

Factors that Influence Auditor Job Performance Through Employee Agility as an Intervening Variable in the Audit Board of the Republic of Indonesia

Edy Witono¹, Hamidah², Choirul Anwar³

Abstract

The Global Pandemic, as a result of the outbreak of Corona Virus Disease-19, has added to uncertainty, among other things, by the existence of various mobility restrictions. Rapid environmental changes trigger disruption, with the world becoming volatile, full of uncertainty, high complexity and ambiguity, has triggered environmental changes. Therefore, every organization is required to adapt to these changes. This also applies to the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan/BPK) . This condition hinders the performance of the BPK and its auditors from achieving high quality audit. Auditors face obstacles in carrying out audit procedures to obtain sufficient and appropriate evidence. However, BPK is slowly being able to adapt to these changes. Several factors that are key to the success of the adaptation process and improving auditor job performance are employee agility, organizational culture that supports performance, empowering leadership and information and communication technology (ICT) support . This research aims to analyze the relationship between these factors on auditor performance, both directly and indirectly through increasing employee agility. Data were collected from 360 auditors as respondents at BPK. The analysis using Structural Equation Modeling (SEM).The results of the analysis show that organizational culture, empowering leadership and ICT support have a positive effect on job performance, both directly and indirectly through employee agility.

Keywords: *job performance, empowering leadership, employee agility, ICT support.*

INTRODUCTION

The Global Pandemic, as a result of the outbreak of Corona Virus Disease-19, has added to uncertainty, among other things, by the existence of various mobility restrictions through the implementation of Large-Scale Social Restrictions and the Work From Home system. Rapid environmental changes trigger disruption, with the world becoming volatile, full of uncertainty, high complexity and ambiguity, or better known by the acronym VUCA (Volatility, Uncertainty, Complexity, Ambiguity). This condition hinders the performance of the BPK and its auditors from achieving high quality audit, because auditors face obstacles in carrying out audit procedures to obtain sufficient and appropriate evidence, especially audit evidence that can only be obtained through physical inspection procedures, for example cash opname, stock opname, and physical inspection of the auditee's assets. For this reason, hard efforts are needed for the BPK to formulate various strategies to anticipate this, including increasing the agility of the

¹ Student Human Resource Management Doctoral Jakarta State University, Indonesia, edywitono@yahoo.com

² Lecturer Jakarta State University, Indonesia, hamidah@unj.ac.id

³ Lecturer Jakarta State University, Indonesia, choirul_anwar@unj.ac.id

organization and its auditors. One of the efforts that has been implemented is remote auditing with the support of Information Communication and Technology (ICT). Another strategy is to strengthen organizational culture and empowering leadership. This research aims to examine and analyze the influence of organizational culture, empowering leadership, ICT Support, and employee agility on auditor performance. The research also aims to test and analyze the influence of organizational culture, empowering leadership, and ICT support to employee agility.

LITERATURE REVIEW

Auditor Job Performance

Job Performance is the match between a person's abilities and job requirements (Silber & Foshay, 2010). In the context of audits, Gamayuni & Syaipudin (2021) state that performance means carrying out quality audit work. Audit quality is defined as the level of conformity of audit work according to generally accepted standards, namely State Financial Audit Standards (Standar Pemeriksaan Keuangan Negara/SPKN). (Aşkun et al., 2021) revealed the relationship between employees' personality traits and their performance and showed that productivity can be achieved when the necessary measurements are fully used to achieve employee performance effectively. Individual Job Performance (IJP) measurements are carried out on: (a) Task Performance, (b) Interpersonal Performance (c) Organizational Performance, (d) Adaptive Performance, (d) Counterproductive Work Behavior.

Employee Agility

The concept of "agility" was first introduced in a business context as "the ability to act quickly in changing circumstances" (Brown and Agnew, 1982). Bushey (2019) state that the main goal of organizational agility is to encourage sustainable above-average performance (Worley et al., 2014). Bushey, (2019) and Muduli (2013) states that "organizational agility requires employee agility which can be improved through training, empowerment and information systems". Wei et al., (2020) mention the term "employee agility" which is associated with the ability to react and adapt to changes appropriately and quickly and use these changes as opportunities for self-development. Employee Agility focuses on the ability to (a) initiate solution-directed activities, (b) perform a variety of roles and responsibilities, and (c) maintain a positive attitude and tolerance to a fluctuating environment by incorporating adaptive, proactive, and resilient behavior (Muduli, 2017).

