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Effect of Job Insecurity in the Relation between Ethical Leadership and Emotional Exhaustion in Auditor

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ABSTRAK

Penelitian ini menguji peran variabel moderasi yaitu ketidakamanan kerja terhadap kepemimpinan etis dan kelelahan emosional. Survei berbasis web digunakan dalam menyebarkan kuesioner kepada 184 auditor di Indonesia. Hasil penelitian menunjukkan bahwa kepemimpinan etis berpengaruh signifikan terhadap kelelahan emosional. Hasil ini juga menunjukkan bahwa ketidakamanan kerja memoderasi kepemimpinan etis terhadap kelelahan emosional. Penelitian ini menunjukkan bahwa memiliki pemimpin dengan kepemimpinan etis yang baik dapat mengurangi efek kelelahan emosional pada auditor yang dipengaruhi oleh ketidakamanan kerja. Organisasi disarankan untuk mencegah efek kelelahan emosional dengan melatih para pemimpinnya dengan pengembangan kepemimpinan etis dan merekrut pemimpin etis.

Kata Kunci: *Ketidaknyamanan kerja, Kepemimpinan Etis, Kelelahan Emosional, Auditor, Indonesia*

ABSTRACT

This research examines the moderating role of job insecurity, whether ethical leadership affects emotional exhaustion. A web-based survey is used in deploying and delivering questionnaires to 184 auditors from Indonesia. Result shows that ethical leadership affect significantly towards the emotional exhaustion. The result also demonstrates that job insecurity moderates the effect of ethical leadership on emotional exhaustion. This study suggests that by having leaders with good ethical leadership can reduce the effect of emotional exhaustion in auditors that affected by job insecurity. It is recommended for organization to prevent the effect of emotional exhaustion by training its leaders with ethical leadership development and recruiting ethical leaders.

Keywords: *Job Insecurity, Ethical Leadership, Emotional Exhaustion, Auditor, Indonesia*

INTRODUCTION

The issue of leadership in the last decade has become a significant issue that affects the sustainability of an organization. Where leaders do not merely plan, budget, and control, leaders also help create a culture which rich in meaning and emotion. Organizations after all are social entities populated by individuals (Brown, 1992). Leadership is a complex phenomenon involving leaders, followers, and situations. The leader is the center of an organization, where the leader is a figure that is needed in the formation of organization.

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Leaders are center of example, leaders play a central role in determining the direction, style and dynamics that occur within an organization. According to social cognitive theory, followers could look to leader for ethical guidance (Kohlberg, 1969; Trevino, 1986). If the organization is managed by a leader who holds the organization's leadership ethics, it is expected that employees may accept it as a role model.

In the most basic sense, ethics is a personal value system used to decide what is appropriate, which in a particular situation decides what is right within the organization and in the individual. While ethical leadership combines ethical decision-making and ethical behavior, the primary responsibility of a leader is to make ethical decisions and behave ethically. It is expected that ethical leaders will treat their employees fairly and in an unbiased and impartial manner, i.e., using both distributive and procedural justice to guide their leadership behaviors (Zhu, 2008).

In addition to ethical leadership, emotional exhaustion is part of three-dimensional burnout that consists of emotional exhaustion, depersonalization, and low self-esteem (Maslach et al., 2001). The accounting profession is basically a job that faces emotional demands and engagement. Day-to-day interactions with superiors, colleagues, and clients often lead to pressures and challenges that create emotional strain and can cause stress. When stress in work is inevitable some psychological consequences and behavior may occur. The consequences of this demanding and stressful working condition are defined as burnout (Maslach et al., 2001).

Emotional exhaustion is an individual response to fatigue that is experienced outside the norms of interpersonal relationships due to strong emotional impulses (Maslach & Jackson, 1981). Emotional exhaustion is the beginning of decline in personality that encourages the return of lack self-confidence in an employee thereby impacting the organizational of employees' commitment to the company.

While leadership has always been a complex phenomenon involving leaders, followers, and situations. The issue of ethical leadership in the last decade has become significant issue in relation to success in the organization. Therefore, this study motivated by the prior research conducted by Rantika & Yustina (2017). They stated that job insecurity can be considered as one of construct that moderates the relationship between ethical leadership towards emotional exhaustion. Rantika & Yustina., (2017, p. 137) stated the following:

“Affective job insecurity might be one of the variables which moderated the effect of psychological empowerment on employee engagement and emotional exhaustion. Thus,

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it will be desirable to include job insecurity as a moderating variable for relationship between psychological empowerment to work engagement and emotional exhaustion."

