential for accountants because they deal with various people on a daily basis due to their job nature. Thus, having this skill can help them control their own and others' stress and emotions. A financial manager with high emotional intelligence can prevent the pressures that CEOs place on them for earnings management by establishing good relationships with the CEOs and affecting their feelings and also resist their pressures without a strong conflict with them. When the CEO is rewarded for earnings management, the CEO who is emotionally aware and aware that earnings management is harmful to the organization and jeopardizes the organization because of its ability to control its emotions can control their interest to receive rewards (Mersino, 2014).

Extraversion

Extraversion and introversion is a personality trait and a central dimension in human personality theory. This attitude was popularized by Carl Jung (1920) (Jung, 1921). However, both of them are considered as universal understandings and the concept used in psychology differs from his main purpose. In addition, he dealt with the issue of taking human energy from the outside world. Many people consider introversion

associated with silence and embarrassment. On the contrary, extroverts are social and happy people. Based on this theory, introverts receive their energy from within (ideas and concepts from the mind) and extroverts receive their energy from the outside world and in relation to others (Thomson, 2008). In other words, extroverts are socialists while social ability is only one of the traits of the extrovert domain. Furthermore, loving people, preferring big groups and gatherings, being brave, active, and talkative are among the traits of extroverts. Further, they love sexual arousal and tend to be cheerful. In addition, they are happy, energetic, and optimistic (Costa, McCreery and Holland, 1984). According to John and Srivastava (1999), extraversion indicates the presence of an energetic approach to the material and social world in the individual, including some characteristics such as populism, activism, assertiveness, and bravery. Compromise shows a social and societal orientation against a hostile attitude towards others, including the characteristics such as altruism, kindness, trust, and modesty. Extraversion is manifested in the willingness to go out, talk a lot, and have an energetic behavior, while introversion is more indicated in individual behavior and self-control (Thompson, 2008). As showing the characteristics of extroverts is easy, it is just difficult to show the characteristics of introverts. In some descriptions, introversion should be regarded as the lack of extraversion rather than as anti-extraversion. Thus, introverts are more self-controlled than being unfriendly, independent than followers, monotonous and balanced than lazy. It means that such people prefer to be alone and it may be said that they are shy.

Introverts do not necessarily suffer from social anxiety. Although such people do not have the very happy spirit of extroverts, they are not sad or pessimistic people. Such characteristics may seem strange or unlikely in some cases, but they have been estimated using numerous studies and have caused conceptual progresses in the five-factor model (Costa and McCray, 1980; and McCray and Costa, 1987). Such studies have degraded mental stereotypes connecting reciprocal traits such as happy-unhappy, friendly-hostile, and sociable-shy and creating new information about personality.

Review of the literature

Saeedi and Naseri (2017) studied individual differences and professional judgment of the auditor. This study was considered as an interdisciplinary research (auditing-psychology). In this study, the effect of four individual characteristics such as two demographic characteristics (gender and experience) and two psychological characteristics (optimism and self-confidence) on professional judgment was studied. The research results indicated that all of the variables in this study (optimism, self-confidence, experience, and gender) lead to some differences in the professional judgment of auditors. Mashayekhi and Eskandari (2017) performed a study entitled "The relationship between emotional intelligence components and auditor judgment". In auditing, individual and structural characteristics are used for judgment and decision-making. The results indicated that the auditors with higher emotional intelligence make better judgments.

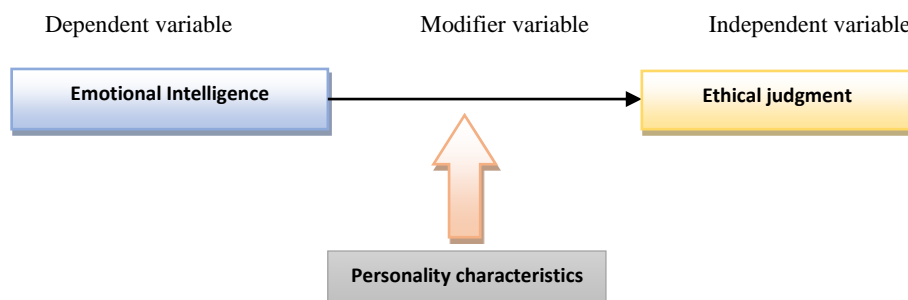
Goodarzi and Hajiha (2016) conducted a study entitled "The relationship between personality traits and the formation of ethical judgment". This study aimed to investigate the relationship between accountants' personality traits and ethical judgments of active auditing firms in Tehran. The results indicated a difference between the personality traits of auditors and their ethical judgments. Hajiha et al. (2013) studied the relationship between auditors' professional skepticism and judgment and their decision-making characteristics and realized that four characteristics of professional skepticism including personal trust, suspension in judgment, source of control, and professional skepticism affect the auditors' judgment and decisions. Sila, Bambang and Aulia (2016) analyzed the effect of knowledge and experience on the auditor's judgment. The studied sample included 331 auditors and the sampling method was stratified. The results indicated that auditors' knowledge and experience are recognized as the main element of competence and leave a positive effect on the professional judgment of the auditor. Anugerah et al. (2014) evaluated the relationship between the auditor's personal characteristics and the quality of the auditor's work in Indonesia. They used questionnaire tools in their study and their sample included 206 internal auditors. The results of their study indicated a relationship between knowledge, experience, and ability of internal auditors and the quality of audit