Organizational Culture

Colquitt et al., (2015) define organizational culture as social knowledge shared within an organization regarding the rules, norms and values that shape the attitudes and behavior of its employees. Armstrong (2014) defines organizational culture as a pattern of values, norms, beliefs, attitudes and assumptions that may not be expressed but shape the way people in an organization behave and get things done. 'Values' refer to what is believed to be important about how people and organizations behave. In BPK, there are core values that must be upheld by its auditors, namely independence, integrity and professionalism (Standar Pemeriksaan Keuangan Negara, 2017). Independence is an attitude and action that does not take sides with anyone and is not influenced by anyone. Integrity is having honesty, hard work and adequate competence. Professionalism is the ability, expertise and commitment of a profession in carrying out its duties accompanied by the principles of due care, thoroughness, precision and being guided by the standards and provisions of statutory regulations.

Empowering Leadership

According to (Wibowo, 2018), leadership is the leader's ability to influence, motivate, encourage and facilitate the activities of all human resources to provide their best commitment and contribution to achieving organizational goals. Meanwhile, empowerment is creating an environment where each individual can use their abilities and energy to achieve organizational goals. D'Souza (2006) explains that Empowering Leadership is leadership that creates a climate for organizational excellence by helping their people develop and grow as individuals and as team members. Empowering leaders are open to new ideas and have an openness to learning, developing skills and abilities and being role models for their teams. Amundsen & Martinsen (2014) Empowering Leadership is the process of influencing subordinates through power sharing, motivational support and development support with the aim of increasing the experience of independence, motivation and the ability to work independently in limitations of the organization's overall goals and strategies.

Information Communication Technology (ICT) Support

ICT is an information system in the form of a set of interconnected components to collect, process and distribute information to support decision making and supervision in organizations (Laudon & Laudon, 2005). There are many models to explain and predict the use of a system, however the Technology Acceptance Model (TAM) is the one that has attracted the most attention from the Information Systems community (Chuttur, 2009). The TAM model is designed to show how users receive and use technology. When users are presented with new technology, three main factors influence decisions about how and when they will use it, which are the perceived usefulness (PU), the perceived ease of use (PEOU), and the user's attitude towards usage (ATU) (Mugo et al., 2017).

RESEARCH FRAMEWORK

The proposed research model is as follows.

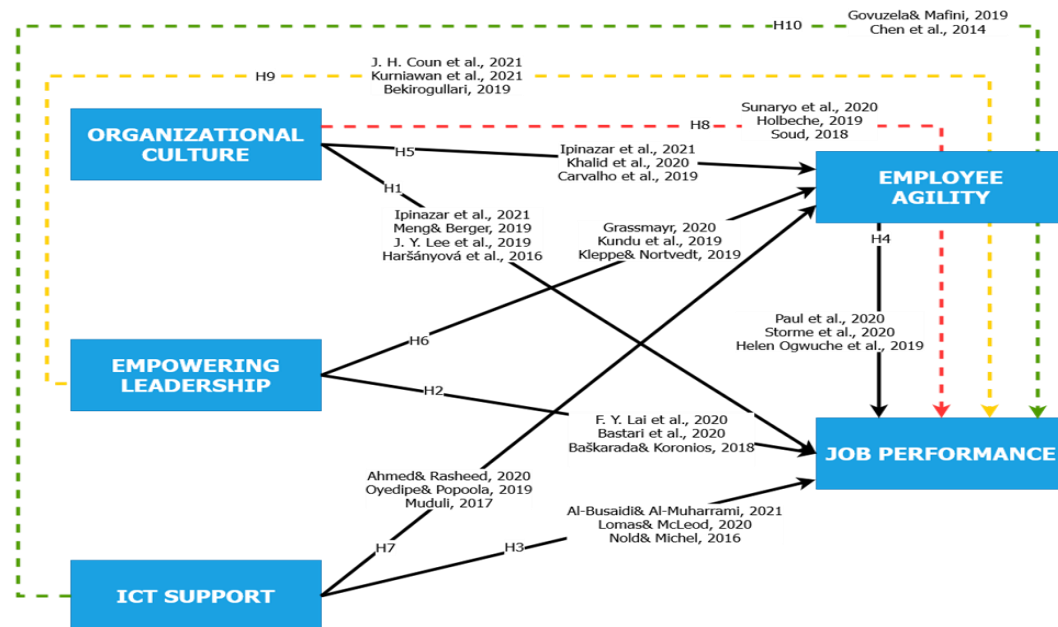


Figure-1. Research Model

HYPOTHESIS

In this research the author proposes the following hypothesis:

Table – 1 Hypothesis used in research

Hypothesis	Description
H1	Organizational Culture has a positive and significant effect on Auditor Job Performance
H2	Empowering Leadership has a direct positive and significant effect on Auditor Job Performance
H3	ICT Support has a direct positive and significant effect on Auditor Job Performance
H4	Employee Agility has a positive and significant effect on Auditor Job Performance
H5	Organizational Culture has a direct positive and significant effect on Employee Agility
H6	Empowering Leadership has a direct and significant positive effect on Employee Agility
H7	ICT Support has a direct positive and significant effect on Employee Agility
H8	Organizational Culture has a positive and significant indirect effect on Auditor Job Performance through Employee Agility
H9	Empowering Leadership has a positive and significant indirect effect on Auditor Job Performance through Employee Agility
H10	ICT Support has a positive and significant indirect effect on Auditor Job Performance through Employee Agility

RESEARCH METHODS

This research uses a quantitative approach to answer the formulation and verification of research hypotheses. The aim of the research is to analyze the influence between exogenous variables, namely Organizational Culture, Empowering Leadership and ICT Support for the endogenous variable, namely Job Performance through an intervening variable, namely Employee Agility. This research is explanatory in nature through hypothesis testing to test the nature of the relationship and influence between variables. This research is using questionnaires on all units of BPK, with the individual auditors as respondents.

The target population in this research is all examiners with the positions of first auditors, junior auditors, and intermediate auditors, totaling 5,657 auditors spread across the head office and 34 representatives in all provinces in Indonesia. The samples in this research will be taken proportionally with representative sampling for each head office and all BPK representative offices. With a population of 5,657, the minimum sample that must be taken in this research is 360 or 6.36% of the total population.

Because this research is in the form of a causal relationship, the model used is Covariance Based SEM (CB-SEM). This modeling aims to provide a statement about the causal relationship or provide a description of the mechanism of the causal relationship. In this research, the measurement scale used is the Likert Scale. The answer using a Likert Scale has a gradation from very positive to very negative. In this study, the Likert scale used was 5 level scores. This research will use SPSS version 24 software and SEM AMOS to process and analyze data.

RESULTS AND DISCUSSION

Descriptive analysis

The results of the descriptive analysis show the indicators with the highest and lowest values for each variable as shown in Table 2.

Table – 2 Indicators with the highest and lowest values

Variable	The indicator with the highest value	The indicator with the lowest value
Auditor Job Performance (Y)	(AJP3), namely I collaborate and establish effective communication with superiors and colleagues	(AJP1) I do efficient, high-quality work
Organizational Culture (X1)	(OGC2) Employees are encouraged to talk about the facts and (OGC3) My supervisor trusts me to meet the expectations of the assignment given	(OGC7) Top management has confidence in communicating important news and events with all members of the organization at all levels
Empowering Leadership (X2)	(EPL9) Leaders/superiors explain the rules and expectations of the organization to subordinates/work team members	(EPL5) The leader still considers ideas from subordinates/work team members even though the leader does not agree with the idea
ICT Support (X3)	(ICS1) I think that using information and communication technology provided by the organization allows me to work effectively and quickly with colleagues	(ICS4) I think it becomes easier for me to become skilled by utilizing the information and communication technology tools provided by the organization
Employee Agility (X4)	(EPA4) I accept suggestions and criticism on the work I do and adapt to new work procedures	(EPA2) I find new ways to obtain or utilize alternative resources, when existing resources are insufficient to support the implementation of my work

