What Constitutes Young Auditor Performance

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Abstrak. *Penelitian ini bertujuan untuk mengetahui pengaruh profesionalisme, pengalaman, dan tingkat pendidikan terhadap kinerja auditor muda pada kantor akuntan publik. Jenis data yang digunakan adalah data primer dengan menyebarkan kuesioner kepada 74 responden yang semuanya berdomisili di Jakarta, Ibukota Indonesia. Data dianalisis dengan regresi linier berganda menggunakan SPSS versi 19. Hasil penelitian ini menunjukkan bahwa profesionalisme dan pengalaman berpengaruh signifikan terhadap kinerja auditor muda, sedangkan tingkat pendidikan tidak berpengaruh terhadap kinerja auditor muda. Dengan demikian, dapat disimpulkan bahwa semakin tinggi profesionalisme dan pengalaman seorang auditor muda maka kinerjanya akan semakin baik, sedangkan semakin tinggi tingkat pendidikannya belum tentu kinerjanya akan semakin baik. Kontribusi penelitian ini bagi para pencari kerja profesionalisme dan pengalaman lebih penting daripada tingkat pendidikan. Bagi institusi pendidikan, penelitian ini menyarankan agar mereka lebih memperhatikan soft skill (profesionalisme) di samping technical skill. Untuk pemberi kerja penelitian ini mengingatkan saat proses seleksi untuk lebih menekankan pada profesionalisme dan pengalaman kandidat daripada latar belakang pendidikan mereka.*

Kata kunci: *Auditor; Kinerja; Pendidikan; Pengalaman; Profesionalisme.*

Abstract. *This study aims to determine the effect of professionalism, experience, and level of education on the performance of young auditors in public accounting offices. The type of data used is primary data by distributing questionnaires to 74 respondents, all of them reside in Jakarta, Capital of Indonesia. Data were analyzed by multiple linear regression using SPSS version 19. The results of this study indicate that professionalism and experience have a significant effect on young auditor performance, while education level has no effect on young auditor performance. Thus, it can be concluded that the higher the professionalism and experience of an auditor, the better the performance, while the higher the level of education is not necessarily the better the performance. This research contribution is for young auditor professionalism and experience is more important than education level. For education institutions, this research suggests them to pay more attention upon soft skills (professionalism) beside technical skills. For employers this research insists during selection to emphasize on professionalism and experience of candidates rather than their educational background.*

Keywords: *Auditor, Education; Experience; Performance; Professionalism.*

Introduction

Assurance is one of the services offered by a Public Accounting Firm (KAP) that provides a statement of opinion regarding the fairness of an entity's financial statements. The company's financial statements are an important source of information for stakeholders in making decisions. To increase stakeholder confidence in financial statement information, publicly traded companies are required to audit their company's financial statements (Chandra, 2016). External auditors play an important role in any type of company because they can provide opinions to management to improve the quality of the company. According to the AP Law, it is mandatory to have an undergraduate degree from any scientific field and pass a professional exam. The public accountant profession is a profession which can only be done by individuals who have a certain educational background, namely Accounting. According to (Gorda, 2004) in (Futri and Juliasari, 2014), education is an activity to improve and develop human resources by increasing the ability and understanding of general knowledge and economic knowledge including increasing theoretical knowledge and skills in an effort to solve problems faced. company. Auditors must have the ability and skills in examining and solving problems in audit assignments that can be obtained from the formal and non-formal education process

The public accounting profession is a unique profession which can only be done by individuals with certain abilities and educational backgrounds. One of the duties of a public accountant in carrying out his profession is to provide useful information for the public for economic decision making (Limbong *et al.*, 2019). An auditor is required to have a professional attitude in order to be trusted by management. In order for the financial reports that have been made by the data company to be trusted by parties outside the company, therefore, decision makers need the services of a third party, namely the External Auditor, to see whether the company's financial statements are appropriate to be presented to outside parties. According to (Febriyanty, 2012) in (Sarwini *et al.*, 2014) that auditor

professionalism is the attitude and behavior of an auditor in carrying out his profession with sincerity and responsibility in order to achieve task performance as regulated in professional organizations, which include (1) dedication to the profession, (2) social obligations, (3) independence, (4) trust in professional regulations, and (5) relationships with professional colleagues.