work. Based on a study by Chuang et al. (2013), many studies questioned the capacity of auditors' professional judgment and stated that auditors' professional judgment is affected by the training and experience of auditors, which is dependent on time and other complex problems and is different from person to person. In addition, it is even affected by the auditor's personality traits and psychological issues such as optimism and pessimism. Hu et al. (2013) examined the degree of conservatism among the Chinese and Australians in accounting judgments. They concluded that the Chinese were more conservative in their judgments compared to the Australians due to the differences between the cultures of the two nations. Ferdinand et al. (2013) realized that auditors' personal characteristics, including educational background, experience, and political dependency affect the quality of their audit. Rois-Figueroa and Cardona (2013) studied the relationship between the auditor's experience and the auditor's professional judgment. The sample included 250 subjects and their research tool was questionnaire. Their results indicated that work experience has not effect on auditor's judgment. Avramova and Inbar (2013) in an interdisciplinary study evaluated the role of feelings on judgment. Studies in psychology and cognitive sciences has consistently shown the significance of feelings in a wide range of daily judgments, including ethical judgment. Most of the recent reports on ethical judgment believe that feelings play an essential role in judgment, while the nature and extent of this role is still under discussion. Bhattacharjee and Moreno, (2012) conducted a meta-analytic study entitled "The role of auditor's feelings

and moods in audit judgment". The reality for auditors is that they experience emotional reactions such as a desire or lack of desire for the client's employees or anxiety about the components of the work during the audit process. In addition, auditors may experience different situations when conducting audits. Studies have indicated that a significant result that auditors experience is that the reactions such as feelings and moods can affect their decisions. Kent, Munro, and Gambling (2006) studied the effect of psychological characteristics on the relationship between auditor's expertise and auditor's judgment. The results indicated that 14 psychological characteristics affect auditor's judgment in all steps of the audit. Psychological characteristics involve responsiveness, reliability, acceptance of change, specialized knowledge, stress management, creativity, and so on.

Angley Dis and Ibrahim (2011) conducted a study entitled "The effect of emotional intelligence on managers' ethical judgment". The results indicated a strong relationship between emotional intelligence and ethical ideology.

Ballantine et al. (2011) studied ethics and gender in the ethical judgments of final year auditing students in Australia. Generally, no significant relationship was found between ethical orientation and ethical judgment. In this study, no significant relationship was found between gender and ethical judgment. Marques et al. (2009) studied the relationship between ethical ideology and ethical judgment in accounting. The results showed that gender is the most significant factor in ethical judgment. In addition, the findings indicated that individuals' ideology does not make any difference in their ethical judgment.



Conceptual Model

Hypotheses

Based on the theoretical foundations and raised background, the following hypothesis is discussed and tested in this study:

Main hypothesis: There is a relationship between emotional intelligence components and the auditor's ethical judgment by considering extraversion.

Hypothesis 1) There is a relationship between self-awareness and ethical judgment of auditor by considering extraversion.

Hypothesis 2) There is a relationship between self-control and ethical judgment of auditor by considering extraversion.

Hypothesis 3) There is a relationship between self-motivation and ethical judgment of auditor by considering extraversion.

Hypothesis 4) There is a relationship between empathy and ethical judgment of auditor by considering extraversion.

Hypothesis 5) There is a relationship between social skills and ethical judgment of auditor by considering extraversion.

Method

This study aimed to explain the relationship between emotional intelligence and ethical judgment by emphasizing extraversion in auditors. The method was applied in terms of purpose and correlational-descriptive in terms of method. The statistical population included the statistical population such as the certified public accountants, members of the Iranian Society of Certified Public Accountants working in the auditing organization in 2019. The total number was about 1400 subjects. Sampling was calculated as 385 through Morgan table and Cochran's formula and the samples were selected by simple random method. Three close-ended tools were used for collecting the required data and measuring the research variables. Scenario was used for evaluating ethical judgment. The scenario of this study was designed based on the scenarios by Samuelson and Rickers (2016) and the research by Johnson et al. (2016) and the validity of its translation was confirmed by experts. These scenarios included three unethical situations that the respondents to the questionnaire in each situation were in a more unethical situation than the previous situation. In the first situation, the manager asked his subordinates to defer part of the optional expenses for

six months to increase the profit this year and not to jeopardize the reappointment of the CEO and board by misleading investors. In the second situation, the manager made a more unethical request and asked his staff to delay the identification of the devaluation loss of the product, causing a 50% loss in the inventory value until next year.