Based on statements above this study examines and analyze job insecurity as moderated the effect of ethical leadership and emotional exhaustion. It is also can be considered that job insecurity is one of major stressor that has some relations with emotional exhaustion (Probst, 2003). The findings of this study hopefully contribute by providing knowledge along with indication concerning on how ethical leadership affects emotional exhaustion with job insecurity as moderating variables.

LITERATURE REVIEW

Ethical Leadership

The concept of ethical leadership was first proposed by Trevino and colleagues (Treviño et al., 2003; Treviño et al., 2000). It is defined by Brown et al., (2005) as a demonstration of appropriate behavior through personal action and interpersonal relationships also the promotion of such behavior to followers through two-way communication. The ethical leader therefore points to the leader's own personal qualities. Leadership can be said to be moral or ethical if upholding the norms in the workplace or community. This pointed by Rawls (1999) that ethical leadership is leading by knowing and doing what is right.

To understand more about ethical leadership, Trevino et al., (2000) separates ethical leadership into moral person dimensions and moral manager dimensions. Moral person refers to the quality of the leader as an individual. Where leaders have a trustworthy, caring, fair and wise character. Also, a leader as moral person shows his or her behavior and ethics consistently in his or her personal life and work. Moral manager in other hand use its positions to support an ethical work environment. Leaders as moral managers see themselves as role models, create and communicate ethical standards and provide examples to their subordinates. Leaders also apply rewards and punishment systems to ensure an ethical standard has been applied.

The study of ethical leadership is built on the basis of social learning theory (Bandura, 1977) and social exchange theory (Emerson, 1976). Social learning theory focuses toward previous circumstances and the consequences based on ethical leadership. It suggests that individuals learn appropriate behavior through experience and observation (Bandura, 1977). This theory proposes that leaders will influence the ethical behavior of others through modeling (Brown et al., 2005). It is the leader's responsibility to model the ethical behavior of followers through their action. Wimbush & Shepard (1994) found that subordinates mimic supervisors' behavior because supervisors hold subordinates responsible for their actions.

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While social exchange theory explains that individual may feel obligated to return beneficial behavior received from another. When leaders are trustworthy and fair to their followers, the followers feel indebted and reciprocate with beneficial work behavior (Blau, 1964).

Emotional Exhaustion

The concept of emotional exhaustion was raised from Maslach (1981) who learned about burnout. It is the syndrome of excessive emotional fatigue on an individual in his job. While burnout is a very broad concept, there is no standard definition of burnout. Although there are many opinions about what burnout is, burnout can be defined as a syndrome of physical and emotional exhaustion, associated with the development of negative self-concept, negative work attitude, and less attention to others. While there are three aspects to burnout syndrome: emotional exhaustion, depersonalization, and low self-esteem. Emotional exhaustion is a key aspect of burnout syndrome, individuals feel emotional fatigue (Maslach et al., 2001). It shows that people who experience emotional fatigue have very bad conditions. Negative self-concept and work attitude, this reduces the individual's attention to others.

Excessive emotional exhaustion that is passed on to others is a syndrome of burnout. A person experiencing emotional fatigue is the key to burnout syndrome. The emotional exhaustion resulted in the exhaustion of emotional sources, the individual felt his psychological state disturbed. Another aspect that develops is pessimism toward others. The third aspect of burnout syndrome assesses bad self. Workers feel unhappy with themselves and dissatisfied with their own achievements at work (Schaufeli et al., 2009)

Maslach et al., (2001) argue that emotional exhaustion is an overwhelming emotional feeling and emotional resource that someone has run out of by someone's contact with another individual. This shows that emotional exhaustion arises from contact with others who drain their emotional resources. Maslach (1978) explains that when people experience emotional exhaustion is a characteristic of burnout, where individuals have no positive feelings, sympathy, or respect for others. Emotional exhaustion is similar to physical fatigue, sickness, and psychosomatic symptoms. People who experience burnout sometimes consume alcohol, and narcotics to reduce the pain. If the negative emotions are not resolved in the workplace, the impact will be sustainable up to the environment. Based on the statement, emotional exhaustion is a condition in which a person weakens his positive feelings to disrespect others in the workplace. If the negative emotion is not resolved, it will have an ongoing impact to the environment. Pines & Maslach (1978) explain that the circumstances in which an individual

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experiences an unconscious and too severe stress is a burnout condition, which is often seen in employees.

