

ROLE STRESS AUDITOR IN PERFORMANCE BY INTEGRATING THE CONCEPT OF WHISTLEBLOWING INTENTION

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Abstract:

The importance of the whistleblowing concept to provide complaints related to fraud in the company. The study was conducted to determine the effect of role stress on auditors' performance with whistleblowing intention as a moderating variable. Quantitative research approach. The sample technique was purposive sampling technique, so that the research sample was 71 public accounting firms in Bali. The data analysis technique used multiple linear regression with moderated regression analysis (MRA) techniques. Determination of the sample using purposive sampling technique. This study uses a questionnaire in data collection. The data analysis technique in this study is Multiple Linear Regression using the SPSS (Statistical Package for Social Science) application. The result of the research states that the relationship between the role of auditors' work stress can affect the performance of auditors and the relationship between whistleblowing intention, role stress affects the performance of auditors, so that it can avoid conflicts with auditors.

Keywords:

Role Stress, Whistleblowing Intention, Auditor Performance



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INTRODUCTION

An audit of the company's financial statements is needed to increase the company's credibility. Without using the services of an independent auditor, company management will not be able to convince outsiders that the financial statements presented contain reliable information (Pamungkas, 2018). The good quality performance of a Public Accounting Firm is determined by the performance of the auditor. Auditor performance is an action based on skill, experience, and seriousness of time measured by considering quantity, quality, and timeliness (Paino, Razali, & Jabar, 2015).

During the audit process, an auditor must comply with the professional code of ethics that regulates professional responsibilities, competencies, professional prudence, confidentiality, professional behavior, and technical standards for an auditor in carrying out his profession (Lu & Sapra, 2019). The performance of each individual and organizational performance has a very close relationship. The achievement of an organization's goals cannot be separated from the resources possessed by the organization. In carrying out their duties, an auditor is often confronted with potential role conflict (Heyrani, Banimahd, & Roudposhti, 2016). Role conflict is a situation that occurs in individuals when faced with conflicting behaviors, thought patterns, and values due to different roles so that individuals experience difficulties in acting or in making decisions. Role conflict arises because there are conflicting instructions together and carrying out just one instruction will neglect the other instructions. Role conflict can cause discomfort and can potentially reduce work motivation so that it can result in decreased overall performance (Popoola, Che-Ahmad, Samsudin, Salleh, & Babatunde, 2016; Saputra, Juniariani, Jayawarsa, & Darma, 2019).

A role conflict that might arise for an auditor is when an independent auditor who is carrying out tasks and working in the Public Accounting Firm, is faced with a request submitted by the client for findings that are not in line with client expectations or can also occur if the accountant works in different norms and rules with the norms and rules of ethics learned (Paino et al., 2015; Saputra et al., 2019). Various results of previous studies regarding the influence of role conflict on auditor performance conducted results show that role conflict influences auditor performance. However, the results of other studies conducted showed that role conflict does not significantly influence auditor performance.

These inconsistent research results are the basis for researchers to reexamine the effect of role conflict on performance and suspect that other factors influence the relationship between independent variables and dependent variables by including contingency variables. Therefore, researchers include the whistleblowing intention variable as a contingency variable. Interest/intention (intention) is the desire to conduct behavior. Interest is closely related to one's motivation to take action. Whistleblowing is the activity of disclosing information by someone in the organization to certain parties due to a violation or crime (Atmadja, Saputra, & Manurung, 2019; Saputra & Sanjaya, 2019). Whistleblowing intention is the desire or motivation within a

person to disclose violations or the disclosure of unlawful, unethical, or immoral actions that can harm the organization or stakeholders (Utami, Utami, & Hapsari, 2018; Uys & Senekal, 2008).

The author adopts whistleblowing intention to be a moderating variable between role conflict variables and auditor performance because it is estimated that whistleblowing intention makes auditors who have an interest in carrying out ethical acts and not violating the law or not performing audit dysfunction will continue to apply the appropriate audit procedures to detect and disclose the existence irregularities in the financial statements made by management, thus affecting the auditor's performance in situations where the auditor experiences a role conflict in the auditing process (Atmadja et al., 2019).

