

The Impact of Professionalism, Locus of Control, and Job Satisfaction on Auditors' Performance: Indonesian Evidence

Nasrullah Dali¹, Arifuddin Mas'ud²

^{1,2} (Department of Accounting, Faculty of Business and Economics in Haluoleo University, Kendari South East Sulawesi of Indonesia)

ABSTRACT: *This study aims to examine and explain the effect of professionalism and locus of control to job satisfaction and performance of auditors. The research design used explanatory approach. The data were collected by survey method using the instrument of questionnaire. The sample was 122 Internal Control Officers (APIP) in Regional Inspectorate in Southeast Sulawesi, selected by using sampling technique of proportional stratified random sample. The hypothesis was tested by using Partial Least Square (PLS). The research results indicated that auditors' professionalism can increase job satisfaction. Similarly, locus of control has significant effect to job satisfaction of auditors. High job satisfaction will improve significantly the auditors' performance. Most APIP perceived that performance achievement had not been good in quantity. There was still a tendency to delay the work that resulted in the finishing of a number of auditing assignment to be late, particularly related to finishing the report of examination result (LHP) BPK RI. This study was limited to respondents' perception on their activity as internal control officers. It did not examine the antecedent of professionalism variable that the practical implication of the development of professional attitudes and behaviors cannot be done comprehensively.*

KEYWORDS : *Professionalism, Locus of Control, Job Satisfaction, auditors' performance*

I. INTRODUCTION

Professionalism has become an important issue to auditors. More attention is given to ethical and professional practice (Bamber & Iyer, 2002). Professionalism in accounting should be viewed as a triad consisting of professionals, clients and society (Lindblom & Ruland, 1977). Result of the examination (LHP) of The Indonesian Supreme Audit Institution (BPK) The Representative Office of Southeast Sulawesi to the financial report of Provincial, regional, and municipal government in Southeast Sulawesi in 2008 indicated that there were 8 (eight) regions/ cities in Southeast Sulawesi still bearing Disclaimer predicate, 4 (four) regions were Adverse, and only 1 (one) region/city was Qualified. In 2009, 7 (seven) regions/cities in Southeast Sulawesi were still bearing the Disclaimer, 2 (two) regions were Adverse, and 3 (three) regions/cities were Qualified. Meanwhile,

The Provincial Government of Southeast Sulawesi was assessed for the years 2008 and 2009 bearing Disclaimer predicate (the Indonesian Supreme Audit Institution (BPK) Representative Office of South East Sulawesi, 2010). Studies on professionalism and locus of control related to job satisfaction is one of the important factors that affect life satisfaction, because people spend most of their time at work (Riggio, 1990). Professionalism concept developed by Hall (1968) found that the professional view their profession through their attitudes and behavior that there is a reciprocal relationship between attitudes and behavior, i.e. professionalism behavior reflects the professionalism attitude. Hall's concept (1968) used in the research of Kalbers & Fogarty (1995) formulated five professional elements (Hall Taxonomy); (1) community affiliation; (2) autonomy demand; (3) belief self-regulation; (4) dedication; and (5) social obligation. The result of the study showed that professionalism has insignificant effect to job satisfaction. Professionalism greatly affects job satisfaction. Reward to professionalism attitude has a direct effect to increasing job satisfaction and performance. The difference in research findings on the relationship of professionalism to job satisfaction and performance shows an inconsistency to relationship of variables that can be a loophole for researchers to conduct research (Boyt, 2001; Shafer *et al.*, 2002). To reconcile these conditions, researchers used a contingency approach that systematically test several variables affect able to the relationship between job satisfaction and performance. Specific aspects related to job satisfaction are satisfaction relating to salaries, benefits, promotion, working conditions, supervision, organizational practices and relationships with co-workers (Misener *et al.*, 1996) The effect of professional commitment to auditors' job satisfaction was indicated by the research result that there is a significant correlation between professionalism, commitment and job satisfaction (Aranya *et al.*, 1982).

Professionalism has positive correlation with performance, especially for professionalism dimension of community affiliation and autonomy demand (Kalbers & Fogarty, 1995). Meanwhile, the relationship between professionalism to job satisfaction and between experience and professionalism has positive correlation only on the dimension of community affiliation. The findings show differences from the research by Rahmawati (1997) with conclusion that the 5 dimensions of professionalism have positive correlation with performance. Furthermore, the relationship between professionalism and job satisfaction are positively related only to dimension of community affiliation, dedication, and social obligation. Schroeder & Imdieke (1977) found that professionalism and job satisfaction are negatively related to one another. The difference in findings of previous researches gives a space to other researchers to test the correlation of both variables.

II. LITERATURE REVIEW

Attitude and behavior theory : Theory of attitudes and behavior developed by Triandis (1971) stated that behavior is determined by attitudes, social rules and customs. Attitude consists of cognitive components, beliefs; affective component, like or dislike, related to what is perceived and; behavioral component, how to behave to attitude. Attitude according to Fishbein & Ajzen (1975) are: (a) attitude is learnable, (b) attitude defines our preposition toward the aspects happening in the world, (c) attitudes provide the basic of feeling for the relationship between a person and others, and (d) attitude arranged and close to the core personality. Some previous studies attempted to link attitude toward something to behavior of the attitude object itself. Martin & Salovey (1996) who examined attitudes toward death related to behavior of health found that there were correlation between attitudes toward death and physical exercise (sports), attitudes and drinking alcohol, attitudes and driving a car after drinking alcohol.