This request is related to accounting estimates and is a clear example of accounting profit management. In the third situation that is the most unethical case of this study, the manager asked his staff to change the date and time of the computer in the company's transportation department to record next year's sales in the current year, resulting in the inflation of this year's income fraudulently. The 33-item Goleman emotional intelligence questionnaire was used to evaluate emotional intelligence. This questionnaire has a 5-point Likert scale (1-5) and has five components (self-awareness, self-motivation, self-control, empathy, and social skills). The Neo five-factor questionnaire was used to evaluate the personality traits of extraversion and the questions related to extraversion were used. The extraversion part has 12 questions and the scoring range of the questionnaire is 5-point Likert (0-4). The validity and reliability of this questionnaire are confirmed in Iran. The long form of the questionnaire was validated by Garoosi, Mehryar, and Tabatabai (2001) in Iran and the results obtained in the test by Costa (1992) indicated that the correlation of five subscales of short form with long form was 0.77-0.92. In addition, the internal consistency of its subscales was estimated in the range 0.68-0.86. Dependent variable: Ethical judgment: Based on the ethics and ethical regulations of auditing: 1- Accountants are responsible for the interests of society and preserving their professional competition and personal interests should not prevent them from performing such a task. Thus, they should be concerned and attempt to observe the principles and ethical standards for the public interest. Accountants have an extensive range of customer information due to the nature of professional services. In order to perform such a task, they have access to confidential information. Thus, it is necessary to be confidential and independent of this information by regarding ethical principles. Independent variable of emotional intelligence: Emotional intelligence: It refers to a set of perceptual and operational abilities in both individual and social areas. Meyer and Salovi define emotional intelligence

as a set of mental abilities which help you understand your feelings and achieve the ability to adjust your feelings " (Meyer and Salovi, 1997:189). Moderating variable of extraversion: Extroverts are social individuals but being social is just one of their characteristics. In addition, they are decisive, active, and talkative in practice and also love excitement and mobility and are hopeful for success in the future. Extraversion indicates people's interest in developing their work.

Evaluating the reliability of the model

The first test is evaluating the reliability of the Cronbach's alpha model. This test evaluates the internal consistency of the questions outside the model. The following table indicates the results of Cronbach's alpha test, composite reliability (CR) and communality.

Cronbach's alpha test indicated that all variables have a Cronbach's alpha higher than 0.7, indicating the reliability of the model. Studying the communality showed that communality is more than 0.05, composite reliability is higher than 0.9, and Cronbach's alpha is higher than 0.7. This result shows that the model variables have acceptable reliability.

Table 1: Composite, communality, and Cronbach's alpha reliability

Cronbach's alpha	Communality	Composite reliability	Variables
.9381	.7923	.9006	Emotional intelligence(EQ)
.9062	.7701	.9600	Extraversion

Findings

Since structural equations have several over-fitting, thus the hypotheses should first be examined. In the technique of excluding indifferent people as all the questionnaires were answered satisfactorily, none of the samples were excluded from the statistical analysis. The second technique is error detection. In this study, first the empty houses were identified and then managed.

Normality test (skewness and kurtosis)

Central measures of tendency, dispersion, and normality test (Kolmogorov Smirnov, skewness and kurtosis)

Table 2: Normality test

Extraversion	Ethical judgment (EJ)	Emotional intelligence (EQ)	Statistics
1/126	1/176	1/140	Kolmogorov-Smirnov Z
.108	.126	.140	Significant (Sig)
.447	-.771	.711	Skewness
-.38	-.799	-.332	Kurtosis
47/44	.70	123/00	Mean
7.3	.22	10.7	Std. Deviation

Based on the above table, the related mean and standard deviation of the scores of the studied variables are given. As can be observed, the mean emotional intelligence is 123.50, ethical intelligence is 0.65, and extraversion is 47.44. The mean ethical judgment shows that the level of ethical judgment of auditors is less than the mean. Since the score of ethical judgment is 0.20-0.100, the mean response of individuals is less than the mean.

In addition, the data related to the variables have a normal distribution as the significance level in the Kolmogorov Smirnov test (k-s) is more than 0.05 and the amount of skewness and kurtosis is between (± 2), indicating that the data distribution is normal.