In addition to professional attitude, experience is also one of the factors that affect auditor work performance. Because an auditor's knowledge will develop if he has auditing experience. According to (Asih, 2006) in (Sarwini et al, 2014) that the experience of an auditor must have experience in auditing activities, formal education and work experience in the accounting profession are two important and complementary things. An experienced auditor will have a different view on obtaining information. An auditor must have good performance. Good auditor performance will increase public confidence in the accounting profession. A professional public accountant can be seen from the results of the auditor's performance in carrying out his duties and functions. The professional attitude of an auditor is also very important in examining the company's financial statements. Good auditor performance can be encouraged by the factor of the level of auditor education. An adequate level of education for an auditor must be able to carry out his profession as effectively and efficiently as possible. This will certainly affect the performance of the auditor, which can be indicated from the number of findings and the quality of the examination results. In examining the work experience, it is also considered an important factor in assessing the performance of the auditor.

For example, based on CNBC Indonesia's records, there are three well-known KAPs that have been affected by cases related to financial statements. Two of them were even proven to have violated applicable regulations. The two KAPs in question are KAP Purwanto, Sungkoro and Surja (Member of Ernst and Young Global Limited/EY) who were proven to have violated the Capital Market Law and the code of ethics of the public accounting profession in the case of inflationary income in

the financial statements of the PT Hanson International Tbk Period 2016. In addition, Public Accountants (AP) and KAP Tanubrata, Sutanto, Fahmi, Bambang & Partners are in charge of the 2018 annual financial statements of PT Garuda Indonesia Tbk. As for one other case that has no clarity, namely the case of overstatement of the annual financial statements of PT Tiga Pilar Sejahtera Food Tbk (AISA) which was audited by KAP Amir Abadi Jusuf, Aryanto, Mawar, and Partners (an affiliate of RSM International).

Review of the literature and formulation of hypotheses

Agency theory explains the agency relationship between two parties, namely, the principal employs agents to perform services on behalf of those involved in delegating the authority to make decisions to agents (Jensen and Meckling in Renaldo Surya, 2014). Agency theory is based on human nature that is more selfish, human nature that chooses to avoid risk, and limited human thinking about future perceptions (Eisenhardt in Renaldo Surya, 2014). The problem of the auditor's agency stems from the institutional mechanism between the auditor and management. Management appoints auditors to perform audits in the interest of the principal. On the other hand, the dependence between the auditor and the client for the sake of displaying engagements and creating a close relationship between the auditor and the client, therefore, to maintain auditor independence, mandatory audit rotation is applied (According to Gravious in Kurniasih and Rohman, 2014).

The Effect of Professionalism on Auditor Performance
Based on the results of research conducted by Alfianto and Suyandari (2015), Limbong *et al.* (2019), Tubagus *et al.* (2018), Hernanik *et al.* (2018), Dali and Mas'ud (2014) and Basri *et al.* (2019). The professionalism of the auditor becomes very important to the auditor's performance. Because, for an auditor, it is important to convince companies and users of financial statements on the quality of the audit. With high professionalism, the results obtained can be relied on by those who need

professional Java. Based on this description, the following hypothesis is formulated:
H1: Professionalism has a positive effect on Auditor Performance.

The Effect of Experience on Auditor Performance
Based on the results of research conducted by Limbong *et al.* (2019), Andika and Martini (2017) and Kblack (2016). Likewise with experience, the more experience the auditor has, the more he understands what is being done and can see the findings. So, the more experienced and professional an auditor is, the better the performance will be. Based on this description, the following hypothesis is formulated.
H2: Experience has a positive effect on auditor performance.