Performance : Employee's performance is the result of working achieved by individual in relation to the position in organization (Gibson *et al.* (1996). Achievement (performance) covers the entire organization's business goals. For lower-level managers, performance is a goal assisting to meet the overall mission (Kast & Rosenzweig, 1985). Performance is the result of working strongly related to the organization's strategic objectives, customer satisfaction, and contributing to the economy (Armstrong & Baron, 1998). Thus, the performance is about doing the job and the results achieved from the work. Performance is about what is done and how to do it. Individual performance is affected by these factors: (a) expectations of reward; (b) encouragement in return; (c) internal-external rewards; (d) perceptions to reward level and job satisfaction (Gibson *et al.*, 2003).

Professionalism : Professionalism concept is used to measure how the professionals look at their professions reflected by their attitudes and behavior. Hall (1968) considers that there is a reciprocal relationship between attitudes and behavior, i.e. professionalism behavior as a reflection of attitude professionalism, and vice versa (Kalbers & Fogarty, 1995). The public accountants' professional standards (SPAP, 2001) regulates the responsibilities and functions of independent auditor that the auditors responsible to planning and auditing to obtain reasonable assurance whether the financial statement is free of material misstatement caused by error or fraud. Professional requirement demanded by independent auditor is having education and experience of practicing as an independent auditor. The independent auditor is responsible for the profession, the responsibility to comply with the standards accepted by practitioners of his profession colleagues.

Locus of Control : Some individuals believe that they can control what happens to them, while others believe that what happens to them is controlled by outside forces such as lucky and opportunity. Locus of control is a "generalized belief that a person can or cannot control his own destiny" or a person's perspective to the event whether or not he was able to control the behavior that happened to him (Rotter, 1966). Locus of control is the level one accepts the personal responsibility for what happens to them (Brownell (1982). Locus of control is defined as one's perception of the source of his fate (Robbins, 2003).

Job Satisfaction : Job satisfaction is identified as the most frequently studied variable in organizational research. Job satisfaction is a very interesting topic of many researches, because job satisfaction has a lot of implications (Van Scooter, 2000). Job satisfaction is a general attitude toward one's work indicating the difference between the number of awards received by workers and the amount they believe to receive (Robbins, 2003). Job satisfaction represents a combination of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a business organization, brings with it the needs, desires and experiences which determinates expectations that he has dismissed. Low job satisfaction in an organization is a series of decrease in task execution, increase in absenteeism, and decrease in organization moral. In individual level, job dissatisfaction is related to a great desire to give up of the work, the increase of job stress, and the emergence of a variety of psychological and physical problems (Greenberg & Baron, 2003).

III. PREVIOUS RESEARCH

Auditor Professionalism and Job Satisfaction

The concept of professionalism developed by Hall (1968) is widely used by researchers to measure the professionalism of internal auditor profession reflected in attitudes and behavior. There is a reciprocal relationship between attitudes and behavior, that behavior is a reflection of professionalism attitude and vice versa (Hall, 1968). With regard to the relationship of professionalism with job satisfaction, a research result indicated that two indicators of professionalism (dedication to profession and demands of autonomy; Hall's professional scale,) have positive correlation with perceptions of professional conflict (Shafer *et al.*, 2002). The relationship between professionalism and job satisfaction, the findings denoted a consistency in professional community affiliation while the other four dimensions do not have a relationship with job satisfaction (Norris & Niebuhr, 1984). Another research showed a negative relationship between professionalism and job satisfaction (Schrueder & Imdieke, 1977). A structure of reward to professional attitude causes directly an increase of job satisfaction (Kalbers & Fogarty, 1995); Boyt *et al.*, 2001); Shafer *et al.*, 2002)). Based on the description above, the hypothesis is formulated as follows:

H₁: the more Professional internal auditors', the higher job satisfaction level

Locus of Control and Job Satisfaction : Locus of control is the degree to which a person accepts personal responsibility for what happens to them. Locus of control is divided into two: internal locus of control and external locus of control. Internal locus of control refers to perception that both positive and negative events occur as a consequence of personal acts or deeds and under control. External locus of control refers to the belief that something is not incident with direct link to the action of oneself and beyond control (Rotter, 1996). There is a positive relationship between locus of control and job satisfaction of employees (Sarita & Agustia, 2009). It means that an employee shows job satisfaction if he can behave in accordance with the type of work as a result of both his internal and external influences. Based on the description above, the research hypothesis can be formulated as follows:

H₂: the better the auditor's locus of control, the higher the level of his job satisfaction

Job Satisfaction and Internal Auditor's performance :

Job satisfaction is a set of unpleasant feelings or not employees about their work, or feeling happy unhappy with objective thought and desire to behave (Davis & Newstrom, 1985).. Empirical evidence stated that job satisfaction has significant relationship to performance increase (Ostroff, 1992). Based on the description above, the hypothesis can be formulated as follows:

H₃: the higher the level of job satisfaction, the more increase of Auditor's performance

IV. RESEARCH METHOD

Sample : The population of this research is all government Internal Control Officers (APIP) working for 13 Inspectorate Offices (district, city and province), consisting of 425 people. The sample was drawn by proportional random sampling and the sample size of 125 people was determined using Slovin formulation (Uma Sakaran, 2000). 122 (97.6%) of 125 questionnaires distributed to respondents returned.