Testing hypotheses

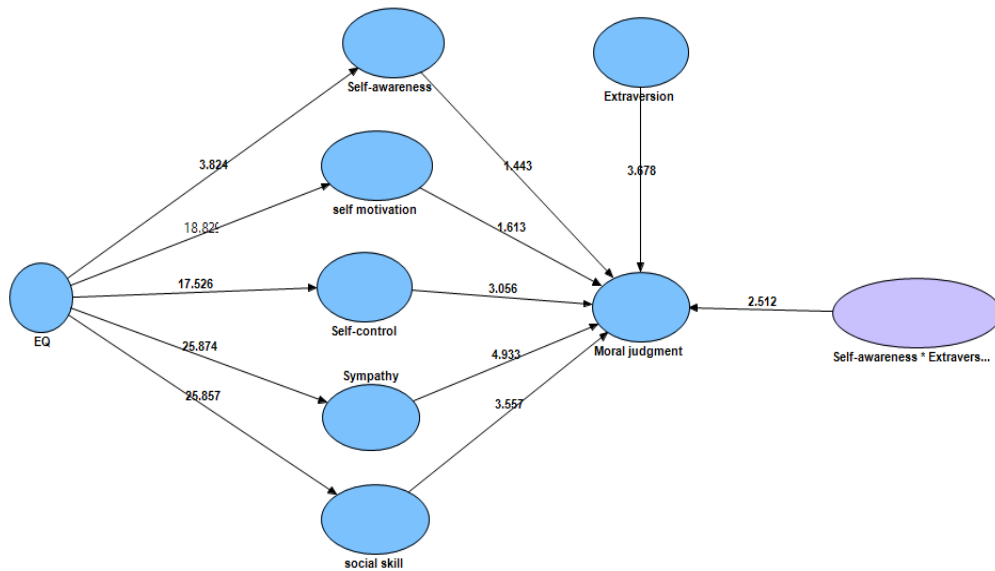
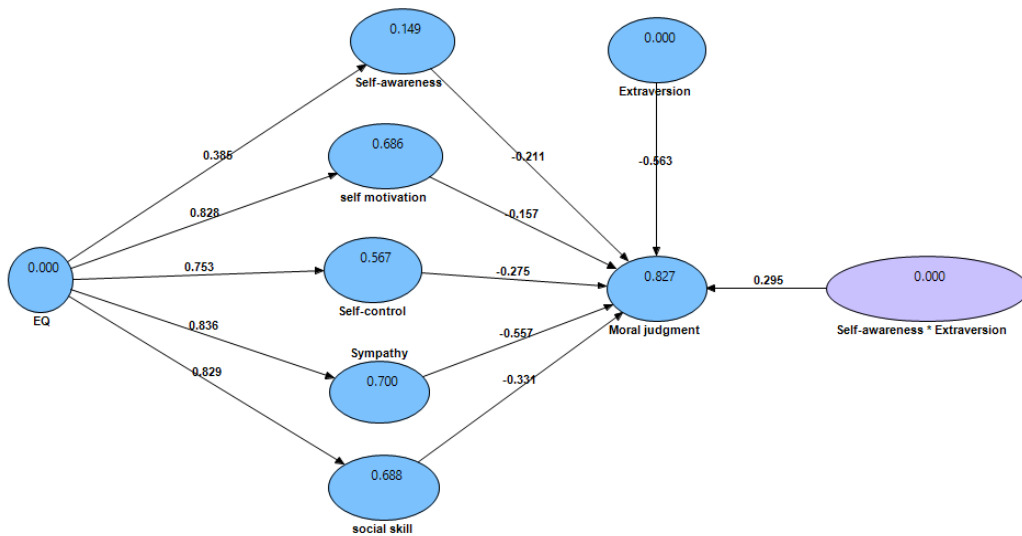
Due to all hypotheses of the structural model, the model was drawn in pls and the relevant model was estimated in two states of standard coefficient estimation and significance coefficient estimation. In the following model, emotional intelligence is shown as independent variable, ethical judgment as a dependent variable, and extraversion as a moderating variable with two levels of measurement including significance and standard coefficient.

Sub-hypotheses

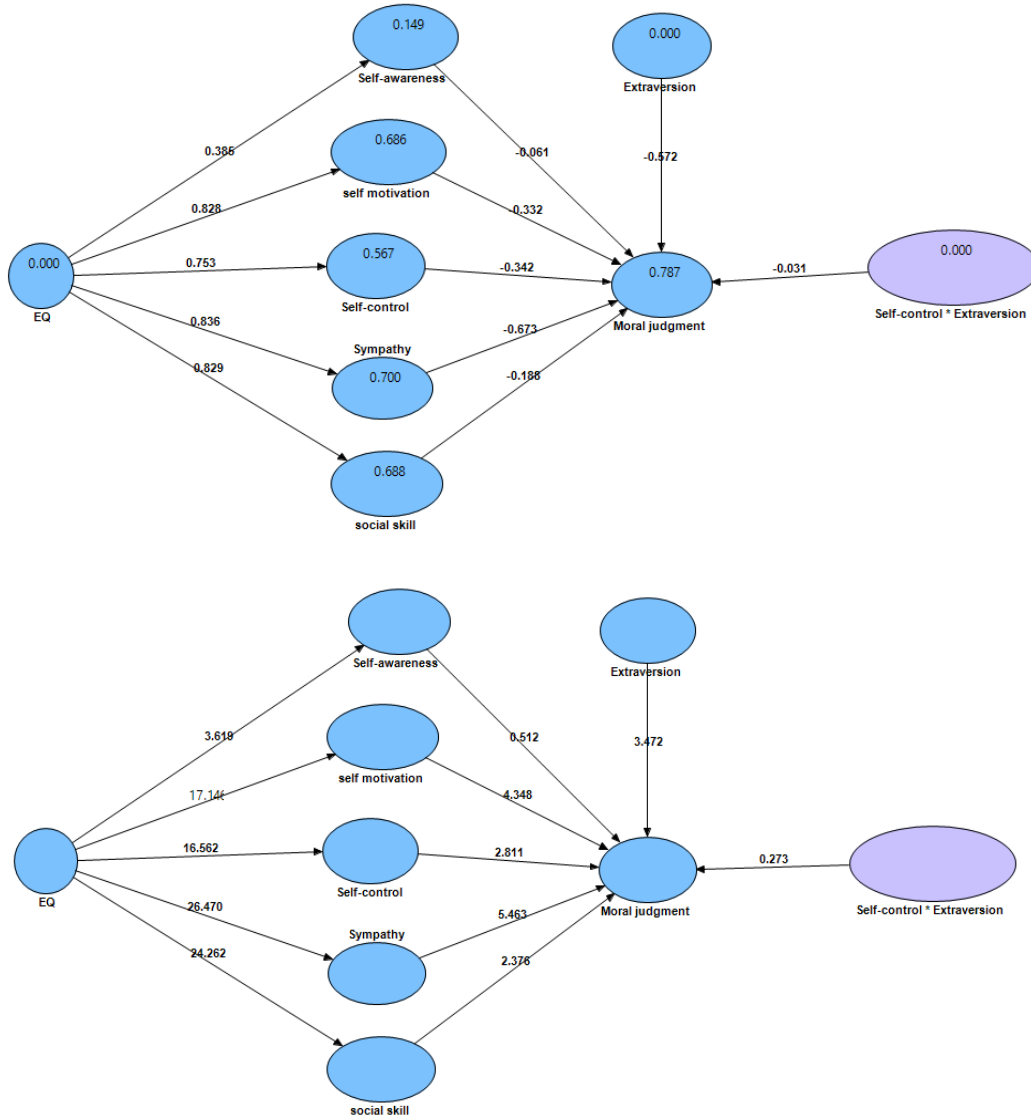
Hypothesis 1-1) There is a relationship between self-awareness and ethical judgment of auditor by considering extraversion.