Based on some understanding of emotional exhaustion above, it can be concluded that emotional exhaustion is a condition that weakens individual personal feelings and emotional sources become depleted. This condition is caused by the contact of individuals with other individuals who deplete their emotional resources. While the emotional sources of the individual personality, which gives the tendency of individuals to experience certain emotions. This decrease in emotional sources makes the individual has no positive feelings, sympathy, or respect for others.

Job Insecurity

Ashford et al., (1989) says that job insecurity is a level where workers feel their work is threatened and feel powerless to do anything about the situation. It is a condition of powerlessness to maintain the desired sustainability in a threatening work situation (Greenhalgh & Rosenblatt, 1984; Greenhalgh & Rosenblatt, 2010). Unsafe feelings will have an impact on job attitudes of employees, decreased commitment, even the desire for ever greater turnover (Sverke et al., 2006). Job insecurity is perceived not only due to the threat of job loss, but also the loss of the job dimension (Ashford et al., 1989).

Job insecurity is measured by the components proposed by Greenhalgh and Rosenblatt and Ashford, et al. (Ashford et al., 1989; L. Greenhalgh & Rosenblatt, 1984) is the level of importance of aspects of work perceived by individuals, the possibility of a negative change in aspects of the work for the individual, the level of importance felt by the individual about the potential of each event that can negatively affect the overall work of the individual, the possibility of the emergence of such events which can negatively affect the overall work of the individual, and the perceived helplessness of the individual.

Based on the above description it can be seen that job insecurity is a perception of threats, opportunities and controlling individuals have responsibilities about them in the workplace. When threats are considered to be greater than opportunities, when there is a perceived lack of control and changes in job characteristics, the victim's employee will experience job insecurity. Job insecurity is an employee's judgment of a situation where the employee feels threatened, tense, anxious, worried, stressed, and feeling uncertain in relation to the nature and whereabouts of a future job that leads to feelings of helplessness.

Relationship between Ethical Leadership and Emotional Exhaustion

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Leadership is a process in which leaders and followers mutually uphold morality and motivation. Leaders have an ethical responsibility to treat subordinates with respect. According to Burns (1978) the main role and function of leaders is to raise awareness of ethical issues and help subordinates or others resolve conflicting values. Ethical leadership involves the use of authority to help followers overcome conflicting values emerging in a work environment, as well as a rapidly changing society culture (Northouse, 2021).

According to Babakus et al., (1999) states that theoretically emotional exhaustion is always associated with two backgrounds, namely role conflict and role ambiguity. When leaders cannot perform his role or when there is a role conflict between leader and its follower, it is possible to grow negative emotions towards his followers. This is reinforced by Dasborough (2006) which explains leaders is capable of inciting negative emotions among their followers. While Schaufeli & Enzmann (1998) concluded that emotional fatigue is strongly influenced by workload, time pressure, lack of social support, and role stress. Support from leaders who are given to its followers aims to help solve a particular problem so as to create a comfortable atmosphere, safe, not depressed, and act as a source of motivation for employees. When employees are motivated then emotional exhaustion experienced by employees will be reduced.

H1: Ethical leadership has negative effect towards emotional exhaustion

Relationship of Ethical Leadership, Emotional Exhaustion and Job Insecurity

The leader is an individual who is close to the employee in the work environment. Researcher argue that leader that perceived ethical by the follower can reduce work related stress, because leaders are supportive, make structural and pleasurable work environment, engage in open communication with employee also make clear the expectation and responsibilities of employee clear (Zheng et al., 2015). Social support can be obtained from family, colleagues, or organizations, superiors or leaders (Bradley & Cartwright, 2002). Kuhnert & Palmer (1991) says that support from superiors has effect on stress experienced by workers who have high job insecurity. A supportive employer creates a helpful, friendly and cooperative situation that will create a positive work environment and reduce job-related concerns.

