

The Effect of Integrity, Work Culture, Knowledge of Audit Techniques, And Task Commitment Toward The Performance Of Customs And Excise Auditors

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Abstract

The objective of this research is to get about the effect of integrity, work culture, knowledge of audit techniques, and task commitment toward the performance of customs and excise auditors. The research was conducted using survey method with quantitative approach. The size population in this research is 210 at customs and excise auditors. Research sample were selected as much as 140 auditors using simple random sampling technique. The data obtained with questionnaires and test. The data analyzed using path analysis technique. The finding show that integrity, work culture, knowledge of audit techniques and task commitment have positive direct effect toward the performance of customs and excise auditors. Integrity, work culture and knowledge of audit techniques have positive direct effect toward the task commitment. Integrity and knowledge of audit techniques have positive direct effect toward work culture.

Keywords: performance, integrity, work culture, knowledge of audit technique, and task commitment.

Introduction

In the era of the global economy supported by the rapid development of information technology, telecommunications and transportation today, demanding the Directorate General of Customs and Excise (DGCE) can provide fast and accountable service, while securing the interests and rights of the state from illegal practices in Field of customs and excise. Therefore DGCE needs to develop appropriate strategies in order to optimize the task of improving service efficiency and monitoring effectiveness simultaneously. The DGCE audit unit was established as one of the solutions to improve the effectiveness of supervision, without impeding the service process. It is logical because the audit is done after the clearance process (post clearance audit).

The researcher raises the issue of auditor performance as the main problem in this research is based on the empirical and theoretical data (previous research result) which shows that the auditor's performance has not been optimal, especially regarding the time of audit completion, audit result, auditee's satisfaction to auditor performance, auditee compliance in pursuing audit findings, and low percentage of Audit Coverage Ratio (ACR).

Several previous studies related to the performance of auditors result in conclusions that support the researcher's argument for conducting research on auditor performance. The scientific work of ElyaWati, Lisnawati and Aprilla (2010: 1184) published in a journal concludes that independence, leadership style, organizational commitment and good governance understanding have a positive direct impact on the performance of government auditors. Independence and understanding of good governance have a positive direct impact on task commitment. Similar research conducted by Djalil, Indriani and Dariyansah (2016: 36) and concluded that leadership style, integrity and organizational commitment have an influence on auditor performance.

According to Armstrong (2006: 7) "Performance means both behavior and result. Behavior emanate from the performer and transform performance from abstraction to action. Not just the instruments for result, behaviour are also outcomes in their own right - the product of mental and physical effort applied to tasks - and can be judged apart from results ". Performance can be interpreted as behavior and result. Behavior is derived from the offender, and the performance change results from action. Behavior is not only an instrument to achieve results, behavior is also

something that stands alone, including the mental and physical applied in the execution of the task, and can be judged separately from the results.

Covey and Kerr in Hooijberg, R and Nancy Lane (2005: 3-4) describe integrity as "honestly matching words and feelings with thoughts and actions, with no desire other than for the good of others" the honesty of the suitability of words and feelings, thoughts and actions accompanied by sincerity with no other desire than for the good of others. According to Fijanut et. Al in Somera and Holt (2015: 32) that "Integrity means you will do" integrity means you will do what you say to foster an environment of openness, trust, credibility, and information sharing.

According to EviLetzioni (204: 11) that "work culture is the common sense that a worker brings to work. The work culture consists of the shared attitude toward work, the common beliefs about the workplace, the rituals of work, the traditions of work, the way things have always been done." Work is common sense that employees bring in work. The work culture consists of a common attitude toward work, not a belief about the workplace, but about working in general, expectations about behavior, work rituals, work traditions, ways that are always done when working.

According to Davenport and Prusak in Bartholomew (2008: 29) that "knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information". Knowledge is a combination of experience, values, contextual information and the views of experts which is the framework for evaluating and incorporating new experiences and information. According to the BI dictionary, audit techniques are data collection techniques undertaken by auditors to obtain audit evidence. Tim Penyusunan Modul Post Clearance Audit Pusdiklat Bea dan Cukai The module team „Post Clearance Audit”, The Customs and Excise training center (2011: 25) defines audit techniques as the means by which the auditor can obtain proof in comparing the actual situation with the circumstances. Auditing techniques according to Sukrisno Agoes (2012: 147), namely the ways to obtain audit evidence (audit evidence) such as: confirmation, observation, inspection, and interview.