The above figures are related to standard and significant coefficients to study the interactive effect

of self-awareness with extraversion on the ethical judgment of auditor. How does an auditor act in terms of ethical judgment when he is extrovert, even though he is highly intelligent? The results indicated a positive relationship between self-awareness and ethical judgment. In addition, the interactive is significant.

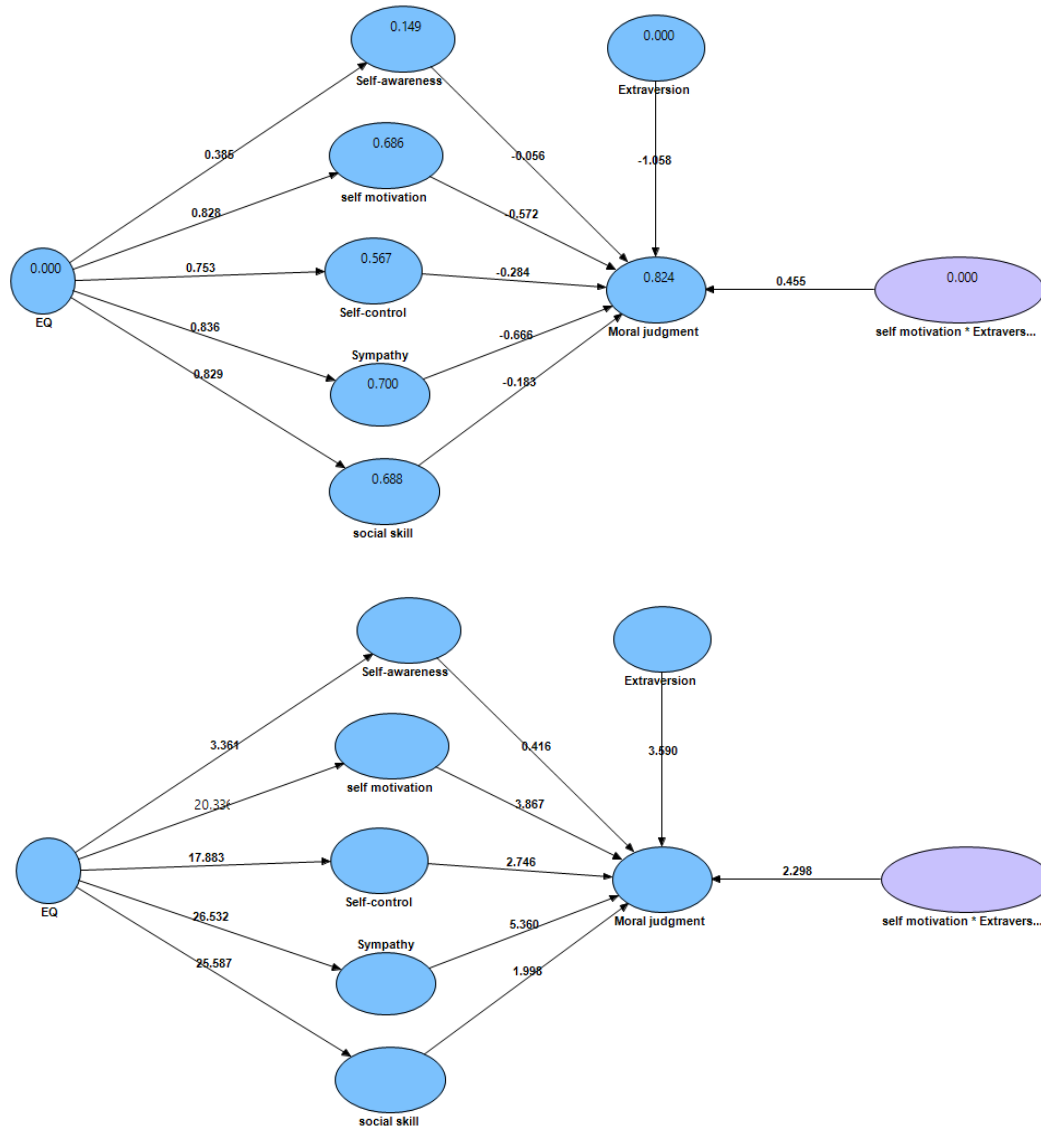


Hypothesis 1-2) There is a relationship between self-control and ethical judgment of auditor by considering extraversion.