H2: Job Insecurity moderates and strengthen the relationship of ethical leadership with emotional exhaustion.

Research Model

Based on the literature review and the hypotheses development above, the aim of this research is to improve our understanding of ethical leadership and how it relates to emotional exhaustion as well as factors that may moderate the effects of ethical leadership. A research model of the relationship among variable is illustrated in Figure 1.

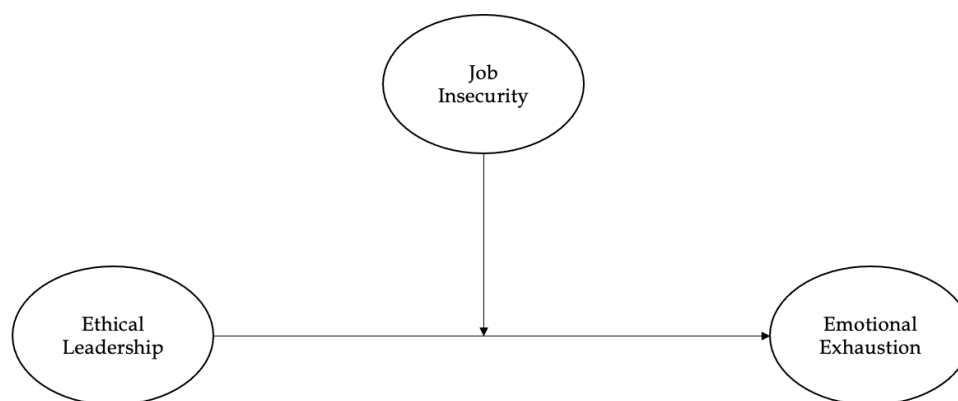


Figure 1
Research Model

METHODS

Sample and Procedure

The population in this study is the auditor who works in public accounting firm in Jakarta. To obtain objective, valid and reliable data, the researcher will use primary data, that is data obtained directly from respondent that is the selected respondent as sampling data. The form of data collection is a questionnaire via web-based survey. Electronic questionnaires were used by auditors from public accounting firms in Jakarta. More than 350 questionnaires were distributed and the output of the response rate is 52.57% (184 respondents). Among 184 respondents, 27.72% came from big four accounting firms and 72.28% came from others accounting firms.

The gender of the respondents was 51.09% of female and 48.91% of male. The majority was dominated by auditors who aged between 20-25 years old (48.37%). Among these respondent, 54.91% were junior auditors, 21.18% were senior auditors, 10.87% were assistant managers, and 13.04% respondents were managers. Job experience of particular respondents varies from less than one years (27.72%), one up to two years' experience (27.17%), three up to four years' experience (13.59%), and the longest were more than four years' experience (31.52%). The details of respondents' demographic data are illustrated in table 1 below.

Table 1
Demographic Data

	% Respondent
Gender	
Male	51.09%
Female	48.91%
Age	
21-25	48.37%
26-30	11.96%
31-35	14.67%
>40	25.00%
Public Accounting Firm	
Big 4	27.72%
Non-Big 4	72.28%
Position	
Junior Auditor	54.91%
Senior Auditor	21.18%
Assistant Manager	10.87%
Manager	13.04%
Tenure	
<1 year	27.72%
1-2 year	27.17%
3-4 year	13.69%
>4 year	31.52%

Measures

Independent variable of this study was Ethical leadership. To measure this variable, author used and adopted 10 items of Ethical Leadership Scale from Brown et al., (2005). Sample items of this scale is "Leader makes fair and balanced decisions." Measurement used for emotional exhaustion was 5 items from Maslach Burnout Inventory-General Survey (MBI-GS) by Schaufeli et al., (1996), a sample item of this item includes "I feel emotionally drained from my work." The moderating variable of this study was job insecurity and measured by 7 items from Hellgren (1999). The sample is "There is a risk that I will have to leave my present job in the year to come." All items are scored on a five-point likert scale ranging from 5 = (Strongly Agree) and 1= (Strongly Disagree).

