

THE INFLUENCE OF ORGANIZATIONAL CULTURE, PROFESSIONAL ETHICS AND AUDITOR COMPETENCE ON EMPLOYEE PERFORMANCE AT THE REPRESENTATIVE FINANCIAL AUDIT BOARD OF CENTRAL KALIMANTAN PROVINCE

Rochima Dewi Maharani¹

¹Universitas Palangka Raya

Email: rochimadewimaharani@gmail.com

Abstract

This research aims to analyze the influence of organizational culture, professional ethics and auditor competence on employee performance at the Representative Financial Audit Agency of Central Kalimantan Province.

This research was conducted at the Central Kalimantan Representative Financial Audit Agency. The research method used in this research is a quantitative approach, research instruments through the distribution of questionnaires distributed to 92 auditor respondents. This research uses SEM PLS with the smartPLS 3.0 research instrument

The results of data analysis and hypothesis testing show that organizational culture has no significant effect on the performance of employees of the Representative Audit Agency of Central Kalimantan Province, professional ethics has a significant effect on the performance of employees of the Representative Audit Agency of Central Kalimantan Province and auditor competency has a significant effect on the performance of employees of the Representative Audit Agency of Finance. Central Kalimantan Province.

Keywords: Organizational Culture, Professional Ethics, Auditor Competence, Employee Performance

INTRODUCTION

An organization in carrying out its activities will try to achieve the organizational goals that have been set. The success of an organization in achieving its goals, one of which is influenced by Human Resources (HR), in this case the performance of employees in providing services. Employee performance is a benchmark that can be seen in real terms against the work standards set by the organization. Employee performance will be good if employees have quality skills, are willing to work and have hope for the future. Achieving employee performance cannot be separated from existing human resource factors. Human Resource Management is important in achieving a goal, so Human Resource Management is needed.

One of the government organizations in Indonesia is the Financial Audit Agency (BPK), according to Law Number 15 of 2006, which is a free and independent state institution tasked with examining the management and responsibility of State finances as regulated in the 1945 Constitution of the Republic of Indonesia. In carrying out their audit

duties, BPK Auditors, hereinafter referred to as Examiners, are required to instill an attitude that is guided by the BPK's basic values, namely Independence, Integrity and Professionalism. In addition to the BPK's basic values, auditors are also required to uphold the code of ethics, implement audit guidelines and standards that are part of the BPK's organizational culture. An audit opinion resulting from a BPK audit cannot be separated from the auditor's ethics. This is because professional ethics are needed to maintain public trust in audit quality. In carrying out their audit duties, auditors are required to have a realistic view and be free from pressure from any party.

Apart from the importance of a code of ethics in carrying out audit duties, an examiner must also have the qualifications to carry out an audit properly. This competency can be obtained through education and training for auditors or can be called continuing professional education. An inspector needs to have special skills and have attended both technical and non-technical training to support his profession. In order to support Auditor Competency at the Financial Audit Agency (BPK), the BPK issues Audit Competency Standards which are used as guidelines in planning, recruitment, appointment, placement, assessment, preparation of curriculum/training programs, auditor career development, and dismissal of BPK auditors. With this technical competency standard for examiners, activities related to HR management for examiners will become more integrated. The BPK Examiner Technical Competency Standards cover the technical competencies that BPK examiners must have, starting from the role of Team Member to Quality Controller, in the State Financial Auditorate (AKN) work unit. Based on the previous explanation, this research question is how organizational culture, professional ethics and auditor competence influence the performance of BPK auditors representing Central Kalimantan Province.

LITERATURE REVIEW

Organizational culture

Organizational culture can be defined as a system of values, beliefs, assumptions, or long-standing norms agreed upon and followed by members as guidelines for organizational behavior. and solving Edy's problems (2019:1-2). Organizational culture is the basic philosophy of an organization which contains shared beliefs, norms and values which are

the characteristics of how things are done in the organization.

Professional ethics

The word ethics comes from the Greek word *ethos*, which means custom or habit. Taking an extension of this term, ethics can be interpreted as an act of following rules where these rules provide moral momentum for society in respecting applicable customs (Fahmi, 2018). According to Sukrisno Agoes (2017), professional ethics are guidelines for members of the Institute of Public Accountants to work responsibly and objectively. A professional is someone who has a job or profession with a time limit and lives from that job by having something that can be relied on for a high level of expertise. Professional actors have a responsibility to act more than just to fulfill their responsibilities towards themselves and the provisions of society and legal provisions, but all of this is done in order to fulfill the need for trust from the public regarding the quality of the services provided (Ardianingsih, 13 (2018:31)).

Auditor Competency

Competency is the ability to carry out or carry out a job or task that is based on skills and knowledge and supported by the work attitudes required by the job. Competence as a person's ability to produce at a satisfactory level in the workplace, also shows the characteristics of knowledge and skills possessed or needed by each individual that enable them to carry out their duties and responsibilities effectively and improve professional quality standards in work. Competency is a personal aspect of a worker including knowledge, skills and abilities mastered by someone who has become part of him, so that he can carry out cognitive, effective and psychomotor behavior as well as possible so that it is mandatory for auditors to have formal education. in the fields of auditing and accounting.

Employee Performance

Performance is the overall result of a person over a certain period of time when carrying out tasks, such as work standards, targets, or target criteria that have been determined and agreed upon. However, how can companies motivate their employees and

develop plans to correct avoidable declines in performance (Adhari, 2020:77) says employee performance is the result produced by certain functions or activities in certain jobs over a certain period of time, which shows the quality and quantity of that work . Rerung (2019:54) states that employee performance is behavior produced in tasks that can be observed and evaluated, where employee performance is an individual contribution in achieving organizational goals.