Measures : This study developed Professionalism taxonomy (Hall, 1968; Kalbers & Fogarty, 1995) through Community Affiliate indicator, demands for autonomy and dedication to profession. It measures generalized expectancies for internal versus external control of reinforcement. People with an internal locus of control believe that their own actions determine the rewards that they obtain, while those with an external locus of control believe that their own behavior doesn't matter much and that rewards in life are generally outside of their control (Rotter, 1966). Job Satisfaction variable was developed from Gibson (1996) through the indicators of salary appraisals, promotion, co-workers, supervision, and individual work. Auditor's performance used measurement of Robbins (2007) with the indicators of job quality, job quantity, policies, procedures and communication. The variables in this research were measured by using the 5-point Likert scale (Malhotra, 2010). The data were analyzed by using descriptive statistical analysis and inferential statistical analysis of Partial Least Square (PLS).

ANALYSIS AND RESULT :

Professionalism of internal auditors in this study was focused on attitude quality of APIP toward their professions, degree of knowledge and expertise to carry out the duties reflected through community affiliation, autonomy demand, and dedication to profession. Autonomy demand was indicated as the most important indicator or the most capable one to describe professionalism variable. It is indicated by greatest value of 0.851 among the three other indicators. The average value (mean) obtained from questionnaire was 4.23. From the view point of empirical conditions, the indicator of autonomy demands in measuring professionalism variable was good and need to be maintained. Even though, the professionalism of internal control apparatus of government (APIP) needs to be increased through a follow-up program to have the professionalism of APIP be better. Locus of control is APIP perception reflected through the conditions perceived in executing duties and functions that whether or not the internal and external behavior can be controlled. Internal locus of control was indicated as the most important indicator or the most capable one to describe variable of locus of control with the largest factor loading value of 0.798 compared with 0.786 average value of the indicator of external locus of control. Average value obtained from questionnaire was 4:28. Viewed from empirical conditions, the indicator of internal locus of control in measuring variable of locus of control was good, so it needs to be maintained and even more increase in locus of control of internal control government officers (APIP) through a follow-up to have the locus of control APIP be better.

Job satisfaction in this study was reflected by five indicators: (1) a sense of satisfaction for rewards/salary earned, (2) satisfaction for promotion, (3) satisfaction for co-workers' support, (4) satisfaction for management supervision, and (5) a sense of satisfaction for the job as an auditor. A sense of satisfaction for the job of auditor was indicated as the most important indicator or the most capable to describe job satisfaction variable with the largest value of factor loading 0.921. The average value obtained from questionnaire was 4:02. Viewed from empirical conditions, the indicator of satisfaction for job as an auditor in measuring variable of job satisfaction was good. So, an increase and attempt to sustain the level of job satisfaction achieved by officers of internal control of government APIP were required. Auditor performance is a measure of success, judged from ability to increase job quality, job quantity, to communicate both in speaking and writing, utilizing professional skills, adheres to policies and procedures established. Therefore, measurement of auditor performance variable in this study was reflected by four indicators: (1) job quality, (2) job quantity, (3) policies and procedures, and (4) communication. Policies and procedures are indicated the most important indicator or the most capable to describe the auditors' performance variable with the largest value of the factor loading 0.924. Average value (mean) obtained from questionnaire was 4.13. Viewed from the empirical conditions the indicators of policies and procedures in measuring auditors' performance variable was good.

Test of Linearity Assumption : The use of PLS analysis method must meet the linearity assumption, i.e. recursive of linear relationship between variables. Linearity assumption uses Curve Fit method that a linear relationship between variables meets one of these two possibilities: (1) a significant linear model (sig linear model > 0.05), (2) no significant linear model and all models of no significant (sig models > 0:05 and sig. models other than linear > 0:05). The result of linearity assumption test using SPSS software version 20 indicated that:

Table 1. The result of Linearity Assumption Test

Correlation between variables	Linearity Test		
	R ²	Sig.	Result
Professionalism (X ₁) → Job Satisfaction (Y ₁)	0.340	0.000	Linear
Professionalism (X ₁) → Auditors' Performance (Y ₂)	0.464	0.000	Linear
Locus of Control (X ₂) → Job Satisfaction (Y ₁)	0.238	0.000	Linear
Locus of Control (X ₂) → Auditors' Performance (Y ₂)	0.267	0.000	Linear
Job Satisfaction (Y ₁) → Auditors' Performance (Y ₂)	0.615	0.000	Linear

The result of linearity assumption test above indicated that the link between auditor professionalism (X₁), locus of control (X₂), and job satisfaction (Y₁), auditor performance (Y₂) is linear because the significance level is smaller than 5 percent (p > α = 0,05). The test result is concluded that all links between variables in

structural model is linear that linearity assumption in PLS analysis is satisfied. Thus, it proves that the data meet the requirements of linearity and can be analyzed further.

Validity and Reliability Test of Instruments : Prior to the analysis using Partial Least Square (PLS), the validity and reliability of measurement instruments, the questionnaire or research instrument, were tested. The validity test of research instrument is shown to determine whether the measuring instruments are appropriate to measure the objects (instruments) being measured. Validity and reliability test of the instrument in this research was based on the criteria of convergent validity and composite reliability.

Evaluation of convergent and discriminant validity : This evaluation is conducted by taking a look at the value of the loading factor (outer loading) on each indicator. If the value is greater than 0,500, the indicator is valid. The result of loading factor (outer loading) of professionalism variable provides evidence that the value of loading factor on professionalism indicator is greater than 0,500 that professionalism, Locus of Control, job satisfaction and job performance of internal auditors can be said convergent valid on the indicator. This evaluation is done by using the value of cross loading, the value of the square root of average variance extracted (AVE), and the value of composite reliability. Discriminant validity from the measurement model is assessed by measurement of cross loading with construct. If the correlation of construct with basic measurement of each indicator is larger than other constructs, the latent construct will be able to predict the indicators better than that of other constructs.