Statistical Analysis

Partial Least Squares Structural Equation Modeling (SEM-PLS) will be used to analyze the relationship between the variables Multivariate analysis involves the application of statistical methods that simultaneously analyze multiple variables. The consideration for using SEM-PLS is that this SEM-PLS works efficiently with small sample sizes and complex models and makes practically no assumptions about the underlying data and can easily handle

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reflective and formative measurement models, as well as single-item constructs, with no identification problems. It can therefore be applied in a wide variety of research situations (Hair et al., 2016). The software that researcher used to run data analysis is PLS Warp (Version 6.0).

RESULT AND DISCUSSION

Validity and Reliability Test

In order to assess construct's validity, this study tested the convergent and discriminant validity. To measure convergent validity, Hair et al., (2016) stated that factor loadings of the indicators and the Average Variance Extracted (AVE) need to be considered. The established rule of thumb to assess a loading value is that the loading value should be higher than 0.50 and ideally 0.708 is considered good/acceptable (Hair et al., 2016).

According to Hair et al., (2016) loadings value between 0.40 and 0.70 can be removed if it contributes to the increasing value of AVE and indicators with loadings below 0.40 must always be removed. In addition, to establish convergent validity, AVE value of 0.50 or higher is acceptable. While AVE less than 0.50 indicates that more errors remained than the items explained in the construct.

For the criteria stated below, this study removed several items from the scale. From ethical leadership two items that dropped out are: EL (3) Listen to employees have to say and EL (6) Can be trusted. One item removed from emotional exhaustion: EE (4) I feel like I'm at the end of my rope at work. Four items removed from job insecurity: JI (1) I am worried about having to leave my job before I would like to, JI (2) There is a risk that I will have to leave my present job in the year to come, JI (3) I feel uneasy about losing my job in the near future, JI (4) My future career opportunities in [in the organization] are favorable. This action resulted AVE for each construct to surpass the minimum amount of 0.50, specifically begin from 0.503 up to 0.683. While table 2 below illustrate the convergent validity has been qualified.

Table 1
Reliability and Convergent Validity

Latent Variable	Mean	S.D.	Loading
Ethical Leadership - EL (composite reliability = 0.889; cronbach's alpha = 0.856; AVE = 0.503)			
EL 1	3.630	0.972	(0.715)
EL 2	4.130	1.037	(0.709)
EL 4	3.918	1.111	(0.580)
EL 5	3.728	1.137	(0.752)

EL 7	4.000	0.969	(0.677)
EL 8	3.886	1.103	(0.825)
EL 9	3.457	1.173	(0.767)
EL 10	3.332	1.221	(0.618)
Emotional Exhaustion - EE (composite reliability = 0.896; cronbach's alpha = 0.845; AVE = 0.683)			
EE 1	2.842	1.277	(0.756)
EE 2	3.293	1.306	(0.846)
EE 3	2.984	1.401	(0.845)
EE 5	2.723	1.303	(0.856)
Job Insecurity - JI (composite reliability = 0.803; cronbach's alpha = 0.632; AVE = 0.577)			
JI 5	3.783	1.038	(0.717)
JI 6	3.967	0.905	(0.806)
JI 7	3.342	1.129	(0.753)

Source: PLS result

For assessment of discriminant validity, this study used The Fornell & Larcker (1981), criterion approach. This approach compares the square root of the Average Variance Extracted (AVE) with the correlations of the latent variable. While criteria to have an adequate discriminant, validity is that the square root value from each construct's AVE should greater than the relationship between the construct in the corresponding column (Fornell & Larcker, 1981). For illustration, to evaluate the construct of "Ethical Leadership - EL", one would compare all correlations in the row and column of "EL" with its square root of the AVE. In this case, ethical leadership has value square root of AVE 0.709 which have greater value than the correlation in the corresponding column of "EL" that have value of 0.371 and 0.645. Overall, it concludes that the example presents this study with the confirmation of acceptable discriminant validity and also the details are illustrated in table 3 below:

Table 2
Discriminant Validity

	EL	EE	JI
Ethical Leadership (EL)	(0.709)		
Emotional Exhaustion (EE)	-0.371*	(0.827)	
Job Insecurity (JI)	0.645	-0.266	(0.759)

Diagonal element: square root of AVE; off-diagonal: correlation between constructs.

