

Effect of Work Experience, Task Complexity, and Self-Efficacy on Auditor Performance: Empirical Study of Public Accounting Firm in West Jakarta Region

Syamsudin

{syamsudin@civitas.unas.ac.id}, Nasional University, Jakarta, Indonesia.

Rahayu Lestari

{rahayulestari22@yahoo.com}, Nasional University, Jakarta, Indonesia.

Mohamad Reza Fadli

{reja.padli@gmail.com}, Nasional University, Jakarta, Indonesia.

Haerani

{haeranisiti68@yahoo.co.id}, Faculty of Economics and Business, Hasanuddin University, Makassar, Indonesia.

Ratna Ayu Damayanti

{damayantiss@yahoo.co.id}, Faculty of Economics and Business, Hasanuddin University, Makassar, Indonesia.

Sanusi Fattah

{sanusi_fattah@fe.unhas.ac.id}, Faculty of Economics and Business, Hasanuddin University, Makassar, Indonesia.

ABSTRACT

The auditor's performance was again highlighted by various cases that emerged in the media some time ago. This study tried to look at the factors that influence the auditor's performance in carrying out his work. Factors of work experience, work complexity, and self-efficacy are of concern to researchers because some previous studies still show inconsistent results on performance. The study was conducted on auditors in the public accounting firm in the area of South Jakarta, using convenience sampling, with data processing using the help of software Lisrel 8.7 and SPSS 23. The results of the study indicate that work experience has a significant effect on audit performance, while work complexity has a negative effect on audit performance. Self-efficacy affects audit performance.

Keywords:

Auditor Performance, Work Experience, Complexity and Self-efficacy

Article Received: 18 October 2020, Revised: 3 November 2020, Accepted: 24 December 2020

1 Introduction

The performance of the auditor profession in Indonesia is currently in the public spotlight with the rejection of the auditor's report for the 2018 fiscal year by the commissioner of PT Garuda Indonesia. The report does not reflect the condition of financial statements following accounting standards in Indonesia. The case of PT Garuda Indonesia, which is quite horrendous, is a phenomenon that the performance of auditors in

Indonesia still needs attention for improvement. The auditor must provide an opinion on his client's financial statements independently, run in a professional and full of integrity.

As we known, many other cases involving auditors. The KPMG-Siddharta & Harsono case, which was proven to have bribed the tax apparatus. Nine KAP cases that carried out accounting engineering by manipulating clients' financial statements to cover various irregularities

and violations committed by their clients. Another case involving one of the manufacturing companies in Indonesia, PT Kimia Farma, which manipulated by increasing the value of inventories involving KAP HansTuanakotta & Mustofa (HTM). The accounting scandals had a significant impact on audit practices in Indonesia, forcing the regulator to improve the oversight structure of the audit by the KAP (Nurhayati, 2015) [1].

The events above hope not to recur in the coming year; the trust in the Auditor will disappear if such incidents repeated continuously. Professional, independent, and integrity auditors are the main elements that must be managed by the Public Accounting Firm management to be able to provide services to clients and be accountable to the public.

Auditor performance is the result of work achieved by the auditor in carrying out his duties by the responsibilities given to him, and become one of the benchmarks used to determine whether a job will be good or vice versa (Sanjiwani and Wisadha, 2016) [2]. The better the auditor's performance expected to produce quality audit reports that can be trusted. In general, performance defined as the level of success of someone in carrying out their work.

According to Ramadhanty (2013: 56) [3], the auditor's performance is the success of an auditor in carrying out a job for a specific time based on the stipulated conditions. There are three categories used to measure auditor performance:

1) Quality of Work is quality of work completion by working based on all abilities, skills, and knowledge of the auditor. Quality relates to the quality of work produced.

2) Job Quantity is the amount of work created with the target and responsibility of the auditor's work within a specified period

3) Timeliness is the accuracy of work completed by the available time. Timeliness can see from the level of an activity completed at the desired initial time and maximizing the time available for other activities.

In several previous studies, research on factors that led to an excellent audit performance has been

widely studied, including research conducted by Wisesa (2012) [4] showing that experience has a positive and significant effect on auditor performance. This statement strengthened by the results of Ramadhanty's (2013) study [3], which also states that experience has a positive and significant effect on auditor performance.