Agency theory regulates the proportions of each party's utility by taking into account the overall benefits. The company has many contracts, for example, a work contract between the company and its managers and a loan contract between the company and its creditors (Yolles, 2019). For this reason, in agency theory, the existence of an employment contract is known, which regulates the proportion of the utility of each party while taking into account the overall benefits. One key element of agency theory is that principals and agents have different preferences and goals (Yusuf, Yousaf, & Saeed, 2018).

Role Theory is a point of view in sociology and social psychology which considers most of the daily activities to be played by socially defined categories. The concept of role is important for understanding individual behavior (Diez-Esteban, Farinha, & García-Gómez, 2019). The role is what must be done by someone to determine his presence in a certain position. The role of distinguishing behavior from people occupying certain organizational positions and functioning unites groups by providing specialization and coordination functions (Adhikari, Kuruppu, & Matilal, 2013).

Influence of role conflict (Role Stress) on Auditor Performance

Role conflict is a condition of imbalance between demands on the job and the ability of individuals to overcome these demands. Three elements of role stress Fogarty et al. (2000) namely "role conflict, role ambiguity, and role overload." Role conflict (role conflict) is a conflict that arises because of the existence of two different orders that are received simultaneously and the implementation of one order alone will result in the neglect of the other orders (Atmadja & Saputra, 2018; Mantzari & Georgiou, 2019). Several studies have explained that role conflict harms auditor performance. Based on the theoretical basis and the results of previous studies, the proposed hypothesis is as follows (Mantzari & Georgiou, 2019):

H1: Role Conflict negatively influences the Auditor's Performance at the Public Accounting Firm in Bali.

Effect of Moderation Whistleblowing Intention on Role Relationship Conflict on Auditor Performance

Whistleblowing intention is the interest a person has to take action to disclose violations that occur in an organization. Interest is closely related to one's motivation to take action (Atmadja et al., 2019; Saputra & Sanjaya, 2019). Therefore, the motivation or interest of auditors in conducting whistleblowing will encourage auditors to take various actions to realize this interest, one of which is by improving performance (Saputra et al., 2020). The interest or motivation to do whistleblowing intention can encourage auditors not to be trapped in situations that trigger conflicting roles of auditors in performing their duties. Based on this description, the research hypothesis is formulated:

H2: Whistleblowing intention moderates the effect of role conflict on auditor performance.

METHOD

This research was conducted at the Public Accounting Firm in Bali. The time of research is 2020. The population of this study is 9 Public Accounting Firms (KAP) in Bali with 78 auditors. The data analysis technique used in this research is multiple linear regression analysis. The data in this study were processed using SPSS (Statistical Package for Social Sciences). The data analysis technique used is Moderated Regression Analysis (MRA).

Role conflict is a condition of imbalance between demands on the job and the ability of individuals to overcome these demands. The role stress variable uses three elements of role stress Fogarty et al. (2000) namely "role conflict, role ambiguity, and role overload." Role conflict arises because two different orders are received simultaneously and the execution of one order will result in the neglect of the other orders¹³. This condition can cause discomfort and can also reduce work motivation, decrease job satisfaction, and decrease overall performance. Role conflict can be measured using indicators that are human resources, unclear direction and lack of support from colleagues (Özbağ, Çekmecelioğlu, & Ceyhun, 2014; Singh & Singh, 2018).

Whistleblowing intention is the interest a person has to take action to disclose violations that occur in an organization. Interest is closely related to one's motivation to take an action¹¹. Therefore, the motivation or interest of auditors in conducting whistleblowing will encourage auditors to take various actions to realize this interest, one of which is by improving performance (Atmadja et al., 2019; Saputra & Sanjaya, 2019). The variable whistleblowing intention in this study was measured by adopting a questionnaire with indicators of this variable, namely the auditor's interest to be a whistleblower, the auditor's plan to do whistleblowing, and the auditor's effort to take a whistleblowing action (Saputra et al., 2020).

Auditor Performance. Performance is the willingness of a person or group of people to carry out activities or perfect them by their responsibilities with the results as expected (Atmadja & Saputra, 2018). Auditor performance is the result of work achieved by the auditor in carrying out his duties by the responsibilities and capabilities he has to achieve good results. Auditor performance can be measured using indicators, competencies, professional commitment, motivation, and job satisfaction (Saputra et al., 2019).