*Significant at $p < 0.01$

To establish the reliability of the construct, this study used two criteria to evaluate its reliability. This criterion can be established by the composite reliability and Cronbach's alpha (Sholihin & Ratmono, 2013). Both value of this reliability measurement can be interpreted in the same way that it considered satisfactory if the values range between 0.70 and 0.90 (Nunnally & Bernstein, 1994). In addition, the values more than 0.90 are undesirable because it indicates all items in construct measuring the same phenomenon. Table 2 above shows that composite reliability value of each construct is higher than 0.70. Meanwhile, the Cronbach's alpha of ethical leadership and emotional exhaustion have points equal or more than 0.70, whereas job insecurity acquire Cronbach's alpha value with 0.632. Due to the Cronbach alpha's limitations, Hair et al., (2016) argues to use other different measure of reliability, which is composite reliability. The values also can be considered acceptable if the other indicators from construct are good.

Descriptive Statistic

Table 4 represents means, standard deviations, and correlations among the construct. The result reveals that ethical leadership has negative association towards emotional exhaustion ($r = -0.338, p < 0.01$). It shows that individual who feel their leader have high ethical standard will reduce feeling of emotional exhaustion. Furthermore, this study indicates that job insecurity moderates the relationship of ethical leadership towards emotional exhaustion ($r = -0.129, p = 0.04$).

Table 3
Descriptive Statistic

	Mean	SD	EL	EE	JI	JI*EL
Ethical Leadership	3.760	1.121				
Emotional Exhaustion	2.961	1.337	-0.338*			-0.129***
Job Insecurity	3.697	1.059				
JI*EL	3.534	1.221				

*Significant at $p < 0.01$

***Significant at $p < 0.10$

Goodness of Fit

The goodness of fit criteria in SEM-PLS approach can be determined by average path coefficient (APC), average R-squared (ARS), and average variance inflation factor (AVIF). Sholihin & Ratmono (2013) stated that p-values for APC and ARS should less than 0.05 (<0.05) to be considered significant. Additionally, AVIF as multicollinearity indicator should less than 5 and ideally less than 3. Moreover, in testing the moderation model, AVIF should be the main

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focus for goodness of fit criteria because in WarpPLS application use moderated regression analysis that is likely to occur multicollinearity. The goodness of fit output on this study are fulfilled with $APC=0.234$, $p<0.01$, $ARS=0.097$, $p<0.05$, and $AVIF=1.073$.

Simple Effect

In performing structural model analysis, the simple effect without moderation where there is only arrow linking EL and EE (e.g., the connection of ethical leadership towards emotional exhaustion) was analyzed. Such main effect is different compared to model which includes moderator variable. Specifically, the estimated value of $\beta=-0.372$, $p<0.01$ which is significant represent the strength of relationship between ethical leadership and emotional exhaustion when moderator variable (job insecurity) has a value of zero.

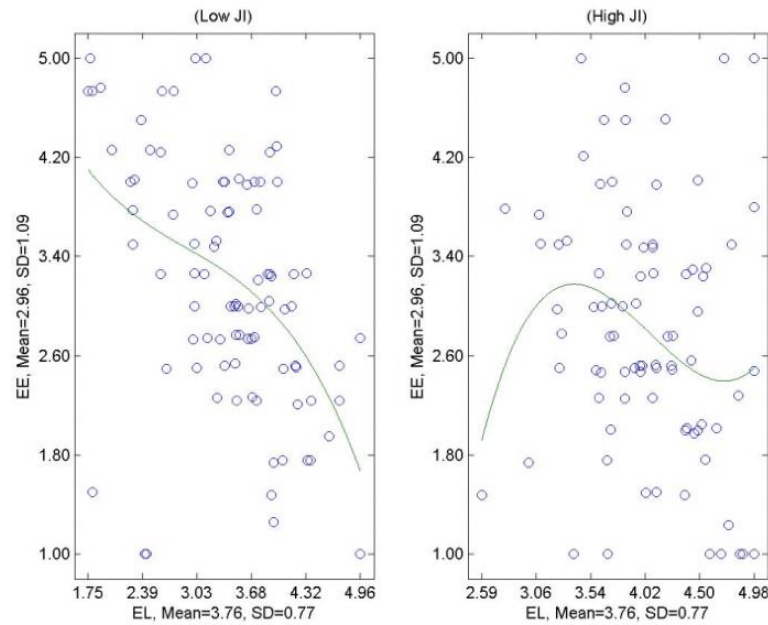
Moderating Effect

To explain the moderating effect, the researcher argues that job insecurity construct as continuous moderator variable. Hair et al (2016) explain that continuous moderator variable occurs when the relationship between the latent variable depends on the values of a moderating variable and not constant value. To do this type of analysis, researcher separate the moderating variable into two categories, such as "high job insecurity" and "low job insecurity," based on the values of moderator