Cross Loading : The test of cross loading proved that professionalism variable has cross loading value in with the largest value of 0.989, was a desire to get expected job as the indicator of variable of external locus of control of Locus Control variables. A Job Satisfaction has a value of cross loading in which the largest value, 0.978, was fair treatment within organization in the indicator of control variables of job satisfaction variable. Internal Auditors' Performance has a value of cross loading in which the greatest value, 0.953, was accuracy of time in finishing the job of auditing in the indicator of job quality of internal auditor performance variable.

Average Variance Extracted and Composite Reliability : Evaluation of measurement model with AVE is comparing the AVE values with the standard value of comparison. If AVE value is greater than 0,500, good discriminant validity is achieved. Table 2 shows that the AVE value of professionalism variable was 0.754, Locus of Control variable 0.857, Job satisfaction variable 0,836, and the variable of internal auditors' performance was 0.787 larger than 0,500 that the discriminant validity of measurement model was good.

Table 2.The result of Average Variance Extracted and Composite Reliability

	AVE	Composite Reliability
Professionalism	0.75411	0.96073
<i>Locus of Control</i>	0.85656	0.97947
Job Satisfaction	0.83621	0.98073
Auditor performance	0.78665	0.97590

To evaluate measurement model using composite reliability was to determine whether or not the constructs have high reliability. The value of composite reliability that was greater than 0.600 stated that the constructs was reliable. The Table 2 noted that the value of composite reliability in professionalism was 0.961, Locus of Control was 0.979, job satisfaction 0,981, and internal auditors' performance 0.976 and worth smaller than 0,600 that the latent variable was decided to have a high reliability.

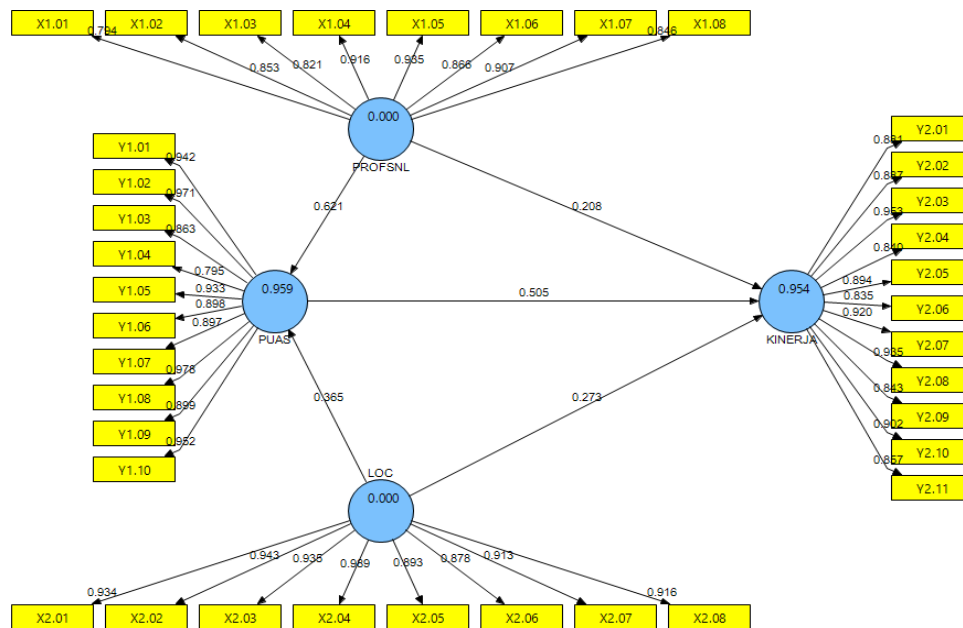
Measurement of Structural Model : When the estimated model satisfied the criteria for convergent validity and discriminant validity, then the structural model (inner model) was tested. Assessing the inner model is to see the link between constructs by looking at the estimation result of coefficient of parameters path and the level of its significance (Ghozali, 2008). Coefficient of determination (R-square) obtained from variable of professionalism model and Locus of Control toward job satisfaction was 0,959, that job satisfaction can be explained by professionalism and Locus of Control (X_2) amounted to 95.9% and the remaining 4.9% was affected by other variables excluded in this study.

Table 3.The Result of R-square

	R Square (R ²)
Job Satisfaction	0.959
Internal Auditor performance	0.954

Coefficient of determination (R-square) obtained from variable of professionalism model and Locus of Control and job satisfaction toward the variable of internal auditors' performance was 0.954. It can be said that variable of internal auditor performance can be explained by professionalism, Locus of Control and job satisfaction amounted to 95.4%. The remaining 4.6% was affected by other variables excluded in this study.

Hypothesis testing : Based on the results of statistical test, all hypotheses tested are proven satisfying the requirements or useable as measurement models in this study. The results of hypothesis testing are presented below.



Path coefficient diagram

Professionalism and Job Satisfaction : The hypothesis testing proved that there is a positive and significant link with parameter coefficient (0.621) between Professionalism and Job Satisfaction because the t-statistic value (7.507) is greater than the t-table value (1.960). Hence, the conclusion is that there is positive and significant effect of Professionalism to Job Satisfaction. The course of the positive and significant link denotes that the higher the Professionalism the more increase of job satisfaction.