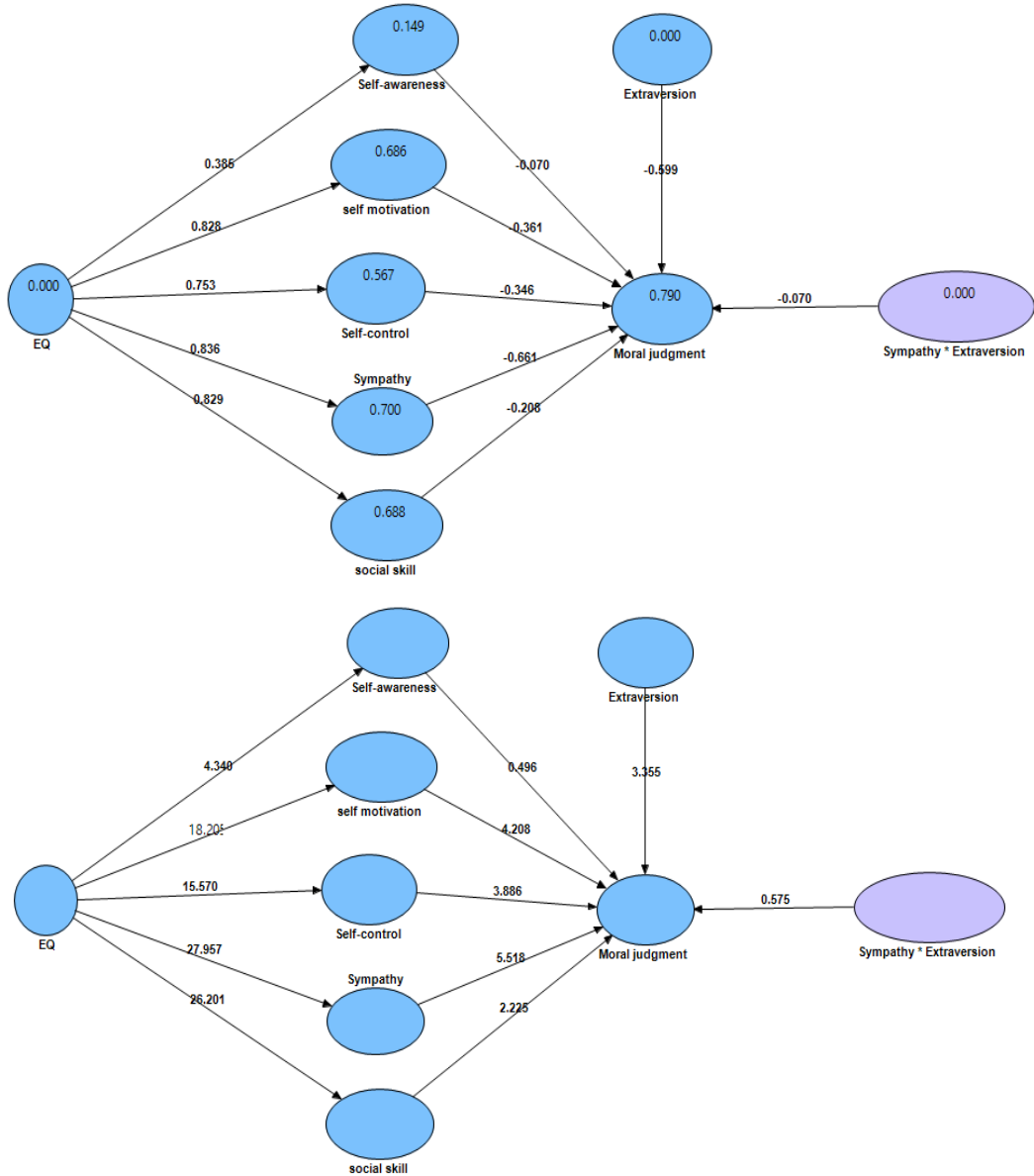
The above figures are related to standard and significant coefficients to study the interactive effect of self-control with extraversion on the ethical judgment of auditor. How does an auditor act in terms of ethical judgment when he is extrovert, even though he has a high level of self-control?

Hypothesis 1-3) There is a relationship between self-motivation and ethical judgment of auditor by considering extraversion.



The above figures are related to standard and significant coefficients for evaluating the interactive effect of the self-control with extraversion on the ethical judgment of auditor. How does an auditor act in terms of ethical judgment when he is extrovert, even though he has a high level of self-control?