Researchers used the plot model to obtain a full picture of job insecurity influence and moderates ethical leadership towards emotional exhaustion. Figure 2 shows that auditors with low job insecurity feelings tend to make ethical leadership have a negative effect on emotional exhaustion.

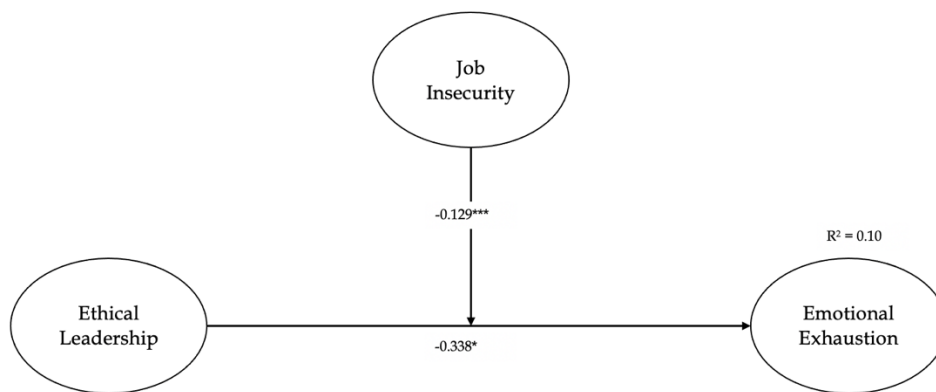
In the auditor sample with high job insecurity feelings, ethical leadership and emotional exhaustion relationships are not linear. In the beginning ethical leadership actually increased the feeling of emotional exhaustion from auditors. This shows the need to adjust the leadership style from the leader or supervisor in the Indonesian public accounting firm. On the other hand, at point 3.50, ethical leadership actually reduces the feeling of emotional exhaustion among auditors. After that the feeling of emotional exhaustion itself increased again at 4.60, this is possible because with an ethical leadership style that is too strict causes the emotional state of the auditors to be depleted (emotionally exhausted).

Figure 2
 Two graph with low-high values of moderating variables and data points



Source: PLS result

Figure 3
 Main Effect



*Sig at p<0.01
 ***Sig at p<0.10

Meanwhile the outcome presented in figure 3 indicate ethical leadership possess negative significant influence for emotional exhaustion with the p-value less than 0.01. The R-squared value of this research is R2=0.10, this illustrate that ethical leadership has 10% significant impact on affecting auditors' emotional exhaustion. It also has been argued by

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Moksony (1999) that the difficult in predict human behavior accurately, 10% of R-squared can be considered as acceptable in social science research.

Discussion

The first aim of this study is to investigate the relationship between ethical leadership and emotional exhaustion. This study also proposed an examined job insecurity as moderators of the correlation within ethical leadership toward emotional exhaustion in Indonesian public accounting firms. The result show that ethical leadership have negative and significant relationship toward emotional exhaustion. It supports the first hypothesis that ethical leadership have negative relationship on emotional exhaustion.

Meanwhile the second finding shows there is nonlinear relationship between ethical leadership toward emotional exhaustion moderates by job insecurity. When auditor under conditions of low level feeling of job insecurity, there is a negative effect of ethical leadership toward emotional exhaustion. Negative connection within ethical leadership and emotional exhaustion indicates that when ethical leaders who show its ethical behavior towards its follower (auditors) can have impact minimizing the feeling of emotional exhaustion and protect from adverse effect of emotional exhaustion (Chughtai et al., 2015). This finding confirms previous research attempt to explains the relationship of ethical leadership and emotional exhaustion (Chughtai et al., 2015; Mo & Shi, 2017; Zheng et al., 2015).