Table 4. Professionalism and Job Satisfaction

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
Profession ->JS	0.62106	0.62002	0.08273	0.08273	7.50685

The research results support the findings of Shafer *et al.* (2002) using the professional scale Hall, and examined the link between professionalism and job satisfaction by using the model of structural equation. The results indicated that two professionalism indicators (dedication to profession and demands of autonomy) were positively correlated to the perceptions of organizational-professional conflict. As stated in the hypothesis, individuals who have a feeling of high conflict of professional-organization will not perceive be bound to organization, low job satisfaction and high goal changes. A study stated that there was a positive link between professionalism and job satisfaction. The study conducted to 62 public accountants in public accounting firms, the big eight in United States. The conclusion of the study was consistent with professional community

affiliation, while the other four dimensions do not have link with job satisfaction (Norris & Niebuhr, 1984). Another study stated that the characteristics of current work have stronger effect in professionalism level than the previous level organization. Even, higher level of professionalism is bound to higher level of professional identification, higher level of job satisfaction and low desire to leave (Lui *et al.*, 2003).

Locus of Control and Job Satisfaction : Research results proved that there is a positive and significant link with parameter coefficient (0.365) between Locus of Control and Job Satisfaction because the value of t-statistic (4.417) is greater than the value of t- table (1.960), then the hypothesis H_0 is rejected and the conclusion that there is positive and significant effect of Locus of Control to Job Satisfaction with fault tolerance (alpha) of 5%. The course of positive and significant link stated that a high Locus of Control will increase job satisfaction.

Table 5.Locus of Control and Job satisfaction

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
LOC ->JS	0.36541	0.36647	0.08273	0.08273	4.41696

The result of this research supports the finding that there is a positive link between locus of control and job satisfaction of employees, that an employee will have job satisfaction if he can perform the behavior in accordance to job type as the result of his internal and external effects (Sarita & Agustia, 2009). If an auditor tends to have an internal locus of control that he believes to be able to solve a problem, it then creates job satisfaction and will be expected to increase performance of the auditor. However, if the auditor has a tendency to believe more the outside factors as a success determinant, he has an external locus of control. This condition will lead to lower job satisfaction and reduce auditors' performance.

Job Satisfaction and Internal Auditors' Performance : There is a positive and significant link with the parameter coefficient (0.505) between job satisfaction and Internal Auditors performance because it has a value of t-statistic (5.427) greater than the value of t-table (1.960). Therefore, the hypothesis H_0 is rejected and the conclusion, there is positive and significant link between job satisfaction and Internal Auditors performance of fault tolerance (alpha) of 5%. The course of the positive and significant link states that a higher job satisfaction will increase of Internal Auditors performance.

Table 6.Job Satisfaction and Internal Auditors' Performance

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
JS ->IAP	0.50491	0.50391	0.09304	0.09304	5.42710

This research supports the findings that audit structure and locus of control can affect the performance of internal auditors and external auditor (Hyatt & Prawitt, 2001). As proposed in the Patten (2005), those internal auditors' departments of companies with bases of the trend of world public accountant was doing experiment by re-studying the way the internal auditors' provide audit services to the company. So, observing the potential role of audit structure and locus of control in the internal audit department, it will be able to enrich the knowledge and insight to the audit department to improve the staff performance. Relating to the internal auditors' performance, the conclusion was that the internal auditor with the tendency of internal locus of control has better performance than the internal auditors who have an external locus of control (Patten, 2005).

Professionalism and Internal Auditors' Performance :Based on the results of analysis there is a positive and significant link with the parameter coefficient (0.208) between professionalism and Internal Auditors Performance because it has a value of t-statistic (2.038) greater than the value of t-table (1.960). So, the hypothesis H_0 is rejected and the conclusion is that there is a positive and significant effect of professionalism to Internal Auditors' Performance with fault tolerance (alpha) of 5%. The course of the positive and significant positive link states that a high professionalism will increase the Internal Auditors' performance.

Table 7. Professionalism and Internal Auditors' Performance

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ((O/STERR))
Profession ->IAP	0.20811	0.21293	0.10209	0.10209	2.03845

The linkage between professionalism and performance can be seen in some issues relating to professional competence, namely: (1) desire to behave closer to ideal standard, (2) desire to improve and maintain the image of profession, (3) desire to continually pursue the opportunity of developing to improve the quality of skill and knowledge, and (4) pursuit the quality and ideals of profession. Employees' performance was affected by professionalism and motivation of individual with high effort to achieve corporate objectives and meet their needs. If demand of individual job does not match the ability then the performance is not easy to achieve (Vroom, 1964). A research on the link between indicators of professionalism (profession as mandate, summons, and autonomy) and organizational citizenship behavior directly or with representative represent the perceptions of fairness (distributive justice, interactional justice, and formal procedures) shows the results there is a relationship between professionalism and OCB affected by variables representing organizational justice (Cohen & Kol., 2004).

Locus of Control and Internal Auditors' Performance : The results of the study provide evidence that there is a positive and significant link with parameter coefficient (0.273) between Locus of Control and Internal Auditors' Performance because it has a value of t-statistic (3.352) greater than the value of t- table (1.960). So, H_0 is rejected and the conclusion there is positive and significant link between Locus of Control and Internal Auditors' Performance with fault tolerance (alpha) of 5%. The course of the positive-significant link states that a high Locus of Control will improve the Internal Auditors' performance.