The results of SEM Analysis Model as an output of Amos as shown in Figure-2

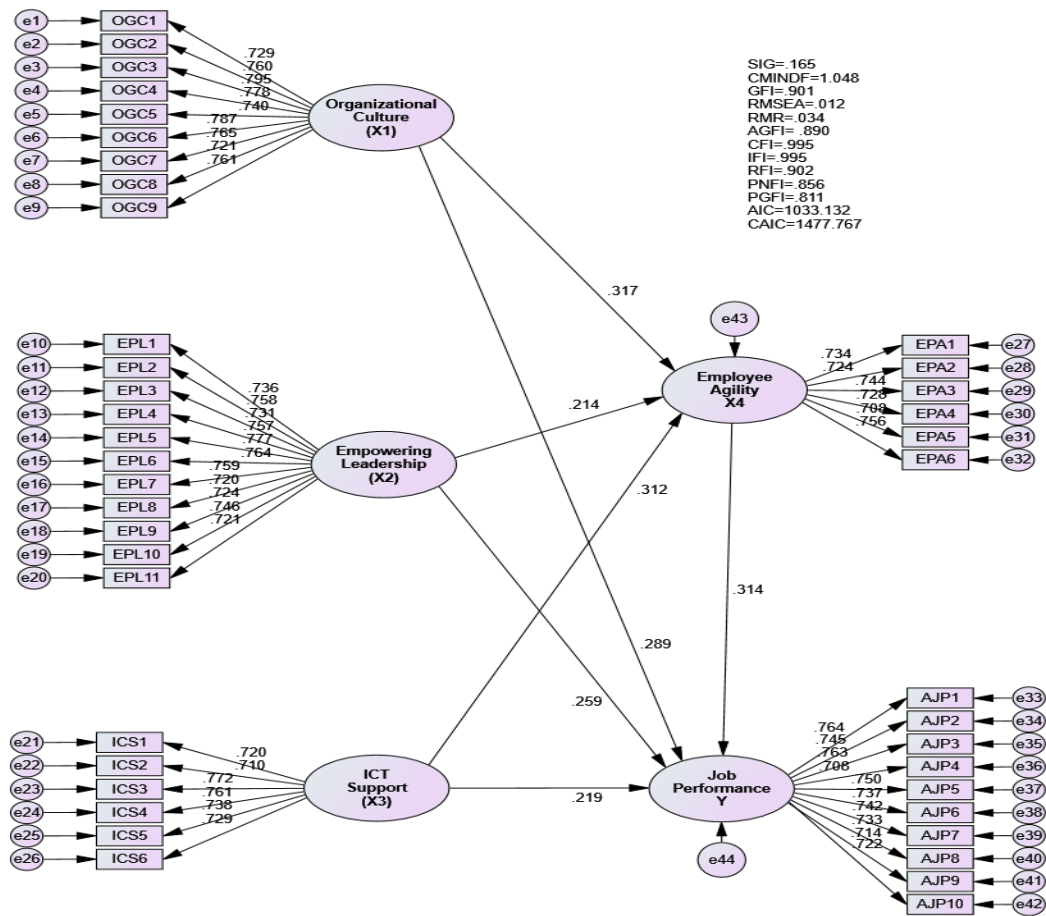


Figure-2. Standardized Solution SEM Model

Hypothesis test

The results of hypothesis testing show the value of each parameter as shown in Table 3.

Table 3 – Hypothesis testing results

Hypothesis	Description	Path Coefficient	CR value (for direct influence)/ Z (for indirect influence)	Result
H1	Organizational Culture has a direct positive and significant effect on Job Performance	0.289	5,486	Hypothesis accepted
H2	Empowering Leadership has a direct positive and significant effect on Job Performance	0.259	5,192	Hypothesis accepted
H3	ICT Support has a direct positive and significant effect on Job Performance	0.219	4,180	Hypothesis accepted
H4	Employee Agility has a positive and significant effect on Job Performance	0.314	5,304	Hypothesis accepted

Hypothesis	Description	Path Coefficient	CR value (for direct influence)/ Z (for indirect influence)	Result
H5	Organizational Culture has a direct positive and significant effect on Employee Agility	0.317	5,544	Hypothesis accepted
H6	Empowering Leadership has a direct positive and significant effect on Employee Agility	0.214	3,929	Hypothesis accepted
H7	ICT Support has a direct positive and significant effect on Employee Agility	0.312	5,334	Hypothesis accepted
H8	Organizational Culture has a positive and significant indirect effect on Job Performance through Employee Agility	0.099	3,832	Hypothesis accepted
H9	Empowering Leadership has a positive and significant indirect effect on Job Performance through Employee Agility	0.068	3,178	Hypothesis accepted
H10	ICT Support has a positive and significant indirect effect on Job Performance through Employee Agility	0.098	3,766	Hypothesis accepted

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the research analysis that has been carried out, several things can be concluded as follows:

1. Organizational Culture has a direct positive effect on Auditor Job Performance. BPK need to consider increasing Organizational Culture which is formed by Participation, Respect for the individual, Trust, Openness, Power Distance.
2. Empowering Leadership has a direct positive effect on Job Performance. BPK need to consider increasing Empowering Leadership which is formed by Leading by Example, Participate Decision-Making, Coaching, Informing and Showing Concern.
3. ICT Support has a direct positive effect on Job Performance. BPK need to consider increasing ICT Support which is formed by Perceived Usefulness, Perceived Ease of Use and Level of ICT.
4. Employee Agility has a direct positive effect on Job Performance. Employee Agility variable is the variable that has the highest loading factor value compared to other variables, which shows that this variable is the most influential factor on Auditor Job Performance. Organizations need to consider increasing the Employee Agility which is formed by Proactivity, Adaptability and Resiliency. The most influential factor in forming Employee Agility is Adaptability in changing behavior to work more effectively with other employees and accepting suggestions and criticism to adapt to new procedures.
5. Organizational Culture has a direct positive effect on Employee Agility. This variable is the variable that has the highest loading factor value compared to the other 3 variables, which shows that this variable is the most influential factor on Employee Agility.

