



A CONCEPTUAL MODEL OF THE EFFECT OF PSYCHOLOGICAL FACTORS AND COMPETENCE ON AUDITOR PERFORMANCE WITH ORGANIZATIONAL COMMITMENT AS INTERVENING VARIABLE

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ABSTRACT

The situation at the Inspectorate General of the Ministry of Manpower in Indonesia shows found that 71.43% of the audit report was not in accordance with the established audit standards, the quality of audit results is still low, and the low performance of each auditor carrying out the audit assignment. This paper set out to develop a conceptual model for testing the effect of psychological factors and competence on the auditor performance with organizational commitment as intervening variable. Literature review, conceptual model, hypotheses development and research methodology are discussed. Practicing this paper instantly would provide information about the relationship of psychological factors, competence, organizational commitment and auditor performance at the Inspectorate General of the Ministry of Manpower.

KeyWords

Psychological Factors, Competence, Organizational Commitment, Auditor Performance, Conceptual Model

INTRODUCTION

In the current era of bureaucratic reform, an audit process is needed on the accountability of government financial management, both at the central and regional governments to ensure the implementation of good governance in government agencies. Article 9 Paragraph (1) of Indonesian Law Number 15 of 2004 concerning the Audit of State Financial Management and Responsibility confirms the role of the Internal Auditor. The Inspectorate General of the Ministry of Manpower as the Government Internal Supervisory Apparatus (APIP) has made an audit standard in the form of Inspector General Decree No. KEP.31/IJ/I/2018 dated January 25th, 2018 in which consists of the Guidelines for Performing Performance Audit at the Ministry of Manpower and Inspector General Decree No. KEP. 34/IJ/I/2018 dated January 26th, 2018 that consists of the Guidelines for Quality Control of Internal Control of the Government Internal Control Apparatus at the Ministry of Manpower.

In the results of the Inspectorate General of Supervision Reports of the Ministry of Manpower data analysis, it was found that 71.43% of the audit report was not in accordance with the established audit standards. This shows that the quality of audit results that have been carried out by the audit team is still low, which also results in the low performance of each auditor carrying out the audit assignment. In addition, the performance of an auditor can also be seen from how the behavior of an auditor when carrying out audit assignments through the aspect of auditor independence that is free from intervention of supervisors and of the audited parties.

Performance, according to Gibson (2008: 56), is influenced by psychological, individual, and organizational factors. Individual factors and psychological factors are the initial capital owned by an individual to be able to perform optimally. Individual characteristics, both in terms of psychological and demographic, greatly support a person's performance and make a positive contribution to organizational performance. Psychological factors in this study refer to Indonesia's Ministry of Manpower Regulation Number 5 of 2018 Article 24 Paragraph (2), covering unclear/inaccurate roles, role conflicts, qualitative overload, excessive workload quantitatively, career development; and/or responsibility towards others.

According to Amins (2009), employee performance is influenced by several factors, one of which is work competency. Wibowo (2007: 324) states competence is an ability to carry out or do a job that is based on skills and knowledge and is supported by the work attitude demanded by the job. From the processed data from the HR Department of the Inspector General of the Ministry of Manpower, there are 19 auditors who have not received risk-based audit education and training and 51 auditors who have not received public sector risk management education and training. This will affect the performance of an auditor when conducting audit assignments and will also reduce audit quality if personnel.

Psychological factors and competence on the performance of auditors of the Inspectorate General of the Ministry of Manpower can affect organizational commitment. Rulestri and Eryanto (2013) stated that the quality of resources could be high if the organizational commitment is also strong. Therefore, further research is needed regarding this topic.

LITERATURE REVIEW

Psychological factors in this study refer to the Regulation of the Ministry of Manpower of the Republic of Indonesia Number 5 of 2018 on Occupational Safety and Health at Work Environment, Article 1 (15) states that "Psychological factors are factors that affect labor activities, caused by interpersonal relations in workplace, roles and responsibilities towards work."

Regulation of the Ministry of Manpower of the Republic of Indonesia Number 5 of 2018 further states in Article 24 Paragraph (2) that the potential hazards of psychological factors include:

- a. Unclear/inaccurate roles role
- b. Conflict
- c. Excessive workload qualitatively
- d. Excessive workload quantitatively
- e. Career development; and
- f. Responsibility towards others.