Table 8. Locus of Control and Internal Auditors' Performance

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ((O/STERR))
LOC ->IAP	0.27270	0.26868	0.08136	0.08136	3.35181

There are five (5) factors lead to job satisfaction: rank or class, degree, age, financial security and social security, and control quality. So, job satisfaction is a person's feelings of like or dislike about the occupation from the objective thought and desire to behave which are affected by several factors: position, rank or class, age, financial security and social security as well as quality control. Employees' performance in a company related to the employees' behaviors disclosed through job execution, including the aspects related to socialization, training, motivation and interests of individuals (Albanese & Van Fleet, 1985).

V. RESEARCH IMPLICATION

Theoretical Implication : This research provides theoretical implications for the development of management science and accounting, in particular the theory of behaviorism, attribution, social learning theory and equity theory which include: professionalism of internal auditors, locus of control, job satisfaction and performance of internal auditors. The detailed elaboration of the theoretical implications of this study is as follows;

- (1) The results of this study contribute to the concept of professionalism developed by Hall (1968) that professionalism can be used to measure and assess a profession reflected in attitudes and behavior. In addition there is a reciprocal relationship between attitudes and behavior, namely professionalism behavior is the manifestation of professionalism attitude, and vice versa (Kalbers & Fogarty, 1995; Rahmawati, 1997),
- (2) Professionalism has a direct effect to job satisfaction of internal auditors. The results in the study show that professionalism reflected in autonomy demand to get freedom from making decisions without intervention / pressure of other party, and the auditing results was supervised gradually in each auditing assignment for the APIP in district/city in Southeast Sulawesi are able to improve job satisfaction affecting the performance. This study supports Hall (1968); Aranya *et al.* (1982); Norris & Niebuhr (1984); Kalbers & Fogarty (1995); Rahmawati (1997); Boyt *et al.* (2001); Shafer *et al.* (2002) that professionalism can increase job satisfaction for internal auditors. The results of this study are inconsistent with the findings of Schrueder & Imdeke (1977) that professionalism cannot increase job satisfaction of internal auditors. The findings of this study contribute to the behavioral theory developed by Triandis (1971) which states that

behavior is determined by attitudes, social rules and customs. Attitude consists cognitive components, beliefs, affective component, like and dislike, in relation to what is perceived and behavioral component about how one behaves toward attitude.

- (3) The course of positive and significant link denotes that the higher of Locus of Control the more increase of job satisfaction. The results of this study indicate that the better of locus of control, the higher of the auditor's job satisfaction. This research is consistent with research by Hyatt & Prawitt (2001); Dennis M. Patten (2005); Sarita & Agustia (2009) that the locus of control has a significant effect to job satisfaction of auditors. In addition, this research contributes to the Social Learning Theory by Rotter (1966) that the locus of control is a way someone looks at an event whether or not he could control the behavior both internally and externally.
- (4) Job satisfaction has positive and significant effect to internal auditors' performance. The results of this study indicate that higher levels of job satisfaction, the higher improvement of internal auditors' performance. This research supports the findings of Ostroff (1992); Boyt *et al.* (2001); Shafer *et al.* (2002); Patten, Dennis M. (2005) that job satisfaction has positive and significant effect to employee performance.

Practical implications : The practical implications of this study is to provide managerial implication to manage human resources in local government, especially at the regional inspectorate in the district/town in Southeast Sulawesi in increasing professionalism, locus of control, job satisfaction and internal auditors' performance. Elaboration of the practical implications of this study as follows:

- (1) To increase auditors' professionalism, locus of control, in the effort to improve performance is not adequately done by only the regional inspectorate institutions in district/city in Southeast Sulawesi, but it needs active role and cooperation of officers at the level of local work units, as well as the commitment of regional leaders to optimize the role of APIP to realize good governance (GGG) through transparency and accountability of local government financial management.
- (2) The results of this study provide knowledge and understanding to local government management, especially at the regional inspectorate about the importance of auditors' professionalism, the locus of control in the effort to increase job satisfaction and auditors' performance.
- (2) Empirical fact denotes that if the local government will improve the performance of APIP in regional inspectorate, it is necessary to increase auditors' professionalism by focusing on the indicator of autonomy demand. It means that APIP is given authority without intervention to make decision of the result of supervision report and each assignment needs supervision gradually.
- (3) Empirical fact denoted that if local government will improve the performance of APIP at regional inspectorate, it is necessary to increase the auditor's locus of control by focusing on indicator of internal locus of control. It means that APIP is given support to develop personality in order to increase the self confidence as an the auditor by appreciating their achievement and to avoid policies of strengthening close acquaintance rather than achievements of APIP perceived as external locus of control.

VI. RESEARCH FINDINGS

Based on the results of data analysis and discussion, theoretical and empirical studies, the findings of this study are as follows: (1) It contributes a basis for contingency of modeling development about the link of professionalism, auditors' locus of control to job satisfaction and auditors' performance, and (2) the research's findings prove that there is a conceptual model of a simultaneous relationship between professionalism, locus of control auditor that are directly affected job satisfaction and auditors' performance, in which the previous researchers had only partially tested the relationship between these variables. This study has been carried out in maximum, but the wider scope makes it limited to use only respondents' perception toward their activities as apparatus of government internal control, not on the perception of various interested parties (stakeholders) as officers in working units, regional leaders and Indonesian Supreme Audit Institution (BPK)

CONCLUSIONS AND RESEARCH RECOMMENDATIONS :