Another factor that influences performance is task complexity. The complexity of the task is one's perception of the difficulty of the job caused by limited ability, capability, and memory possessed by someone in integrating problems and making decisions (Dewi and Wirasedana, 2015) [5]. The task complexity factor, as seen in the research conducted by Sari and Budiarta (2018) [6], has a negative effect and can reduce auditor performance. This statement is strengthened by the results of Lina and Dwirandra's research (2017) [7], which states that the task complexity variable has a negative effect on auditor performance. The conclusion is high task complexity will reduce auditor performance. The two statements above are inversely proportional to the results of Rustiarini (2013) [8] and Indhiana (2014) [9], which states that there is no influence of task complexity on auditor performance. Whereas Nadhiroh (2010) [10] says that task complexity does not significantly influence auditor performance.

Another factor that thought to influence auditor performance is Self-Efficacy. Self-efficacy can interpret as an individual's confidence in their ability to manage and carry out the actions needed to achieve a certain level of achievement (Wijyantini, 2014) [11]. Nadhiroh's research result (2010) [10] states that Self Efficacy does not significantly influence auditor performance. While in Indhiana's research (2014) [9] says that self-efficacy affects auditor performance. This statement was reinforced by Kristiyanti (2015) [12], who stated that self-efficacy had a positive effect on auditor performance.

This research tries to look for factors that affect auditor performance so that by knowing these factors, it expected that the auditor's performance would be better. On the other hand,

the inconsistency of research results on the factors that affect auditor performance, as explained above, encourages researchers to re-examine the elements above, namely: work experience, work complexity, and self-efficacy. This research expected to be empirical evidence and be a comparison of previous research. Also, in the context of developing knowledge related to factors that affect auditor performance.

2 Research Methodology

This research conducted to determine the factors that affect auditor performance. Some variables that are of interest to the researcher are experience, task complexity, and self-efficacy. The respondents who were the target of this study were auditors who worked at the Public Accounting Firm (KAP) in West Jakarta.

Researchers use non-probability sampling techniques. The non-probability sampling technique used is convenience sampling, which is a sampling technique based on the availability of population elements and the ease of obtaining them.

Data collection techniques used by distributing questionnaires to the research subjects are auditors who work at the Public Accounting Firm (KAP) in West Jakarta. Then the data is processed using SPSS 23 software and LISREL 8.7. The questionnaire for this study compiled with a 5-level Likert scale.

2.1 Hypothesis

The auditor's experience experienced in auditing financial statements terms of length of time. He or she underwent in number of assignments, and the types of companies that have handled (Novanda Friska, 2012: 21) [13].

Work experience can deepen and broaden work skills. The more often a person does the same job, the more skilled and faster he completes the work. The more types of work a person does, his work experience is more productive and

broader and allows increased performance (Simanjuntak, 2005: 27) [15]. From the explanation above, the hypothesis formulated as follows:

H1: Experience has a positive effect on Auditor Performance.

In the case of the audit environment, it is crucial to study task complexity because task complexity can impact auditor performance, and an understanding of the complexity of different audit tasks that can help managers make better assignments and decision-making training (Nadhiroh, 2010)[10].

The complexity of the task increases and exceeds a person's available resources cause performance to decrease. Besides, fairly complex tasks can trigger failure fears and lower employee confidence in their ability to complete tasks. From the explanation above, the hypothesis formulated as follows:

H2: Task Complexity has a negative effect on Auditor Performance.

Bandura (1993) [16] states that self-efficacy is a person's belief that he can carry out a task at a certain level, which affects personal activities towards achieving goals. Individuals with high self-efficacy tend to do various tasks well. Conversely, individuals with low self-efficacy tend to avoid responsibilities and situations that they believe in exceeding their abilities.

Self-efficacy is a form of internal motivation in which the individual believes that he can manage time and carry out tasks to achieve the expected level of performance. From the explanation above, the hypothesis formulated as follows:

H3: Self Efficacy has a positive effect on Auditor Performance.

The following show below, Figure 1, is a fundamental conceptual and analytical framework created regarding the Effect of Experience, Task Complexity, and Self Efficacy on Auditor Performance.