According to Dworkin (2009: 349) that "the commitment to an occupation was also conceptualized as a psychological link between a person and occupation, that was based on an affective reaction to that occupation. Commitment to a job is a concept of the psychological bond between a person and his work based on an affective reaction to the job. Renzuli (2002: 72) describes task commitment represents energy brought to bear on a particular problem (task) or specific performance area. Task commitment is the energy to survive on a particular problem or task or specific performance scope.

Purpose

Based on the description of the data mentioned above, and the observation and interviews of researchers at the Directorate of Customs and Excise Audit show that the lack of optimal performance of auditors due to several factors, such as auditor integrity, work culture, auditor technical knowledge and auditor commitment to the job duties. The purpose of this study is to study (1) the influence of integrity, work culture, knowledge of audit techniques and task commitment to the performance of customs and customs auditors, (2) the influence of integrity and work culture on task commitment, (3) the influence of integrity and knowledge of audit techniques on work culture.

Research Methods

The study was conducted on the auditor at the Directorate of Customs and Excise Audit, Headquarter of DGCE, Jakarta. This research uses associative quantitative approach and survey method and path analysis technique. The population of this study were 210 auditors. The sample of the study was selected as many as 140 auditors by using simple random sampling technique. Research data was collected by using the instrument in the form of questionnaires and tests developed by the researchers themselves. Data analysis was performed using descriptive statistics and inferential statistics. Descriptive statistical techniques used to describe the data score of each

research variable. Inferential statistics using path analysis are used to explain the magnitude of the effect of exogenous variables (integrity, work culture, knowledge of audit techniques and task commitment) on endogenous variables (performance of customs and customs auditors).

RESULT AND DISCUSSION

Description of data of research result, that is: (1) Audit performance research data have smaller modus value than median and mean (modus = 81, median = 87, mean = 87.09), it means that many auditors get performance score below average score, (2) The research data of integrity has a modus value smaller than the median and mean (modus = 83, median = 84, mean = 84.74), it means that many auditors get integrity scores below the average score, (3) research data of work culture has a modus value greater than median value and mean (modus = 88, median = 86, mean = 85.02), it means that many auditors get work culture score above the average score, (4) research data of knowledge of audit technique has value of modus bigger than median value and mean (modus = 29, median = 24, mean = 23.16), it means that scores of audit technique knowledge obtained by auditors are above average, (5) the task commitment research data has a modus greater than the median and mean (modus = 85, media = 82, mean = 83.51), it means that many auditors get a commitment score above the average score.

Based on the analysis of inferential statistic with path analysis technique, the relationship between the variables and the summary of hypothesis testing results is presented in Figure 1, and tables 1, 2 and 3.