Based on the discussion and research findings, some conclusions can be stated as follows; (1) Apparatus of Government Internal Supervision (APIP) Regency / City in Southeast Sulawesi are largely undergraduate education(S1), have ever joined technical training of auditors, and work more than 5 years that they have good understanding to answer the research instruments, (2) Most APIP perceive professionalism is very important, and has been implemented in auditing policy making, (3) Most APIP perceive the locus of control is critical to the success of achieving good performance, they believe that the determining factor of success is ability (internal locus of control) to solve the auditing problems, though some others believe that achieving success is much more determined by luck, proximity to policy makers (external locus of control), (4) Most APIP assess job satisfaction is very important to achieve good performance, and satisfy to work as an

auditor because of having responsibility from the leader to do auditing, though the salaries and benefits received in carrying out duties and functions as the auditor has not been satisfactory, (5) Most APIP perceived that achievement of performance is not good in quantity, there is still a tendency to delay the completion of the job leading to a timelessness of finishing auditing duty particularly in relation to finishing the follow-up to the report of supervision results (LHP) the Indonesian Supreme Audit Institution (BPK), (6) Auditors' professionalism can contribute to job satisfaction. It means that the better the auditors' professionalism the higher the job satisfaction. Professional auditors need freedom to make the best decision on each auditing engagement without pressure or intervention from others and the results of auditing engagement is supervised gradually. (7) Locus of control can increase auditors' job satisfaction. It means that the better the Locus of control of auditor higher the job satisfaction, and (8) Job satisfaction can improve auditors' performance. It means that the higher the auditors' job satisfaction the higher increase of the performance. Auditors perceive satisfaction over surveillance of superiors and felt the justice of the organizations

The results of this study provide some research recommendations: (1) To the leaders or policy makers at regional inspectorate in Southeast Sulawesi province the recommendation is to enhance further the activity of Internal Control Officers (APIP) in relationship to professional community affiliation such as to subscribe professional publication in workplace, play active role in discussion/community meeting of Internal Control Officers community (APIP) and more focus on the reward to Internal Control Officers (APIP) of improved achievement, support expertise improvement of the Internal Control Officers (APIP) through technical training of auditors, (2) To the management of regional inspectorate be focused on improving competence according to professional standards of competence in accordance with Internal Control Officers (APIP), (3) To researchers, further research is still needed to enrich the behavioral theory developed by Triandis (1971) that behavior is determined by attitudes, social norms, and habits. Researchers can confirm the effect of professionalism, locus of control to job satisfaction in improving auditors' performance to provide further impetus with empirical evidence to the link between these variables by expanding the perception of such as local leaders, the SKPDs, and the State Auditing Board, not limited to government's internal auditors.

REFERENCES

- [1] Albanese, R., & Van Fleet, D. D. (1985). Rational behavior in groups: The free-riding tendency. *Academy of Management Review*, 10(2), 244-255. <http://dx.doi.org/10.5465/AMR.1985.4278118>
- [2] Aranya, N., Lachman, R., & Amernic, J. (1982). Accountants' job satisfaction: A path analysis. *Accounting, Organizations and Society*, 7(3), 201-215. [http://dx.doi.org/10.1016/0361-3682\(82\)90001-0](http://dx.doi.org/10.1016/0361-3682(82)90001-0)
- [3] Armstrong, M., & Baron, A. (1998). *Performance management handbook*. London. IPM.
- [4] Bamber, E. M., & Iyer, V. M. (2002). Big 5 auditors' professional and organizational identification: consistency or conflict?. *Auditing: A Journal of Practice & Theory*, 21(2), 21-38. <http://dx.doi.org/10.2308/aud.2002.21.2.21>
- [5] Boyt, T. E., Lusch, R. F., & Naylor, G. (2001). The Role of Professionalism in Determining Job Satisfaction in Professional Services: A Study of Marketing Researchers. *Journal of Service Research*, 3(4), 321-330. <http://dx.doi.org/10.1177/109467050134005>
- [6] Brownell, P. (1982). A field study examination of budgetary participation and locus of control. *Accounting Review*, 766-777. <http://www.jstor.org/stable/247411>
- [7] Cohen, A., & Kol, Y. (2004). Professionalism and organizational citizenship behavior: An empirical examination among Israeli nurses. *Journal of managerial psychology*, 19(4), 386-405. <http://dx.doi.org/10.1108/02683940410537945>
- [8] Davis, K. & Newstrom John. W. (1985). *Human Behavior at Work: Organizational Behavior*. Seventh Edition, Mc. Grow-Hill, Inc
- [9] Examination Report. (2010). The Indonesian Supreme Audit Institution (BPK) Representative office of South East Sulawesi.
- [10] Fishbein, M., & Ajzen, I. (1975). *Belief, attitude, intention, and behavior: An introduction to theory and research*. Reading, MA: Addison-Wesley.
- [11] French, W. L., Kast, F. E., & Rosenzweig, J. E. (1985). *Understanding human behavior in organizations*. New York: Harper & Row.
- [12] Ghozali, I. (2008). *Structural Equation Modeling (Teori, Konsep dan Aplikasi dengan Program Amos 16.0)*. Semarang: Badan Penerbit Universitas Diponegoro.
- [13] Gibson, J. L., & James, H. Donnelly, Jr., dan Ivancevich, John M. (1996). *Organisasi, Perilaku, Struktur, Proses*. Jakarta. Binarupa Aksara.
- [14] Gibson, J. L., Ivancevich, J. M., Donnelly Jr., J. H. & Konopaske, R. (2003). *Organizations: Behaviour, Structure, Processes*, USA, McGraw Hill Irwin, (11th Edition)
- [15] Greenberg, Jerald & Robert A. Baron. (2003). *Behavior in Organizational*, Eight edition. New Jersey. Prentice Hall.
- [16] Hall, R. H. (1968). Professionalization and bureaucratization. *American sociological review*, 92-104. <http://www.jstor.org/stable/2092242>
- [17] Hyatt, T. A., & Prawitt, D. F. (2001). Does congruence between audit structure and auditors' locus of control affect job performance?. *The Accounting Review*, 76(2), 263-274. <http://dx.doi.org/10.2308/accr.2001.76.2.263>
- [18] Indonesian Institute of Accountants. (2001). *Public Accountants Professional Standards (SPAP)*, Jakarta, Salemba Empat
- [19] Kalbers, L. P., & Fogarty, T. J. (1995). Professionalism and its consequences-a study of internal auditors. *Auditing : A Journal of Practice & Theory*, 14(1), 64-86.
- [20] Lindblom, C. K., & Ruland, R. G. (1997). Functionalist and conflict views of AICPA code of conduct: Public interest vs. self interest. *Journal of Business Ethics*, 16(5), 573-582. <http://dx.doi.org/10.1023/A:1017950006942>