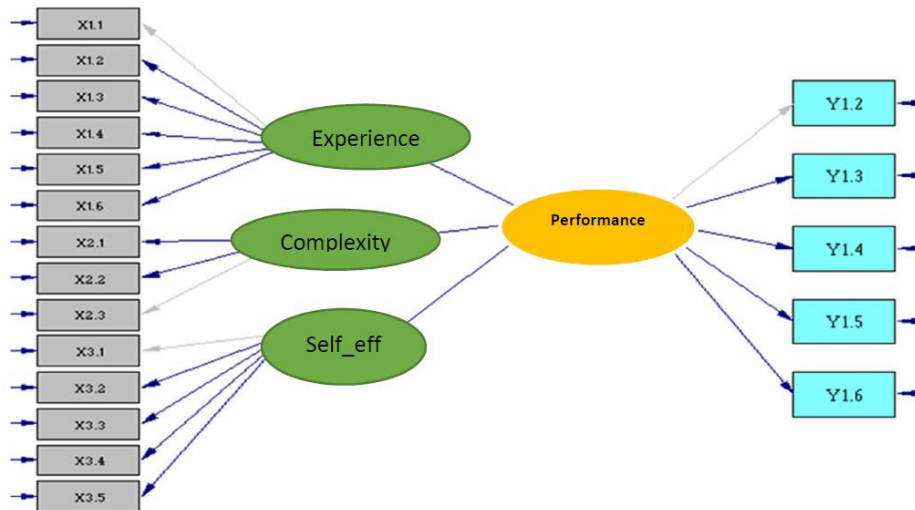


Fig. 1. The analytical framework of Work Experience, Complexity work, Self-efficacy and Performance

3 Result and Discussion

This research conducted by distributing 130 questionnaires to auditors who work at the Public Accountant Office in West Jakarta. The process of collecting and returning data was carried out starting from March 23, 2019, to June 13, 2019. Of the 130 questionnaires distributed, 120 surveys returned, or 92%. Of the 120 returned questionnaires that used 113 sheets or 94%. Respondents in this study were mostly male, with a percentage of 61%, while women as 39%.

Respondents at most are age 25-34 years, with a percentage of 52.2%, then the age of 35-54 years is 34%. Furthermore, the age of <25 years is 12%, and over 54 years is 1.8%. Respondents in this study mostly took Bachelor education (S1), with a

percentage of 64.6%. Diploma 3 (D3) is 8%. Then the level of Masters education (S2) is 25.6%, while the Doctorate (S3) is 1.8%.

The highest number of respondents in this study was the Junior Auditor position, with a percentage of 58.5%. Senior Auditors is 23%, Supervisor is 9.7%, Managers is 7%, and Partners is 1.8%.

Respondents with the most work experience are 2-5 years, which is 48.6%. Work experience of 5-10 years is 32%, work experience under two years is 12.4%, and work experience over ten years is 7%.

3.1 Validity and Reliability Test

Table 1. Instrument of Validity Test

Questionnaires	R		
	calculate	R Table	Yield
Have audited a long time ago	0,556	0,361	Valid
Has worked together in the audit field	0,623	0,361	Valid
Have much knowledge about auditing	0,722	0,361	Valid
Has audited many clients	0,741	0,361	Valid
Has completed various types of audit assignments	0,529	0,361	Valid

Already audited various types of business entities	0,722	0,361	Valid
More complicated manufacture	0,588	0,361	Valid
Big companies are complicated	0,722	0,361	Valid
The division of tasks is not clear	0,648	0,361	Valid
Not Understanding assignments	0,706	0,361	Valid
Do the easy ones first	0,565	0,361	Valid
Various tasks at one time	0,676	0,361	Valid
Calm attitude	0,559	0,361	Valid
Professional	0,722	0,361	Valid
Job objectives achieved	0,668	0,361	Valid
Work by the audit program	0,579	0,361	Valid
Collaborate with clients	0,722	0,361	Valid
Minimal error	0,738	0,361	Valid
The amount of work completed exceeds the target	0,646	0,361	Valid
Work on time	0,533	0,361	Valid

Source: Data processed by SPSS V.23.00, 2019

Based on Table 1 above, it can explain that all the questionnaire items submitted have a Corrected Item Total Correlation value that is greater when compared to r Table in sample N to 30, which is 0.361, which means that the w count > r table. Based on the above output, overall value of the instrument validity test is valid. The experience variable (X1), task complexity (X2), self-efficacy (X3), auditor performance (Y), the overall value of the statement item submitted is declared valid, so that

all statement items of the variable can continue at a later stage.