When auditors have high perception and feeling from losing important aspect of job (career, development opportunities, valued colleague and task), it can have diverse effect resulted from nonlinear relationship of ethical leadership and emotional exhaustion. The auditors that perceived their leaders with low ethical standard tend to have higher emotional exhaustion. On the other hand, strict ethical leaders who enforce its ethical behavior may resulted the stress of its follower because they (auditors) cannot cope with the ethical standard. The moderating role of job insecurity in the correlation among ethical leadership and emotional exhaustion persistent with the transactional stress theory (Lazarus & Folkman, 1984) and conservation of resources (COR) theory (Hobfoll, 1989). The transactional stress theory stated that individual who face a stressful situation such as experiencing the feeling of job insecurity can possibly harm the individual well-being. It can be implied that the auditors with feeling of job insecurity can lead to increased feeling of emotional exhaustion. While COR theory assumes that threats to resources can lead to stressful situations such as emotional exhaustion. This study reveals that when auditors

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with feeling of job insecurity that supported by ethical leader will have greater feeling of emotional exhaustion.

From the results, the theoretical implications of this research provide evidence that job insecurity moderates the correlation of ethical leadership toward emotional exhaustion. The outcome of this study also enhances the insight concerning the significance of ethical leadership towards emotional exhaustion. While from earlier research by Chughtai et al., (Chughtai et al., 2015) who first linked ethical leadership with employee well-being Also this study established evidence for future research suggested by Stander & Rothmann (2010), that job insecurity can be consider variable which moderates emotional exhaustion.

The practical implications of this study, researcher discovered that ethical leadership has influence from the aspect in organizations, especially to strengthen employees' health work environment and well-being. Hence, organizations can necessary to consider hiring more ethical managers which can promote for the improvement in employees' work-related health. Organizations may consider hiring their leaders more carefully regarding leaders' ethical behavior. Furthermore, organizations providing supportive and autonomous work environment that consider employees' perspectives, provide flexible choice, also make fair, appropriate, and balance judgment in performing ethical standards.

CONCLUSION, LIMITATION, AND RECOMMENDATION

The researcher aims for this study to examine the effect of ethical leadership toward emotional exhaustion and job insecurity as a moderating role. Web-based survey toward auditors from Indonesian public accounting firm generated 184 data. This study used SEM-PLS approach as statistical analysis tools to testing two hypotheses. The outcome showed that ethical leadership has negative correlation and significant impact towards emotional exhaustion. While job insecurity did moderate ethical leadership toward emotional exhaustion.

From the research examination, the study demonstrates that external auditors in Indonesia are likely to less experience feeling of emotional exhaustion when they percept their leaders as ethical and motivate its follower. While the conditions of auditors with high feelings of job insecurity cause emotional exhaustion results that vary depending on the perception of subordinates to the ethics of their leaders. Unethical leaders can make auditors with high job insecurity to experience emotional exhaustion. However, ethical

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leaders who strictly enforce ethical standard and punishing unethical conduct with severe punishment can also have negative impact in preventing emotional exhaustion.

This study has various limitations worth mentioning. First, all of the research conducted in this study based on questionnaire data and self-report were used which limit the responses of the participant. With this method alone can be related with a risk of common method variance (Podsakoff et al., 2003). This common method variance can be interpreted by the mood states that can affect respondent's view about themselves and their surrounding environment (Podsakoff et al., 2013). To reduce this bias, Podsakoff et al., (2003) suggested the researcher to introducing time lag between different measurement.

Second, it has to be kept in mind that all samples cover particular category of profession (auditors) and exclusively in region of Indonesia (Jakarta). Accordingly, further research needed in order to investigate how generalizable this results with other occupations and countries. Additionally, the results of the study reveal the value of Cronbach's alpha of job insecurity 0.632 below the requirement of 0.70 points. Consequently, the examination of current research model is suggested to achieve higher value of Cronbach's alpha.

This study suggests that Public Accounting Firm find a better way to train their leaders in ethical leadership. The second objective is to remind the firm to give more attention to the potential effect of emotional exhaustion. Public Accounting Firm can minimize the possibility of emotional exhaustion by following profession's quality control standards and set appropriate ethical standards.

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