Conceptual Thinking Framework

Based on the research background, the conceptual framework of this research is as follows:

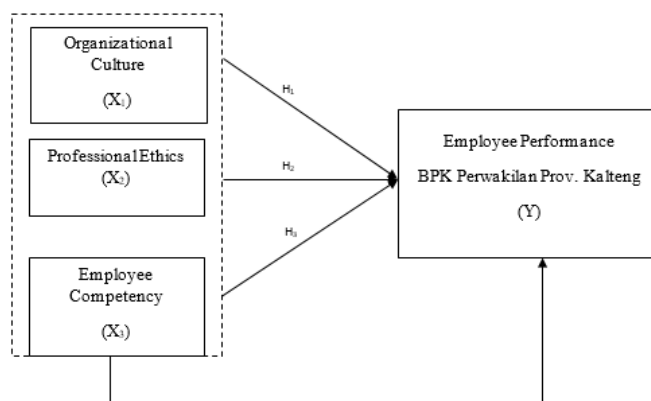


Figure 1. Research Conceptual Framework

Research Hypothesis

The hypothesis of this research is as follows:

H1 → Organizational culture has a positive effect on employee performance at the Central Kalimantan Representative BPK

H2 → Professional Ethics has a positive effect on Employee Performance at the Central Kalimantan Representative BPK

H3 → Auditor Competence has a positive effect on Employee Performance at the Central Kalimantan Representative BPK

RESEARCH METHODS

This research is quantitative research, namely research by testing the influence of variables measured using research instruments so that they can be analyzed statistically. This research uses primary data obtained directly through questionnaires distributed to research respondents, namely auditors of the Central Kalimantan Province Representative Financial Audit Agency. The data analysis method used in this research uses SEM-PLS with the smartPLS 3.0 program. In this research, the types of tests used are validity tests, reliability tests and hypothesis tests.

RESULTS AND DATA ANALYSIS

Based on the results of distributing questionnaires using Likert scale measurements, the results of smartPLS data analysis are presented in the following figure:

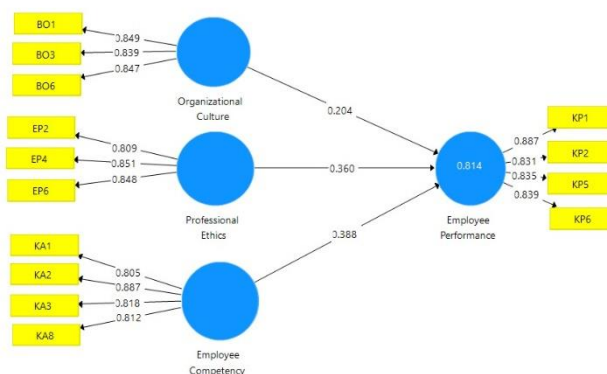


Figure 2. SmartPLS Data Processing Results

The results of the validity test on the variable instrument were found to have met the criteria with factor analysis results loading above 0.70. Based on the reliability test, the composite reliability coefficient must be greater than 0.7 although a value of 0.6 is still acceptable. The AVE and Cronbach's Alpha values have met the criteria, namely above 0.60 and 0.50 respectively. Based on the results of the Reliability Test, this research is said to be reliable. Based on the results of smartPLS data processing, it is known that the composite reliability values are as follows:

Table 1. Reliability Test

Construct Reliability and Validity

Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (...)
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Competency	0.851	0.863	0.899	0.691
Employee Performance	0.870	0.871	0.911	0.720
Organizational Culture	0.800	0.800	0.882	0.714
Professional Ethics	0.786	0.790	0.875	0.700

Hypothesis testing in this research states that if the independent variable is significant to the dependent it will have a t-statistics value > 1.96 with p-values ≤ 0.05 . The results of the analysis of hypothesis testing using smartPLS are as follows:

Table 2. Research Hypothesis Testing

Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Organizational Culture -> Employee Performance	0.204	0.191	0.125	1.634	0.103
Professional Ethics -> Employee Performance	0.360	0.357	0.171	2.099	0.036
Employee Competency -> Employee Performance	0.388	0.409	0.130	2.972	0.003

Based on the results of hypothesis testing, the first hypothesis testing (H1) shows that the original sample value of the organizational culture variable on employee performance is 0.204. The influence of organizational culture variables on employee performance. P-Value is $0.103 > 0.05$ or with a t-statistic of $1.634 < 1.96$, so H1 is rejected, which means that Organizational Culture has an insignificant effect on Employee Performance.

Based on the results of hypothesis testing, in testing the second hypothesis (H2) the original sample value of the professional ethics variable on employee performance was 0.360. The influence of the professional ethics variable on employee performance has a P-Value value of $0.036 < 0.05$ or with a t-statistic of $2.099 > 1.96$, so H2 is accepted, which means that Professional Ethics has a significant effect on Employee Performance.

Based on the results of hypothesis testing, in testing the third hypothesis (H3) the

original sample value of the auditor competency variable on employee performance was 0.388. The influence of the auditor competency variable on employee performance has a P-Value value of $0.003 < 0.05$ or with a t-statistic of $2,972 > 1.96$, so H2 is accepted, which means that auditor competency has a significant effect on employee performance.

CONCLUSION

Based on the results of research analysis, professional ethics and auditor competence have a significant effect on employee performance, while organizational culture has an insignificant effect on employee performance. This shows that good professional ethics and auditor competence will have an impact on better employee performance.

For other researchers, researchers realize that the indicators used are limited, so they suggest using other variables that are more comprehensive and expand the scope of the research.

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