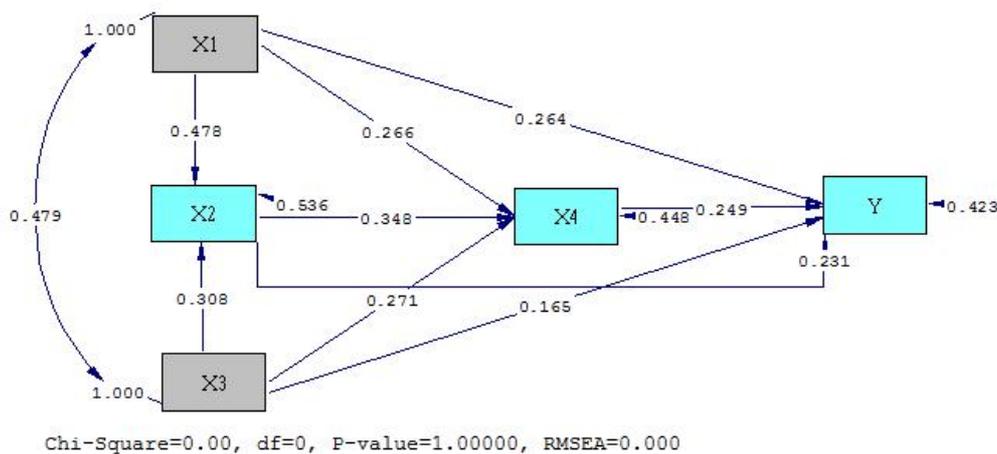


Figure 1. Path Diagram Standardized Solutions

Table 1.
Summary of Hypothesis Test Results of One Structural Equation

Model		Unstandardized Coefficient		Standardized Coefficient	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.143	5.905		3.072	0.003
	X1	0.271	0.079	0.264	3.433	0.001
	X2	0.237	0.084	0.231	2.824	0.005
	X3	0.228	0.099	0.165	2.308	0.023
	X4	0.247	0.083	0.249	2.986	0.003

- Dependent Variable: Y
- The Beta column is the Path Coefficient

Table 2.
 Summary of Hypothesis Test Results of Two Structural Equation

Model		Unstandardized Coefficient		Standardized Coefficient	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	20.777	5.864		3.543	0.001
	X1	0.275	0.078	0.266	3.527	0.001
	X2	0.361	0.081	0.348	4.435	0.000
	X3	0.378	0.097	0.271	3.887	0.000

- Dependent Variable: X4
- The Beta column is the Path Coefficient

Table 3.
 Summary of Hypothesis Test Results of Three Structural Equations

Model		Unstandardized Coefficient		Standardized Coefficient	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	34.975	5.388		6.491	.000
	X1	0.477	0.071	0.478	6.704	.000
	X3	0.415	0.096	0.308	4.330	.000

- Dependent Variable: X2
- The Beta column is the Path Coefficient
- t-table 1.960 (a = 0.05) and t-table = 2.576 (a=0.01)
- if t-count < t-table, or Sig. < 0.05, the path coefficient is significant

The result of hypothesis test 1 that measure the influence of integrity (X1) on auditor performance (Y), the coefficient value of path (β_1) = 0.264 with t-count value = 3.468 > t-table = 1.960 at a = 0.05. On the basis of it can be argued that the hypothesis of research that states integrity has a direct positive effect on the auditor's performance is accepted. The results are in line with the opinions expressed by Lancey A. Berger and Dorothy R. Berger (2004: 282) which states that "Accountability throughout the company, from the top down: It is critical to the integrity of the organization that its leadership team Held accountable for carrying out the company's vision and meeting its goals. Corporate accountability of all employees from lower to upper levels is important to make the integrity of the organization where the leadership team within the company takes responsibility and work accountably in achieving the company's vision and objectives. Thus, integrity becomes an important factor in the achievement of the objectives as a measure of performance success. This means that integrity has a direct positive effect on performance. The results are also in line with the results of research Djalil, Indriani and Dariyansah (2016: 36) stating that integrity has a direct positive effect on the performance of government auditors

The result of hypothesis test 2 that measure the influence of work culture (X2) on auditor performance (Y), the coefficient value of path (β_2) = 0.231 with t-count value = 2.845 > t-table = 1.960 at $\alpha = 0.05$, so the path coefficient significant. Based on that, it can be argued that the hypothesis of research that states work culture have a direct positive effect on the auditor's performance is accepted. The results are in line with EFA (2016: 1184) study which states that work culture has a direct positive effect on the performance of teacher tasks.

The result of hypothesis test 3 that measure the influence of knowledge of audit technique (X3) to auditor performance (Y), the coefficient value of path (β_3) = 0.165 with t-count value (2.325) > t-table (1.960) at $\alpha = 0.05$, so the path coefficient is significant. Based on that, it can be argued that the research hypothesis which states knowledge audit techniques have a direct positive effect on the auditor's performance is accepted. The results of this study in accordance with the opinion Chatzkel (2003: 4) states "when an organization develops its ability to build, access, and leverage its knowledge resources it is creating its knowledge advantage. It is learning how to most effectively bring to bear its know-how and know-what to yield substantial gains in performance so that it can achieve its strategic outcomes. When an organization develops an ability to build, access and retrieve its knowledge resources to gain competitiveness through its knowledge that will bring the most effective way of developing methods of how to do and do what in certain areas of a product or technology that can improve the performance of the product so that able to improve performance and achieve strategic outcome.