Table2. Reliability Statistics

Cronbach's Alpha	N of Items	Yield Reliable
,936	20	

Source: data processed by SPSS V.23.00, 2019

Based on Table 2 above, it can say that all items of the questionnaire can use to measure all

the variables in this study reported to be Valid and Reliable. Shown in the Cronbach's alpha variable has a very good value level, which is above 0.6, this means that the value of the variable is said to be good and acceptable because it is above the very good level. Even the results are good, which shown in the Reliability statistics output, where

the Cronbach's alpha value of all variables above the level is very good.

3.2 Discussion

The next step is an evaluation of the SEM model as a whole. The initial assessment based on an absolute measure. An absolute measure is the RMSEA and indicates a good fit.

Table 3. Goodness model index Measurement

GOF	Measurement	Estimation Yield	conclusion
<i>Absolute Fit measurement</i>			
GFI	GFI > 0.90	0.71	
<i>Marginal Fit</i>			
RMSEA	RMSEA < 0.08	0.00	
<i>Good Fit</i>			
<i>Incremental Fit measurement</i>			
NNFI	NNFI > 0.90	0.73	<i>Marginal Fit</i>
NFI	NFI > 0.90	0.70	<i>Marginal Fit</i>
AGFI	AGFI > 0.90	0.62	<i>Marginal Fit</i>
RFI	RFI > 0.90	0.65	<i>Marginal Fit</i>
IFI	IFI > 0.90	0.78	<i>Marginal fit</i>
CFI	CFI > 0.90	0.77	<i>Marginal fit</i>

Source: data processed by Lisrel 8.70, 2019

The analysis in this test conducted to determine the causal relationship or the effect of one latent variable on other latent variables, the strength of the indicators of each latent variable

(construct). The β parameter test is a standardized regression weight coefficient for exogenous or endogenous variables, as shown in Table 4 as follows:

Table 4. GOFIT structural model

Structural equation		Path Koefisien (Standardize d)	Standard t	Value t-test (1.96)/ F-test (2.46)	Yield (t-test ≥ 1.96)
Endogenous Latent Variable	Exogenous Latent Variable				
	Work	0.66	0.17	3.96	Significance (Partial)
	Experience				
	Complexity	-0.13	0.078	-1.62	No Significanc
Work	Jobs				

Performance					e (Partial) Significance (Partial)
	Self-Efficacy	0.087	0.060	1.44	
	Work Experience, Complexity Jobs, Self-Efficacy	R ² = 0.53	0.49	2.55	Significance (Simultaneous)

Source: Data processed by Lisrel 8.70, 2019

This research has 3 (three) hypotheses tested, from the three hypotheses based on the test results obtained that only the first hypothesis (H1), and

the third (H3). The complete results of testing each hypothesis can be seen in Table 5 as follows:

Table 5. Hypothesis Analysis

Hipotesys	Description	Conclusion
H₁	Work Experience has a positive and significant effect on work performance	Hypothesis accepted
H₂	Job complexity has a negative and not significant effect on work performance	Hypothesis rejected
H₃	Self-Efficacy has a positive effect on work performance	Hypothesis accepted

Source: data processed by Lisrel 8.70, 2019

The hybrid model built on the structural equation model is in Figure 2 as follows:

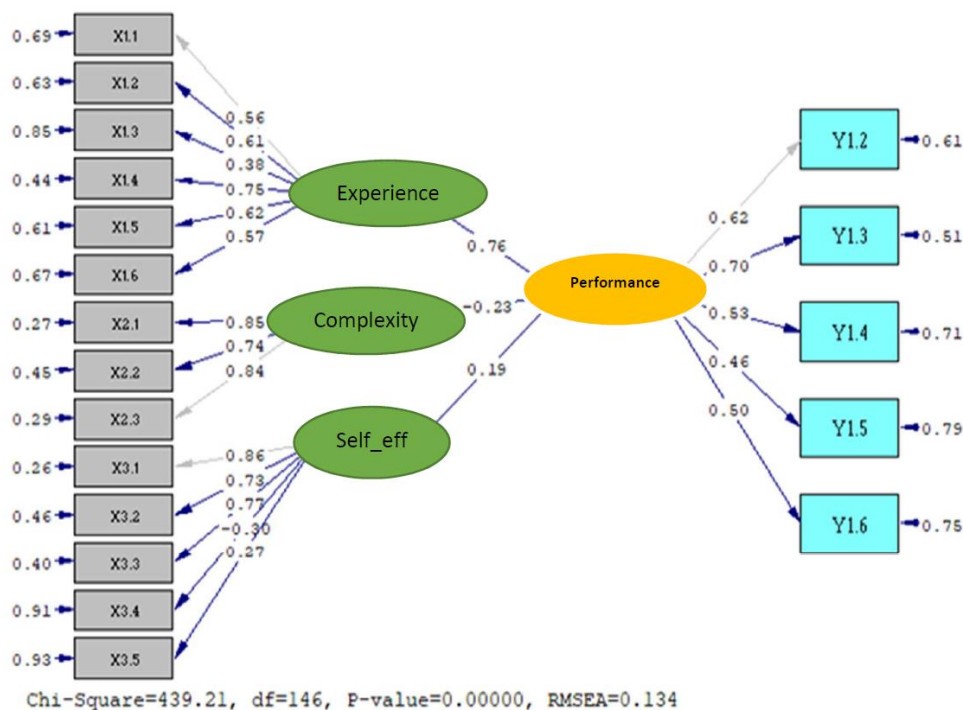


Fig. 2. Hybrid Model Calculation Result of SEM (Standardized Coefficient)

The results of data analysis using the Lisrel 8.70 software program according to Figures 2 and

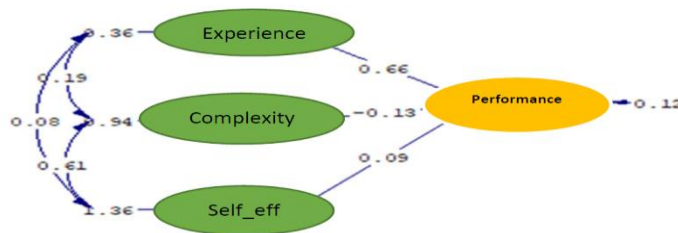
Table 4 above, for the structural equation model, are presented in the following structural equation:

$$\text{Performance} = 0.66 \cdot \text{Experience} - 0.13 \cdot \text{Complexity} + 0.087 \cdot \text{Self_Eff} + \text{Errorvar.} = 0.12, R^2 = 0.53$$

(0.17)	(0.078)	(0.060)	(0.049)
3.96	-1.62	1.44	2.55

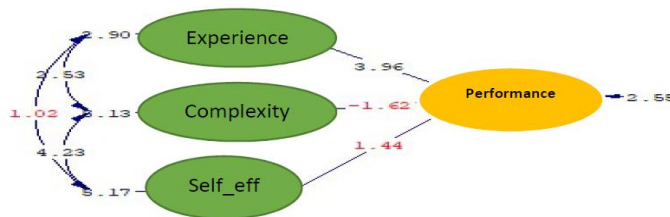
Based on the above equation, for the loading factor (path coefficient), the experience variable is 0.66; task complexity of -0.13; self-efficacy of

0.087. The relationship between experience variables, task complexity, and self-efficacy is shown in the structural model in Figure 3 below:



Chi-Square=439.21, df=146, P-value=0.00000, RMSEA=0.134

Fig. 3. Structural Model (Standardized)



Chi-Square=439.21, df=146, P-value=0.00000, RMSEA=0.134

Fig. 4. Structural Model (t-value)

Based on Figure 4 above, the calculated t value from the experience, task complexity, self-efficacy simultaneously on the Auditor's performance is 2.55 > 2.00, meaning that it can say that experience, task complexity, self-efficacy has a positive and jointly significant effect on Auditor

performance. Therefore, the hypothesis can accept in Table 5.

4 Conclusion

4.1 Conclusion

The above research concludes that the experience variable is very influential on the success of

excellent performance for auditors. The work complexity variable has a negative effect on work complexity, and self-efficacy affects auditor performance.

4.2 Suggestion

Suggestions that can give from this research, namely:

1) Public Accounting Firms in the West Jakarta area advised to provide tasks and work should be given to auditors who considered to have sufficient technical expertise and training, because the experience factor is very dominant for the success of excellent performance.

2) Then, it also recommended that senior auditors always provide guidance, advice, input, and solutions to junior auditors, and provide more training for junior auditors to improve their work experience. So, each auditor advised always to foster a sense of comfort in his organization that will make him happy in the organization so that its performance can be better.

Acknowledgment

Thank to the Dean of the Faculty of Economics and Business, University of Hassanudin, Prof. Dr. Abd. Rahman Kadir, M.Si. CIPM., and the Dean of the Faculty of Economics and Business of the National University, Dr. Suryono Efendi, who motivated us so that this research completed

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