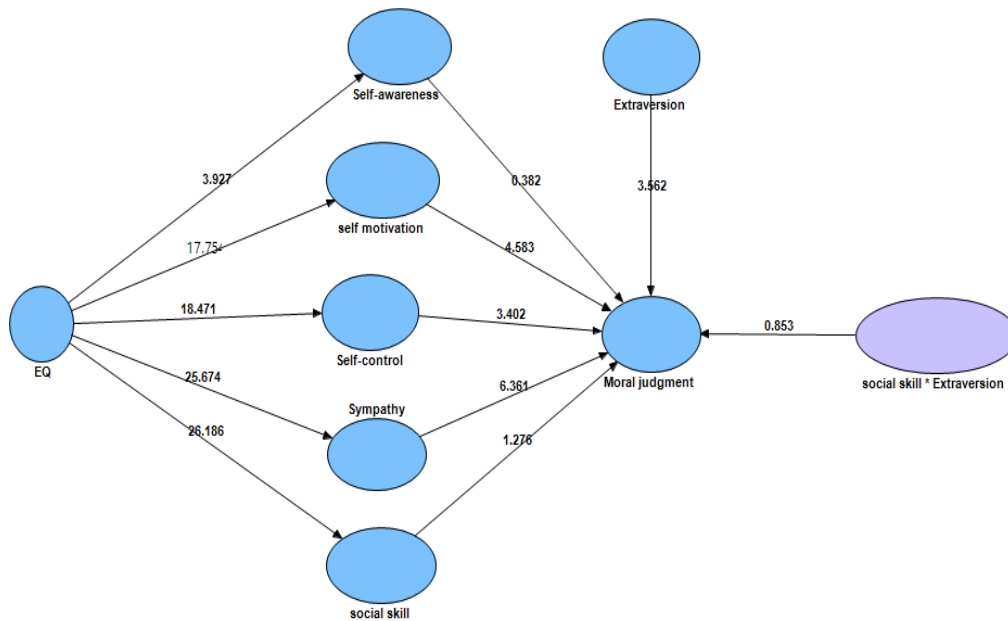
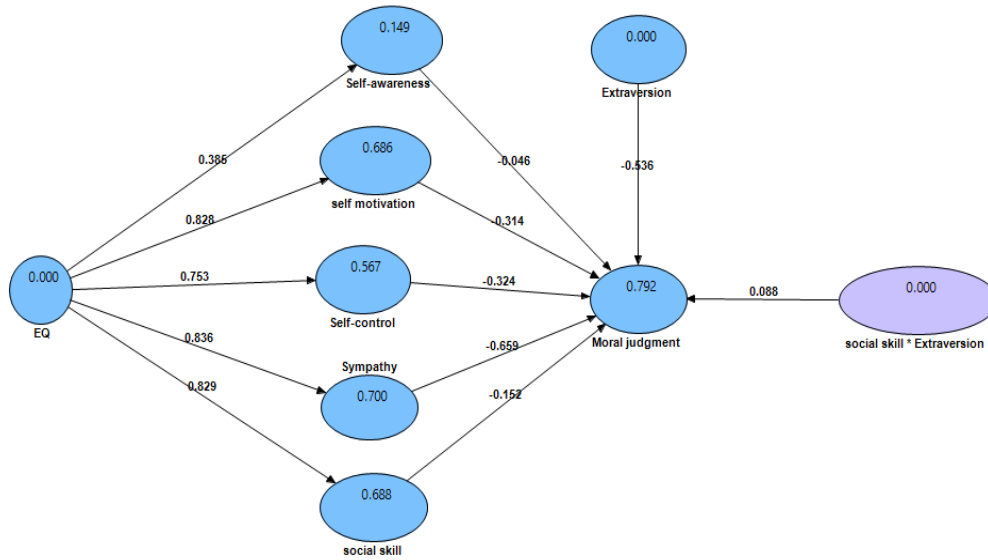
Hypothesis 1-4) There is a relationship between empathy and ethical judgment of auditor by considering extraversion.



The above figures are related to standard and significant coefficients to evaluate the interactive effect of empathy with extraversion on the ethical judgment of auditor. How does an auditor act in terms

of ethical judgment when he is extrovert, even though he has a high level of empathy?

Hypothesis 1-5) There is a relationship between social skills and ethical judgment of auditor by considering extraversion.



The above figures are related to standard and significant coefficients to evaluate the interactive effect of social skills with extraversion on the ethical judgment of auditor. How does an auditor act in terms

of ethical judgment when he is extrovert, even though he is highly intelligent in social skills?

Table 3: Testing the hypotheses related to the interactive effect of extraversion

result	T value	Path coefficient	Research hypotheses	Hypothesis
Confirmed	2.511686*	0.294955	Extraversion * Self-awareness -> ethical judgment	1
Rejected	0.272760	-0.030857	Extraversion * Self-control -> Ethical judgment	2
Confirmed	2.297689*	0.455307	Extraversion * Self-motivation -> Ethical judgment	3
Rejected	0.574515	-0.070427	Extraversion * Empathy->Ethical Judgment	4
Rejected	0.852636	0.088331	Extraversion * Social skills-> Ethical judgment	5

* Correlation is significant at the 0.05 level (2-tailed).

The above table is related to the standard coefficients and significance coefficients of the interactive effect of extraversion with the independent and dependent variable. As considered in:

Hypothesis 1: Based on the relationship between self-awareness and auditor's ethical judgment by considering the personality trait of extraversion with a path coefficient of 0.2949 since the t value is out of the range $\pm 1.96\%$. As a result, the relationship between self-awareness and ethical judgment of auditor is significant at 95% confidence level by considering extraversion. Thus, the first hypothesis is confirmed.