Result of hypothesis test 4 that measure the influence of task commitment (X4) to auditor performance (Y), the coefficient value of path (β_4) = 0.249 with t-count value = 3.008 > t-table = 1.960 at $\alpha = 0.05$, so the path coefficient significant. Based on that, it can be argued that the research hypothesis which states task commitment has a direct positive effect on the auditor's performance is accepted. The results are in accordance with the opinion of Luthans (2011: 147) which states "a willingness to exert high levels of effort on behalf of the organization. A definite belief in, and acceptance of, the values and goals of the organization". Commitment is the intention or willingness to exert effort to achieve higher levels on behalf of the organization. Commitment is a belief and acceptance of the values and goals of the organization.

The result of hypothesis test 5 that measure the influence of integrity (X1) on task commitment (X4), the coefficient value of path (β_5) = 0.266 with t-count value = 3.540 > t-table = 1.960 at $\alpha = 0.05$, so the path coefficient significant. Based on that, it can be argued that the hypothesis of research that states integrity has a direct positive effect on the task commitment is accepted. The results of this study are in the opinion of Vohra (2003) in Chelliah, Sundarapandiyam and Vinoth (2015: 13) that "the only way to generate the sincere commitment in employees is through an ideal leadership process, which is dependable, reliable, predictable, empathetic, courageous and full of character and integrity". The only way to generate genuine employee commitment is through an ideal, dependable, credible, predictable, empathetic, courageous, character and integrity leadership process. From this description, it shows that the integrity of the leader is one that can form a sincere commitment for the employees of his subordinates. Relevant to the statement is the integrity of the auditor may affect the auditor's commitment to the task and its work.

The result of hypothesis test 6 that measure the influence of work culture (X2) on task commitment (X4), the coefficient of path (β_6) = 0.348 with t-count = 4.451 > t-table = 1.960 at $\alpha = 0.05$, so the path coefficient significant. Based on that, it can be argued that the research hypothesis stating the work culture has a direct positive effect on task commitment is accepted. The results of this study in accordance with the conclusion of the results of research EFA (2016: 1184) that work culture directly positive effect on the performance of teacher duties.

The result of hypothesis test 7 that measure the influence of knowledge of audit technique (X3) on task commitment (X4), the coefficient value of path (β_7) = 0.271, with t-count value = 3.901 > t-table = 1.960 at $\alpha = 0.05$, Significant path coefficients. Based on that, it can be argued that the hypothesis of research that states knowledge audit techniques have a direct positive effect on task commitment is accepted. The results of the research are in accordance with Cavalery and Seivert's opinion (2005: 7) that "although the pragmatic knowledge strategy is a powerful one, we estimate that it is being used by less than 5% of all major corporations. However, without exception, these are elite businesses whose leaders understand the value of knowledge in a profound way, and who therefore have made long-term commitments to mastering the use of knowledge for gaining strategic competitive advantage. Though it can be argued that these companies are elite in many respects (such as customer relationship management, product and process innovation, managing

quality, and strategy analysis), we propose that what differentiates these companies from their rivals is their proven capacity for knowledge leadership". Although the company's knowledge management strategy is a strong pragmatic strategy but it is estimated to be used by less than 5% of all major corporations. The fact that the model of this strategy seems to be elitist, which only involves its leaders in understanding the value of knowledge in depth. The importance of this way companies make a long-term commitment to mastering knowledge management to gain strategic competitive advantage. While it may be argued that this is elitist in many aspects (eg, customer relationship management, product and process innovation, quality management, and strategy analysis), there needs to be something that differentiates the company and its competitors from capacity in leadership knowledge. The results of the study are also relevant to the results of the EFA (2016: 1184) study that pedagogic competence has a direct positive effect on teacher work commitment.

