

Locus of Control, Commitment Profesional and Dysfunctional Audit Behaviour

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Abstract---The objective of this research are to test the model of dysfunctional audit behavior by relating auditor's individual characteristics (locus of control and commitment to the profession. The study using a questionnaire survey with Likert scale on auditors who worked in audit firm (KAP) in four major cities in Indonesia, i.e: Jakarta, Bandung, Semarang and Surabaya. The unit of analysis is the individual auditors at all positions ,i.e: senior , supervisors , managers , and partners. Samples are 113 respondents who work at the audit firm. Data analysis was performed with a multiple regression model. The results of this study, locus of control suggest has positive effect and signifikan to audit dysfunctional behavior. Similarly, professional commitment significantly influence the behavior of dysfunctional audit. The results also demonstrate the effect of commitment to the profession to dysfunctional audit behavior stonger than locus of control.

Keywords---locus of control, commitment profesional and dysfunctional audit behaviour

I. INTRODUCTION

THE main purpose of financial statement audit by Boyton [2] is to provide assurance to users that the company's financial statements can be relied upon and in accordance with established criteria. To achieve these objectives, the auditor is required to perform the work in accordance with auditing standards so that public confidence and the users of financial statements to auditors accountable, Soltani [19]. Audit quality is good in principle can be achieved if the auditors apply audit standards, freely behaving impartially (independent), obey the law and abide by a code of professional conduct, Soltani [19].

The development of public accountants in balance also with the many issues of dysfunctional audit behaviour. Based on the results of investigations conducted by the government in early September 2009, the Indonesian finance minister Sri Mulyani establish a business license suspension sanctions to 8 Public Accountant (AP) and the Office Public Accountant.

There are various reasons that lead to the Minister of Finance to sanction a business license suspension on 8 AP and KAP them as a violation of the Public Accountants Professional Standards (SPAP) where Public Accountants and Audit firm has not fully meet audit standards. Other cases, central banks of indonesia compiled a list of black professional in the firm who is not running as a function of

the external auditors. The blacklist is used as a reference by the bank to select the firm that will conduct the audit.

The violation showed a divergence of behavior auditors (auditor dysfunctional behavior) where the offense was committed, is inseparable from the personality of someone who can influence individual behavior. The personal qualities will be reflected in the behavior of his profession, in which the behavior of one professional public accountants expressed in terms of avoiding an audit deviation behavior (dysfunctional auditor behavior), [9].

According Luthan [12] stated personality is the way humans understand themselves with what is on the man himself as well as the ability to influence and interact with others. One of the personality inherent in the behavior of individual auditor is the locus of control and commitment to the profession.

The importance of the auditor examines causes of dysfunctional behavior because the auditor dysfunctional behavior can provide direct or indirect impact on audit quality [5], [7] which will have an impact on the decrease in audit quality that tends to lower the public's trust accounting profession and can finally turn off the public accounting profession.

II. DYSFUNCTIONAL AUDIT BEHAVIOR

Auditor dysfunctional behavior is the behavior that justify the storage of food in the audit assignment, [5] which resulted in a decrease in the quality of audit reports either directly or indirectly. Thus, the users report experiencing a crisis of confidence in the results of the audit reports generated by the auditor. Various studies suggest that deviations in the behavior of the assignment has become a serious problem [15], [20].

Otley and Pierce [15] explains that the behavior of auditors consisting of: Premature Sign-Off Audit Procedures (stop the audit procedures), underreporting of Time (time the budget by not reporting), Altering or Replacing Audit Procedures (replace or modify the audit procedures) is some behaviors that are likely to lead to behavioral problems accountants or auditors that will affect audit quality loss so that tends to lower public confidence in the accounting profession and ultimately deadly profession itself.

III. LOCUS OF CONTROL

Locus of control is a concept developed by Rotter [16] states that individuals develop expectations about their success depends on their personal behavior or controlled by

parties outside himself. Individuals who have an external locus of control, believing that they can not control the events or results they achieve. While individuals who have an internal locus of control tend to connect the results with their own businesses or anyone believe that events are under their control [21]. Thus, the locus of control held by individuals can be used to address specific situations encountered, actions their actions will have a very different effect on their lives [5].

In the accounting literature, the locus of control indicated an important role in explaining the behavior of accountants in a variety of conditions. Some studies suggest a positive influence between individuals who have an external locus of control and the desire to use dishonesty or manipulation to achieve personal goals [18].

According [5], [21], [18] said that the locus of control is reflective of the level of awareness about the extent of a person's behavior or actions that they do affect the success or failure they experience, depending on the behavior of their own personnel (internal locus of control) or controlled by external forces (external locus of control)

IV. COMMITMENT PROFESIONAL

Commitment profession according Schermerhon et al. [21] says that commitment is the loyalty to one's profession to an organization. Loyalty is an ongoing process in which a person who is part of an organization strive to achieve success and progress of the organization in achieving its objectives, [21].

Professional commitment is the attitude of individual loyalty to the organization to achieve success and objectives of the company where the individual as part of the organization. [20], [21]. Commitment profession also has three components, namely affective commitment, continuance commitment, and normative commitment.