RESULTS AND DISCUSSION

The data quality test of this study consisted of validity and reliability tests. The validity test results state that all research instruments used are greater than 0.3, then the instrument items are said to be valid. The reliability test results stated that the research instrument of all the variables was declared reliable because it had a reliability coefficient greater than 0.70 and gave consistent results if measurements were made again on the same subject.

Classic assumption test

Classical Assumption Test to find out how the dependent and independent variables are in the regression model, whether they are normally distributed, and free from heteroscedasticity. Test results show that the variables in this study have passed the classic assumption test

Moderation Regression Analysis Results (Moderated Regression Analysis)

The data analysis technique used is Moderated Regression Analysis (MRA).

Table 1. Moderation Regression Analysis Results

Variable	Unstandardized Coefficient		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
X1	-0,615	0,055	-0,804	-11,243	0,000
X2	0,295	0,599	0,109	2,492	0,022
X1.X2	0,026	0,013	0,474	2,063	0,043
Constant	= 61,224				
R	= 0,869				
R Square	= 0,755				
Adjusted R ²	= 0,744				
F _{value}	= 68,751				
Sig.	= 0,000				

Sources: annex 10

Based on Table 5.9 a multiple linear regression equation models can be made as follows:

$$\hat{Y} = 61,224 - 0,804X1 + 0,109X2 + 0,474X1.X2 + \varepsilon \dots\dots\dots (1)$$

The translation of the linear regression equation is as follows:

- 1) The coefficient result shows that the role stress value is negative 0.615, the t-test value is -11,243 and the significance level is 0,000. The level of significance is smaller than the alpha level set ($\alpha = 0.05$), this means that role stress has a negative effect on auditor performance. So that the first hypothesis in this study which states that role stress has a negative effect on auditor performance can be accepted.
- 2) The regression coefficient on the whistleblowing intention variable moderates the influence of role stress at 0.026 with a t-test value of 2.063 and a significance of 0.043. This means that hypothesis 2, whistleblowing intention can moderate the relationship between role stress and auditor performance can be accepted.

The Effect of Role Stress on Auditor Performance

Role conflict is a condition of imbalance between demands on the job and the ability of individuals to overcome these demands. Three elements of role stress Fogarty et al. (2000) namely "role conflict, role ambiguity, and role overload (Singh & Singh, 2018; Yan & Xie, 2016)." Role conflict (role conflict) is a conflict that arises because of the existence of two different orders that are received simultaneously and the implementation of one order alone will result in the neglect of the other orders (Atmadja & Saputra, 2018). Several studies have explained that role conflict has a negative effect on auditor performance (Atmadja & Saputra, 2018). Auditors who experience role conflicts in their activities will tend to have decreased performance (Yang, Jin, & Tan, 2019).

The Effect of Whistleblowing Intention on the Relationship Between Role Stress on Auditor Performance

Based on Fritz Heider's attribution theory states that a person's behavior is caused by internal and external forces. Internal strength that comes from within one of them is interest or intention (intention), namely the desire to perform a behavior (Khanifah et al., 2017). Interest is the forerunner of behavior that occurs so that the results of that behavior reflect a person's performance (Ackert, Church, Venkataraman, & Zhang, 2019). Whistleblowing intention is the interest a person has to take action to disclose violations that occur in an organization. Interest is closely related to one's motivation to take action. Therefore, the motivation or interest of auditors in conducting whistleblowing will encourage auditors to take various actions to realize this interest, one of which is by improving performance (Atmadja et al., 2019).

Therefore, the motivation or interest of auditors in conducting whistleblowing will encourage auditors to take various actions to realize this interest, one of which is by improving performance. The interest or motivation to do whistleblowing intention can encourage auditors not to be trapped in situations that trigger conflicting roles of auditors in performing their duties. Based on this description, the research hypothesis is formulated (Saputra et al., 2020).

CONCLUSION

Based on the analysis and discussion in the previous chapter it can be concluded that: Role stress has a negative effect on performance and whistleblowing intention is able to moderate the relationship between role stress and auditor performance. The object used by researchers is only the scope of the City of Denpasar, for further researchers can examine in other regions. Second, this study limits the variables that affect performance with role stress and whistleblowing intention. Other researchers can use other variables to examine factors that affect auditor performance.

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