6. Empowering Leadership and ICT Support has a direct positive effect on Employee Agility.
7. Organizational Culture, Empowering Leadership, ICT Support have an indirect positive effect on Job Performance through Employee Agility. These results indicate that Employee Agility is able to mediate the influence of Organizational Culture, Empowering Leadership, ICT Support on Job Performance.

Based on the research results, several suggestions can be submitted to BPK and to future researchers as follows:

1. BPK should evaluate task performance activities on the Auditor Job Performance. BPK can improve the auditor's Task Performance through performance evaluation by involving the Inspectorate General, the Training Center and the Human Resource Bureau.
2. BPK should assess openness on the Organizational Culture variable which has the lowest average value. Top management's ability to communicate important news and events with all members of the organization at all levels needs to be improved.
3. BPK is advised to evaluate participate decision-making on the Empowering Leadership and Perceived Ease of Use activities on the ICT Support variable which has the lowest average value.
4. The BPK is advised to evaluate Proactivity on the Employee Agility variable which has the lowest average value.
5. This research has limitations by selecting 5 variables from the Colquitt Model, namely Organizational Culture, Empowering Leadership, ICT Support, Employee Agility, and Job Performance. The research is carried out at BPK RI which is a government institution in the audit sector. The researcher recommends to future researchers to conduct research using other variables in the Colquitt model. Research can also be carried out at other institutions that are also involved in the audit field.

References

- Amundsen, S., & Martinsen, Ø. L. (2014). Empowering Leadership: Construct clarification, conceptualization, and validation of a new scale. *Leadership Quarterly*, 25(3), 487–511. <https://doi.org/10.1016/j.leaqua.2013.11.009>
- Aşkun, Volkan, Rabia Zel, Edina Ajanovic. (2021) Comparative Analysis Of Factors Affecting Employee Performance According To Job Performance Measurement Method: The Case Of Performing Artists. <https://doi.org/10.21121/eab.874012>
- Bushey, N. (2019). Enhancing Organizational Agility Within the Human Resources Function a Research Project Presented to the Faculty of Pepperdine Graziadio Business School in Partial Fulfillment of the Requirements for the Degree Master of Science in Organizational Development (Issue August).
- Colquitt, J. A., Lepine, J. A., & Wesson, M. J. (2015). *Organizational Behavior, Improving Performance and Commitment in the Work Place*. In Mc. GrawHill Education.
- Dessler, G. (2013). *Resource Management Thirteenth Edition* (Sally Yagan, Ed.; Thirteenth). Pearson Education, Inc., Prentice Hall.
- D'Souza, A. (2006). Empowering Leadership. In Haggai Institute (pp. 4–6). Haggai Institute.
- Gamayuni, RR, & Syaipudin, U. (2021). The effect of audit costs, information technology, and auditor's competence on audit quality during the COVID - 19 Pandemic. *Governance, Accountability Governance, AND State, Finance*, 7 (1), 95–112. <https://doi.org/10.28986/jtaken.v7i1.527>

- Muduli, A. (2017). Workforce agility: Examining the role of organizational practices and psychological empowerment. *Global Business and Organizational Excellence*, 36 (5), 46–56. <https://doi.org/10.1002/joe.21800>
- Wei, C., Pitafi, A. H., Kanwal, S., Ali, A., & Ren, M. (2020a). Improving Employee Agility Using Enterprise Social Media and Digital Fluency: Moderated Mediation Model. *IEEE Access*, 8, 68799–68810. <https://doi.org/10.1109/2020.2983480>
- Silber, K. H., & Foshay, W. R. (2010). Handbook of Improving Performance in the Workplace. In *Handbook of Improving Performance in the Workplace* (Vol. 1). <https://doi.org/10.1002/9780470587089>
- SPKN Drafting Team. (2017). State Financial Audit Standards. BPK Regulation No.1 2017, 107.
- Wibowo. (2018). Leadership. In Jakarta State University (Ist). Jakarta State University.