Tugiman (2011: 27) states that auditor competence can be seen in the form of an auditor with sufficient knowledge, experience, education, and research to conduct audits objectively, carefully and thoroughly will produce high quality audits. An auditor with good and appropriate competence will be able to understand what needs to be done and what is his function in the job. The competence of internal auditors according to The Institute of Internal Auditors (2017: 5) is as follows: "Internal auditors must have the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities." Spencer and Spencer in Palan (2007: 84) suggest that competence shows the characteristics that underlie the behavior that describes the motives, personal characteristics (characteristics traits), self-concept, values, knowledge or expertise brought by someone who superiorly performs (superior performer) in the workplace.

Organizational commitment according to Robbins (2014: 100) is as follows: "Organizational commitment is defined as a state

in which an employee sits with a particular organization and the goals and wants to maintain membership within the organization." Arifin Ikhsan Lubis (2010) states that there are 3 main components regarding organizational commitment, namely affective commitment, continuance commitment, and normative commitment. To create organizational commitment, Mangkunegara (2014) stated the need for three pillars, which are a sense of belonging to the organization, a sense of excitement in the job, and ownership.

Sudiksa and Karya (2016) stated that: "Internal auditor performance is an independent assessment work within an organization to review company activities to meet the needs of the leadership." The following are internal auditor performance standards according to The Institute of Internal Auditor (2017: 22), namely:

1. Managing Internal Audit Activities
2. The Nature of the Job
3. Assignment Planning
4. Implementation of Assignments
5. Communication of Assignment Results
6. Monitoring of Development
7. Communication of Risk Acceptance

Measuring performance is necessary conducted to determine whether during the performance implementation there is a deviation from the predetermined plan, or whether the performance can be carried out according to the specified time schedule, or whether the performance results have been achieved as expected.

According to Wibowo (2016: 155), performance measurement can be done by:

1. Ensuring that the requirements desired by customers have been met;
2. Working for performance standards to create comparisons;
3. Making distance for people to monitor performance levels;
4. Establish the importance of quality problems and determine what needs priority attention;
5. Avoid the consequences of poor quality;
6. Considering the use of resources;
7. Seek feedback to encourage improvement efforts.

Auditor performance is related to the quality of audits he does, which can be measured by indicators from Fogarty (2000) in Putri (2015: 15) which states that there are three indicators: work quality, quantity, and timeliness. Wibowo (2016: 188) states that performance appraisal is a process of assessing how well workers have performed their duties over a certain period of time. The purpose of performance evaluation according to Anwar Prabu Mangkunegara (2014: 10) is as follows:

- a. Increase mutual understanding between employees about performance requirements.
- b. Record and acknowledge the work of an employee, so they are motivated to do better, or at least achieve the same as the previous performance.
- c. Provide opportunities for employees to discuss their desires and aspirations and raise awareness about their careers or their current work.
- d. Redefine future goals, so employees are motivated to perform according to their potential.
- e. Check the implementation and development plan according to the training needs, specifically the training plan, and then approve the plan if there are no things that need to be changed.

CONCEPTUAL MODEL

Based on the literature review conducted, a conceptual models that can be produced in this study are as follows:

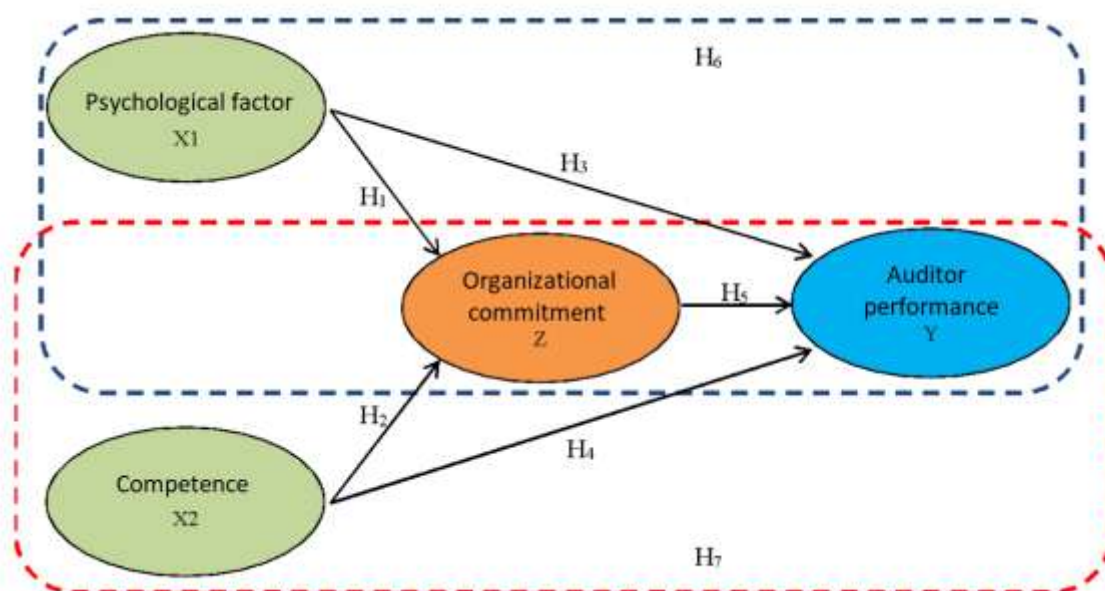


Figure 1: The Conceptual Model

Source: Arifin et al (2016), Lotunani et al (2014), Silen (2016), Simangunsong (2014), Yunus (2018)), Yamali (2017)

Description:

- H₁ : Psychological factor influences organizational commitment
- H₂ : Competence influences organizational commitment
- H₃ : Psychological factor influences on auditor performance
- H₄ : Competence influences on auditor performance
- H₅ : Organizational commitment influences on auditor performance
- H₆ : Psychological factor influences auditor performance through organizational commitment
- H₇ : Competence influences auditor performance through organizational commitment

HYPOTHESIS DEVELOPMENT

1. The Relationship between Psychological Factor and Organizational Commitment

Psychological factor as explained in the Indonesian Ministry of Manpower Regulation Number 5 of 2018 on Occupational Safety and Health in Work Environment, Article 1 (15) that "Psychological factors are factors that influence labor activities, caused by interpersonal relationships at work, roles and responsibilities towards work". Psychological factors include: unclear/imprecise roles, role conflict, excessive workload qualitatively and quantitatively, career development and responsibilities towards others.

Rulestri and Eryanto (2013) who examined the effect of role conflict and work stress on organizational commitment proves that there is a significant influence of role conflict on organizational commitment, meaning that if role conflict increases, organizational commitment will decrease. Role conflict is often experienced by employees, because of the dual role he carries out, both within the company, his family and his role in society. sometimes the different demands of each role actually make employees feel pressured and feel uncomfortable working at the company, so that it can reduce their commitment to the company. Therefore the following research hypothesis is proposed:

H₁: Psychological factor influences organizational commitment.

2. The Relationship between Competence and Organizational Commitment

Lotunani et al's (2014) research revealed that commitment will be available if the civil servants have appropriate competence they need. This means that to improve and maintain the commitment of civil servants, top managers must train and improve their employees. Thus, their knowledge and skills increase.

Yamali (2017) proved that the competence of experts partially had a positive and significant effect on organizational commitment, meaning that an increase in expert competence would lead to an increase in organizational commitment of Construction Services Company's Experts in Jambi Province. Setiadi et al (2016) also prove that competence has a positive effect on organizational commitment, this shows that the higher the competency, the higher the organizational commitment of lecturers and instructors at

the Police Academy. Therefore the following research hypothesis is proposed:

H₂: Competence influences organizational commitment

3. The Relationship between Psychological Factors and Auditor Performance

Silen (2016) in her research also proves that psychological capital has a positive and significant effect on employee performance. The existence of employees is one of the important points in the running of a bureaucratic organization. Various operational and managerial jobs will feel lighter with the support of employees who have high psychological capital. The higher the psychological capital of an employee, the higher the employee's performance will be.

Fanani Zaenal et al (2008) examined the effect of audit structure, role conflict, and role ambiguity on auditor performance and the results of her study showed a negative and significant effect between role conflict on auditor performance. This shows that role conflict - which is a psychological symptom experienced by the auditor arising from two conflicting sets of demands that cause discomfort at work - can potentially reduce work motivation, thereby reducing overall performance. Meanwhile, the effect of role ambiguity on auditor performance shows insignificant results. This might be due to the fact that most of the respondents are novice auditors who have relatively short work experience (0-2 years) and are relatively young, so they have not felt the unclear role. Therefore the following research hypothesis is proposed:

H₃: Psychological factors influences auditor performance

4. The Relationship between Competence and Auditor Performance

Simangunsong et al's (2014) results of study indicated that the variables of communication competence, self-management competence and technical competence together influence the leadership performance variable. The performance of a leader is very dependent on the level of competence a leader has. Without the competence to carry out the work for which it is responsible, it is difficult for a leader to show satisfying performance. Leadership performance that does not meet predetermined work standards certainly affects the overall organizational performance.