The Effect of Education Level on Auditor Performance
Based on the results of research conducted by Limbong *et al.* (2019), Ardika and Wirakusuma (2017), Lismata and Basri (2017), Kblack (2016) and Nyoman and Suardana (2018). The level of education possessed by an auditor can improve the quality of his work, because with a high level of education, he will have broad insight and the ability of an auditor to hold responsibilities and increase his role in carrying out his duties. Based on this description, the hypothesis is formulated as follows.
H3: The education level has a positive effect on Auditor Performance.

Research Methodology

The data used in this research is quantitative. This method is carried out to measure one or more variables and to measure the relationship or influence between two or more variables. The data source used for this research uses data obtained from direct sources (primary data). The method used is through a questionnaire, namely by giving several statements to the selected respondents. The sampling technique used in this research is using the purpose sampling technique. According to Sekaran and Bougie (2017) define purposive sampling as a sampling technique that is limited to certain types of people who can provide the desired

information, either because they are the only party who has it or they meet the criteria determined by the researcher. The data analysis method used was multiple linear regression which was preceded by descriptive statistical analysis, validity test, reliability test, classical assumption test consisting of normality test, heteroscedasticity test, and multicollinearity test. Then, the data was processed using hypothesis testing, namely multiple linear

regression analysis, the F test and the t test, the coefficient of determination.

Results and Discussion

In this study, the number of respondents obtained was 76 auditors, with the following characteristics of the respondents.

Table 1. Characteristics of the Respondents

Group.		Information	N	Percentage (%)
AGE		Age 21-23	32	42
		Age 24-26	29	38
		Age 27-30	15	20
		Total	76	100
GENDER		Men	33	43,4
		Women	43	56,6
		Total	76	100
EDUCATION		Senior High School	2	3
		Diploma (D3)	3	4
		Undergraduate (S1)	71	93
		Total	76	100
Position		Junior Auditor	52	71
		Senior Auditor	22	29
		Total	76	100
Working Experiences		More than 1 year, but less than 3 years	56	74
		More than 3 years but less than 5 years	17	22
		More than 5 years	3	4
		Total	100	100

Source: Respondent's response.

Based on table 1 it can be seen that the majority of respondents are junior auditors, have experience working in KAP for 1-5 years,

age 21-29, and have an undergraduate education.

Table 2. Descriptive statistics

Variable	N	Min	Max	Mean	Std Deviation
Professionalism (X1)	76	14	20	18,470	1,612
Working Experiences (X2)	76	30	48	39.110	3.118
Education (X3)	76	24	48	29,910	4.878
Performance (Y)	76	39	56	48,184	3.690

Source: Author's Calculation.

Table 2 explains that the Professionalism Variable shows that the lowest (minimum) value is 14 and the highest (maximum) value is

20. While the average value (mean) is 18,470 with a standard deviation value of 2,089. The experience variable shows that the lowest (minimum) value is 30 and the highest

(maximum) value is 48. The average value (mean) is 39,110 with a standard deviation of 3,118. The education level variable shows that the lowest (minimum) value is 24 and the highest (maximum) value is 48. While the average value (mean) is 29,910 with a standard

deviation of 4.878. The Auditor Performance variable shows that the lowest value (minimum) is 39 and the highest value (maximum) is 48. While the average value (mean) is 48,184 with a standard deviation value of 3.69.

Table 3. Reliability Test

Variable	Cronbach Alpha	Conclusions
Professionalism (X1)	0.760	Reliable
Working Experiences (X2)	0.751	Reliable
Education (X3)	0.767	Reliable
Performance (Y)	0.830	Reliable

Source: Author's Calculation.