- [21] Lui, S. S., Ngo, H. Y., & Tsang, A. W. N. (2003). Socialized to be a professional: a study of the professionalism of accountants in Hong Kong. *International Journal of Human Resource Management*, 14(7), 1192-1205. <http://dx.doi.org/10.1080/0958519032000114264>
- [22] Malhotra, N. K. (2010). *Marketing research: An applied orientation*. Upper Saddle River, NJ: Pearson.
- [23] Martin, C. D., & Salovey, P. (1996). Death attitudes and self-reported health-relevant behaviors. *Journal of health psychology*, 1(4), 441-453. <http://dx.doi.org/10.1177/135910539600100403>
- [24] Misener, T. R., Haddock, K. S., Gleaton, J. U., & Ajamieh, A. R. A. (1996). Toward an international measure of job satisfaction. *Nursing Research*, 45(2), 87-91.
- [25] Norris, D. R., & Niebuhr, R. E. (1984). Professionalism, organizational commitment and job satisfaction in an accounting organization. *Accounting, Organizations and Society*, 9(1), 49-59. [http://dx.doi.org/10.1016/0361-3682\(84\)90029-1](http://dx.doi.org/10.1016/0361-3682(84)90029-1)
- [26] Ostroff, C. (1992). The relationship between satisfaction, attitudes, and performance: An organizational level analysis. *Journal of applied psychology*, 77(6), 963. <http://psycnet.apa.org/doi/10.1037/0021-9010.77.6.963>
- [27] Patten, D. M. (2005). An analysis of the impact of locus-of-control on internal auditor job performance and satisfaction. *Managerial Auditing Journal*, 20(9), 1016-1029. <http://dx.doi.org/10.1108/02686900510625343>
- [28] Rahmawati. (1997). Hubungan antara Professionalisme Internal Auditor dengan Kinerja, Kepuasan Kerja, Komitmen dan Keinginan Untuk Pindah. Tesis Program Pasca Sarjana UGM (Tidak dipublikasikan).
- [29] Riggio, R. E., Throckmorton, B., & DePaola, S. (1990). Social skills and self-esteem. *Personality and Individual Differences*, 11(8), 799-804. [http://dx.doi.org/10.1016/0191-8869\(90\)90188-W](http://dx.doi.org/10.1016/0191-8869(90)90188-W)
- [30] Robbins, P. Stephen. (2003). *Organization Behaviour : Concept, Controversies, Applications*. Seventh Edition. Prentice Hall Inc
- [31] Robbins, Stephen & Timothy A. Judge, (2007). *Organizational Behavior*, New Jersey; Prentice Hall
- [32] Rotter, J. B. (1966). Generalized expectancies for internal versus external control of reinforcement. *Psychological monographs: General and applied*, 80(1), 1-28. <http://psycnet.apa.org/doi/10.1037/h0092976>
- [33] Sarita, J., & Agustia, D. (2009). Pengaruh Gaya Kepemimpinan Situasional, Motivasi Kerja, Locus of Control Terhadap Kepuasan Kerja dan Prestasi Kerja Auditor. SNA XII Palembang.
- [34] Schroeder, R. G., & Imdieke, L. F. (1977). Local-cosmopolitan and bureaucratic perceptions in public accounting firms. *Accounting, Organizations and Society*, 2(1), 39-45. [http://dx.doi.org/10.1016/0361-3682\(77\)90006-X](http://dx.doi.org/10.1016/0361-3682(77)90006-X)
- [35] Shafer, W. E., Park, L. J., & Liao, W. M. (2002). Professionalism, organizational-professional conflict and work outcomes: a study of certified management accountants. *Accounting, Auditing & Accountability Journal*, 15(1), 46-68. <http://dx.doi.org/10.1108/09513570210418888>
- [36] Triandis, H. C. (1971). *Attitude and attitude change*. New York [etc.] : Wiley.
- [37] Uma Sekaran. (2000). *Research methods for business: A skill-building approach*. John Wiley & Sons.
- [38] Van Scotter, J. R. (2000). Relationships of task performance and contextual performance with turnover, job satisfaction, and affective commitment. *Human resource management review*, 10(1), 79-95. [http://dx.doi.org/10.1016/S1053-4822\(99\)00040-6](http://dx.doi.org/10.1016/S1053-4822(99)00040-6)
- [39] Vroom, V. H. (1964). *Work and motivation*. New York, NY : John Wiley & Sons Inc.