Likewise, Yuniasih and Herdiana's (2017) research proves that competence influences lecturers' performance. Lotunani et al (2014) stated that competence has a positive and significant effect on the performance of civil servants. Therefore the following research hypothesis is proposed:

H₄: Competence influences auditor performance

5. The Relationship of Organizational Commitment and Auditor Performance

Yunus et al (2018) prove in his research that organizational commitment variable directly affects employee performance. The influences between these variables belong to the strong influence category. These results indicate that organizational commitment that is managed effectively will create better employee performance. In general, organizational commitment variables are considered important by all respondents, so that all indicators in these variables have an influence on improving employee performance.

Likewise, Arifin et al (2016) proved that organizational commitment has a significant and positive effect on employee performance, which means an increase in organizational commitment has an effect on improving employee performance. Therefore the following research hypothesis is proposed:

H₅: Organizational commitment influences auditor performance.

6. The Effect of Psychological Factors on Auditor Performance through Organizational Commitment

The psychological aspect of a person, such as personality, is also one of the important variables that can affect performance (Yunita, 2016). Psychological factors play a role to be involved in the output process that is evaluating performance, measuring company productivity, evaluating positions and employee performance. It can be concluded that psychology can play a role in all aspects of individuals associated with work and organization (Sari & Chalidyanto, 2016).

Yunus et al (2018) stated that the increase in organizational commitment variables by management effectively improved employee performance. These results indicate that the role of organizational commitment is very important in increasing employee professionalism. Therefore the following research hypothesis is proposed:

H₆: Psychological factor influences auditor performance through organizational commitment.

4.7 Effect of Competence on Auditor Performance through Organizational Commitment

Amandani (2017) states that in order to carry out its role, the auditor must always maintain the quality of the services provided to his clients. An auditor must have high professionalism in carrying out his duties. The audit results of an auditor must be accountable to the parties concerned and the merits of the responsibilities given depend on the auditor's performance. Yamali (2017) in his research proved that organizational commitment is a partial mediating variable competency on expert performance.

H₇: Competence influences auditor performance through organizational commitment

METHODOLOGY

The research method that will be used is quantitative research method with descriptive and verification analysis. In this study, the application of descriptive analysis relates to all the variables that the author examined, which are psychological factors, competence, organizational commitment and auditor performance. For the four variables, the writer will give a systematic, factual and accurate picture or painting of the facts, the characteristics and their relationship with the phenomenon that the writer took in this study. As for the application of verification analysis of all variables to be studied, the author will explain the causality (cause-effect) between variables through a hypothesis testing as well as statistical calculations such as the relationship to the influence of psychological factors, competence, organizational commitment and auditor performance to be examined in this research.

The population in this study was the auditors at the Inspectorate General of the Ministry of Manpower in 2019. Through nonprobability sampling techniques by saturated sampling or census, due to the relatively small population, the number of samples in this study is 64 samples.

The method of data collection is done through a questionnaire that uses a Likert scale, observation and interviews, as well as literature studies. The results of data collection will be measured using a validity and reliability test. In this research, descriptive statistical analysis with the mean will be done by calculating the limits for each class. In addition, the path analysis method will be applied using the Structural Equation Modeling (SEM model) with the Smart PLS 3.0 program.

CONCLUSION

The results from the Inspectorate General of Supervision Reports of the Ministry of Manpower data analysis found that 71.43% of the audit report was not in accordance with the established audit standards. This shows that the quality of audit results that have been carried out by the audit team is still low, which also results in the low performance of each auditor carrying out the audit assignment. Therefore, this paper set out to develop a conceptual model to investigate the factors that influence auditor performance. This paper has discussed literature review on psychological factors, competence, organizational commitment, and auditor performance. A conceptual model was proposed; hypotheses development and research methodology has made. Practicing this paper instantly will provide information about the relationship states among psychological factors, competence, organizational commitment, and auditor performance at the Inspectorate General of the Ministry of Manpower in Indonesia.

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