Based on table 8, it can be seen that all statement items for each variable are declared

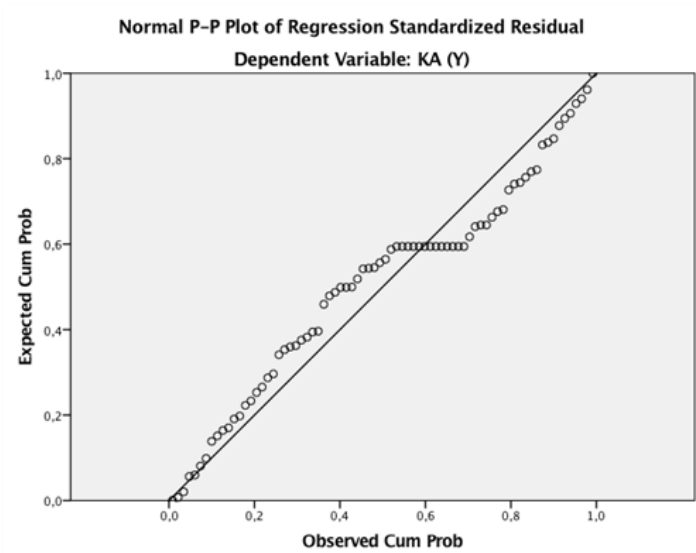reliable, because they have a Cronbach Alpha value greater than 0.70.

Figure 1. Normality Test Results with P-Plot Regression

Based on the picture above, it can be said that the results of the processed data follow a

diagonal line, which states that the data is normally distributed

Table 4. Normality Test with One-Sample Kolmogorov
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		76
Normal Parameters, b	mean	,0000000
	Std. Deviation	2.31438745
Most Extreme Differences	Absolute	,110
	Positive	,105
	negative	-,110
Kolmogorov-Smirnov Z		,962
asymp. Sig. (2-tailed)		,313

a. The test distribution is Normal.
b. Calculated from data.

Based on Table 4, it can be said that the significance probability value is 0.313, it can be concluded that the data are normally distributed because the significance probability value is greater than the significant level, namely 0.05.

Table 5. Multicollinearity Test Results Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(X1)	,514	1,945
	(X2)	,548	1,825
	(X3)	,776	1,288

a. Dependent variable: KA (Y)

Based on table 5, it can be seen that each variable has a VIF value less than 10.00 and a tolerance value greater than 0.100. Therefore, it can be concluded that there is no multicollinearity, thus proving that there are no independent variables that are related to each other.

Table 6. Heteroscedasticity Test Results with Glesjer Test Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Continuous)	-1,996	2,630		-.759	.450
	(X1)	.038	.147	.037	.260	.795
	(X2)	-.055	.073	-.104	-.744	.459
	(X3)	.169	.039	.501	4.276	.000

a. Dependent variable: Abs_RES

From Table 6, it can be seen that the significant value is greater than 0.05, so it is concluded that there is no heteroscedasticity so that the regression model is feasible to use.
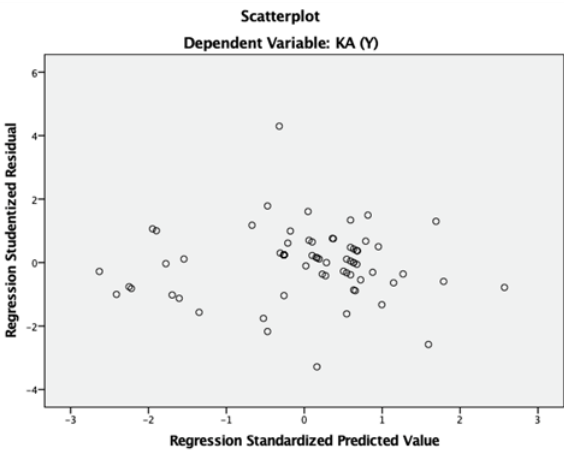

Figure 2. Results of the Heteroscedasticity Test with Scatterplot

From the picture above, it can be seen that the points spread randomly and do not form a certain pattern, and that the points spread above and below the number 0 (zero) on the Y axis. Therefore, it can be said that there is no heteroskedasticity.