V. THEORITICAL FRAMEWORK

The Theoretical framework on this research are how the point of locus of control and commitment professional, affects dysfunctional aduit behaviour. Luthans [12] states that behavior can be explained by using the work locus of control , ie whether employees feel that their work is controlled internally or externally . Further explanation is still under Luthan [12], employees who belong to a group of internal control , will feel that they personally can influence performance through the ability , skill and effort . Employee that includes an external control group , will feel that they are outside of their business performance , they felt that many external factors that affect their performance.

The results of empirical studies that examine the effect of locus of control on receipt of the auditor dysfunctional behavior indicates external locus of control has a positive effect on the acceptance of the auditor dysfunctional behavior [5]. Similar results are found by [18] who found that auditors have an external locus of control, higher potential to accept and carry out the auditor dysfunctional behavior than auditors who have an internal locus of control.

The study examined the relationship of professional commitment with dysfunctional audit behavior including [11]

showed although the direction of the relationship with the professional commitment and dysfunctional audit behavior is in accordance with the predicted negative relationship. [7] examined the relationship between professional commitment and attitude toward obedience to the rule (rule Observance attitude). Research results indicate that accountants have a strong professional commitment more than obey the rules of professional accountants who have a low commitment .

Professional commitment is the attitude of individual loyalty to the organization to achieve success and objectives of the company where the individual as part of the organization, [21], [12] . Commitment to the profession auditor is an individual auditor characteristics associated with loyalty and fidelity of individual auditors on the purpose and values of the profession .

Lord and DeZoort [11] showed the auditor with a strong professional commitment to sign-off the lower balances above the account in question than auditors with low professional commitment. [12] showed the auditor with a strong professional commitment have higher intention to report the dubious actions than auditors with low professional commitment to perform.

VI. RESEARCH METHODOLOGY

The research method used in the study is a survey method, [17], [22]. This research was conducted on Audit Firm in 4 cities of Java Island; Jakarta, Bandung, Semarang and Surabaya. Based on the Central Directory of Institut Akuntan Publik Indonesia (IAPI) in 2012 the number of auditors in Java as much as 336 audit firm. The unit of analysis in this study is a audit firm, while respondents from the program is the existing auditors work more than 4 years includes senior auditors, supervisors, managers and partners. With a sample size of 113 respondents. The sampling technique use purposive method, data quality test uses the method of successive interval (MSI), validity testing, and reliability testing. Statistical test used multiple regression.

VII. HYPOTHESIS

The hypothesis test in this study used two ways: simultaneously test used F_test and individual test (partially) used t_test. The hypothesis as below:

Hypotesis 1 :

Locus Of Control influence on Dysfunctional Auditor Behavior

Hypotesis 2:

Commitment Professional influence on Dysfunctional Auditor Behavior

Hypotesis 3:

Locus Of Control and Commitment Professional influence on Dysfunctional Auditor Behavior

VIII. DATA ANALYSIS

Results of Multiple Linear Regression Analysis

TABEL I
MODEL SUMMARY^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.805 ^a	.649	.642	1.863258	1.877

a. Predictors: (Constant), Commitment to Profession, Locus of Control
 b. Dependent Variable: Dysfunctional Audit Behavior

TABEL II
ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	704.619	2	352.310	101.480	.000 ^b
	Residual	381.890	110	3.472		
	Total	1086.509	112			

a) Dependent Variable: Dysfunctional Audit Behavior
 b) Predictors: (Constant), Commitment to Profession, Locus of Control

TABEL III
COEFFICIENTS^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.467	1.366		-1.074	.285	
	Locus of Control	.397	.054	.449	7.393	.000	.865
	Commitment to Profession	.500	.058	.523	8.613	.000	.865

a. Dependent Variable: Dysfunctional Audit Behavior

Structur equation :

$$Y = - 1.467 + 0.397X_1 + 0.5X_2$$

Table II shows that the feasibility test variable regression model of locus of control and commitment to the audit profession to dysfunctional behavior showed significant results (Sig. = 0.000 > 0.05 ; F = 101.480) . Further tests showed the regression coefficients significantly better results for the variable of locus of control (Sig. = 0.000 < 0.05, t = 7.393) and variable commitment to profession (Sig. = 0.000 < 0.05, t = 8.613).

The strength of the relationship between locus of control and commitment to profession of 0.805 . Meanwhile Contributions independent variables (locus of control and commitment to profession) on the dependent variable is shown by the coefficient of determination (R - square) of 64.9 % .

IX. CONCLUSION

The results showed a positive relationship between Locus Of Control with Dysfunctional Auditor Behavior and significantly influence professional commitment Dysfunctional Auditor Behavior. It can be concluded that the influence of individual characteristics of locus of control and

professional commitment is strong enough to dysfunctional audit behavior with a contribution of 64.9 % . Furthermore , the beta value obtained turned out to influence the profession 's commitment slightly higher contribution to dysfunctional audit behavior compared with the locus of control .

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