Hypothesis 2: Based on the relationship between self-control and auditor's ethical judgment by considering the personality trait of extraversion with a path coefficient of -0.03085 since the t value is not out of the range $\pm 1.96\%$. As a result, the relationship between self-control and ethical judgment of auditor is not significant at 95% confidence level by considering extraversion. Thus, the second hypothesis is rejected.

Hypothesis 3: Based on the relationship between self-motivation and auditor's ethical judgment by considering the personality trait of extraversion with a path coefficient of 0.4553 since the t value is out of the range $\pm 1.96\%$. As a result, the relationship between self- motivation and ethical judgment of auditor is significant at 95% confidence level by considering extraversion. Thus, the third hypothesis is accepted.

Hypothesis 4: Based on the relationship between empathy and auditor's ethical judgment by considering the personality trait of extraversion with a path coefficient of -0.0704 since the t value is not out of the range $\pm 1.96\%$. As a result, the relationship between empathy and ethical judgment of auditor is not significant at 95% confidence level by considering extraversion. Thus, the fourth hypothesis is rejected.

Hypothesis 5: Based on the relationship between social skills and auditor's ethical judgment by considering the personality trait of extraversion with a path coefficient of 0.08832 since the t value is not out of the range $\pm 1.96\%$. As a result, the relationship between social skills and ethical judgment of auditor is not significant at 95% confidence level by considering extraversion. Thus, the fifth hypothesis is rejected.

Table 4: R square test

independent variable	dependent variable	R square(R ²)
Emotional intelligence (EQ)	Ethical Judgment (EJ)	0.569

The R square of ethical judgment with emotional intelligence equals 0.569. In other words, 54.69% of the changes related to ethical judgment are explained by emotional intelligence according to extraversion. This result indicates the very high effect of ethical intelligence in interacting with extraversion. In general, the proposed measurement model has a good quality, indicating that the researcher has selected appropriate indicators for measuring the variables.

Conclusion and suggestions

Based on the figure extracted from the structural model, there is a relationship between the components of emotional intelligence and ethical judgment. In addition, there is a relationship between extraversion and ethical judgment without considering the interactive effect. As a result, the auditors are extrovert do not act positively in terms of ethical judgment. In fact, extrovert auditors have less ethical judgment. Extraversion refers to being highly active, energetic, and inclined to social behaviors. People with high extraversion enjoy social interactions and it is pleasant for them to be in big social gatherings. They attempt to do things which get more attention. In this regard, the possibility of engaging in unethical behavior is high.

Consistent studies can be referred to Amirkhani, Vahdat, and Hazratian (2010). In this study, the relationship between Internet ethics and five personality traits was evaluated. The results indicated the relationship between extraversion and Internet unethical behavior in extroverts.

In another study, Shahriar et al. (2014) evaluated five personality traits which affect the formation of accountants' ethical intentions. In addition, they addressed the effect of conscience, adaptability, extraversion, neuroticism, and openness on accountants' ethical judgment process. The result indicated that only the traits of conscientiousness and openness have a positive relationship with ethical judgment. If extraversion acts as a moderating variable in this relationship (emotional intelligence and ethical judgment), the relationship is significant only in interaction with self-awareness and self-motivation. The results indicated that the auditors who have a high score in self-awareness and self-motivation of emotional intelligence and are extroverts act more ethically. Based on the attitudes on emotional intelligence, including Goleman (1999), the presence of self-motivation leads to an active understanding of the environment and affects judgment. The development of self-awareness is a necessary prerequisite for social behaviors, effective interpersonal relationships, and performing the right moral act (Goleman, 1998). The more you know yourself, the better you can accept or change who you are. When a person has a dark and vague image of himself, he fails to really know himself and remains in his inner conflicts. When we do not know about our inner self, we put ourselves in the hands of our environment and those around us. As a result, it is the external forces which shape our personality and determine form and structure. In this case, we neglect most of our existential potentials and suppress them. On the other hand, when our personality and behavior are formed based on external forces, it will be highly fragile and constantly changing. Therefore, we do a lot of difficulties, including some behaviors to hide the fragile dimension of our personality. However, self-awareness and awareness of the inner and mental concept can help the person face the problems of life and make the right decisions and ethical judgments when required. Furthermore, the theory of stewardship can be mentioned in explaining the role of self-awareness on the relationship between ethical

judgment and extraversion. Consistent with this perspective, continuous monitoring of managers' performance plays an effective role in preventing fraud and misrepresentation of financial statements (Amir Aslani, 2010). Based on this theory, if there is more control over behavior, the rate of fraud and unethical behaviors will reduce. Thus, the elicited results indicate that the person is aware of his feelings, behavior, and thoughts, acts based as his inner supervisor and engages in less unethical behavior, commits less fraud, and can make higher ethical judgments in decision-making. Therefore, it is suggested to create and strengthen strong control systems including audit committee, effective independent audit and strong ethical framework based on continuous education to prevent violations by people with high emotional intelligence. Future researchers are also suggested to examine the relationship between emotional intelligence and ethical judgment according to the personality traits of auditors.

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