Table 7. Multiple Linear Regression Test Results Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Continuous)	6.525	4.23		1.543	0.127
X1	1,274	0.236	0.557	5,400	0.000
X2	0.374	0.118	0.316	3.165	0.002
X3	0.117	0.063	0.155	1,843	0.069

Based on table 14, it can be seen that the regression equation is:
Auditor Performance = 6,525 + 1,274 X1. + 0.374 X2. + 0.117 X3.
From the results of the regression equation above, it can be concluded as follows:
1. The regression coefficient of the independent variables, namely professionalism, experience, and education level are considered constant, then the auditor's performance level (Y) is 6.525.
2. The regression coefficient of the professionalism variable is 1.274. This shows that there is an increase in professionalism by one unit, the auditor's performance will increase by 1,274.
3. The regression coefficient of the experience variable is 0.374. This shows that there is an increase in experience of 1 unit; the auditor's performance will increase by 0.374.
4. The regression coefficient of the education level variable is 0.117. This shows that there is a decrease in the level of education by one unit, the auditor's performance will decrease by 0.11

Table 7 shows that the coefficient of determination is 0.59 or 59%, it can be interpreted that the variables of professionalism, experience and education level have a 59% contribution effect on the auditor's performance variable, while the remaining 100% minus 59% by 41% is influenced by other variables outside the variable. Study. Based on the SPSS output in Table 7, it shows that the F value is 37,021 and the sig value in the table above is 0.000b. The calculated F value will be compared with the F table of 2.73, so it can be concluded that the F count 37,021 > from the F table 2.73 means that H1 is accepted, this means that all independent variables simultaneously and significantly affect the dependent variable. Then the next way is to compare the level of sig 0.05 with sig F 0.000, then the value of sig F 0.000 < from the level of sig 0.005 which means that H1 is accepted, this means that all independent variables simultaneously and significantly affect the dependent variable. So, it can be concluded from the two above methods that professionalism, experience, and level of education have a significant effect on auditor performance.

Based on table 7, it can be seen that:
1. From the results of SPSS output, the t-count for the professionalism variable (X1) is 5.4, then the t-count is 5.4 > t-table 1.996, so H1 is accepted. The significance value for the professionalism variable (X1) is 0, then the significance value 0 <0.05 H1 is accepted. So, it can be concluded that professionalism (X1) has an effect on auditor performance (Y).
2. From the results of the SPSS output, the t-count for the experience variable (X2) is 3.165, then the t-count is 3.165 > t-table 1.996, so H2 is accepted. The significance value for the experience variable (X2) is 0.002, then the significance value of 0.002 < 0.05 H1 is accepted. Therefore, it can be concluded that experience (X2) affects the performance of auditors (Y).

From the results of the SPSS output, the t count for the education level variable (X3) is 1.843, then the t count is 1.843 < t-table 1.996, so H3 is rejected. The significance value for the educational level variable (X3) is 0.069, then the significance value is 0.0069 > 0.05 H3 is rejected. So, it can be concluded that the level of education (X3) has no effect on the performance of the auditor (Y).

Conclusions

On the basis of the results of statistical tests and research analysis described above, it can be concluded as follows.

1. Professionalism (X1) has an effect on Auditor Performance (Y). This statement can be proven with a significant value of 0 < 0.05 and t-count 5.4 > t-table 1.996.
2. Experience (X2) has an effect on Auditor Performance (Y). This statement can be proven with a significant value of 0.002 < 0.05 and t-count 3.165 > t-table 1.996.
3. Education level (X3) has no effect on auditor performance (Y). This statement can be proven with a significant value of 0.00069 > 0.05 and a t count of 1.843 < t-table of 1.996.
4. All independent variables jointly affect the Auditor's performance.

Professionalism and experience have a significant effect on young auditor performance, while education level has no effect. The higher the professional experience of an auditor, the better the performance. For employers this research insists during selection to emphasize on professionalism and experience of candidates rather than their educational background. The limitation of this research is small number of respondents. We suggest to obtain more respondents, and employ mixed method by conduct interview with some respondents.

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