The result of hypothesis test 8 that measure the influence of integrity (X1) to work culture (X2), the coefficient value of path (β_{21}) = 0.478 with t-count = 6.704 > t-table = 1.960 at $\alpha = 0.05$, so the path coefficient is significant. On the basis of it can be argued that the research hypothesis expressing integrity has a direct positive effect on accepted work culture. The results are in accordance with ethical guidelines published by the Center for Insurance Institute (CII), the Ethical Culture Building a Culture, (CII Professional Standards Board 2014) states that "Rather than trying to devise incentives such that it will be in this person's own financial interest to act ethically within every possible financial transaction, it is likely to be more effective to create an organisational culture in which professionals are encouraged to approach their work with integrity, and supported in using their own judgement, guided by conscience". Instead of trying to design an incentive model to encourage employees to be ethical in the work of financial transactions so as to give rise to their interests and financial interests, it may be more effective to create a professional work culture that drives their work with an integrity approach and is supported using their own guided judgment conscience. Integrity is believed to create a credible working culture.

The result of hypothesis 9 test that measures the influence of knowledge of audit technique (X3) on work culture (X2), the coefficient value of path (β_{23}) = 0.308 with t-count = 4.330 > t-table = 1.960 at $\alpha = 0.05$, so the path coefficient is significant. Based on that, it can be argued that the hypothesis of research that states knowledge audit techniques have a direct positive effect on accepted work culture. The research results are relevant to Keesing's opinions in Robert S Weyer, Chi-yue Chiu, and Ying-yi Hong (2009: 80), that Keesing (1981) has characterized culture as a shared system of competence consisting of people's "theory of what [their] fellows know, believe and mean, of the code being followed, the game being played" (p. 58). Thus, a culture lies at least in part in people's common understandings and beliefs about it. Keesing states that culture has characteristics as a shared system of competence covering the theory of a group of people concerning knowledge, beliefs, meanings, codes of conduct, and ways of working. Thus the culture lies in the general understanding and beliefs of a group of people. The key words of Keesing's statement above is that culture is a system of knowledge and belief of an individual or organization that is practiced in work activities. That is, knowledge is one of the cultural elements.

Conclusions

Based on the results of research on auditors at the Directorate of Customs and Excise Audit DGCE, summarized as follows: (1) Integrity has a direct positive effect on the performance of auditors, which means auditor with high integrity, will result in improved performance of customs and excise auditors, (2) Work Culture have direct positive effect to the performance of customs auditor auditors, it means that a healthy auditor work culture will lead to an increase in the performance of customs and excise auditors, (3) Knowledge audit techniques have a direct positive effect on the performance of customs and excise auditors, which means high audit techniques knowledge will lead to improved performance of customs and excise auditors, (4) Task commitment has a direct positive effect on the performance of customs and excise auditors, it means that high auditor commitment to job duty will result in improved performance of customs and excise auditors, (5) Integrity positively affects the task commitment, it means that auditor with high integrity will result in increased auditor commitment to job duties, (6) Work culture has a direct positive effect on task commitment, meaning that a healthy auditor work culture will result in increased auditor commitment to job duties, (7) Knowledge of audit techniques has a direct

positive effect on task commitment, which means that high audit technique knowledge will result in increased auditor commitment to job duties, (8) Integrity has a direct positive effect on work culture, which means that high auditor integrity will result in auditor's work culture getting healthier and more positive, (9) Knowledge audit techniques have a direct positive effect on work culture, which means that high audit technique knowledge will result in auditor's work culture more healthy and positive.

Referring to the conclusion of the research, the researcher gives recommendation as follows: (1) Units that manage DJBC human resources (HR) to make efforts to improve the integrity of auditors, by: (a) the requirements as an auditor to meet a high integrity qualification, at least get a score of 3 from a scale of 4 according to the results of the soft competency assessment, (b) conduct periodical guidance to the auditor in order to always display consistent, honest, firm, law-abiding, and obedient behavior on moral values, (c) give reward and punishment consistently in accordance with its contribution to DGCE; (2) The unit that manages DJBC's human resources to strengthen the work culture in a way a) socialize and internalize the values of the Ministry of Finance to auditors on an ongoing basis, (b) conduct capacity building activities for auditors on a regular basis, with the theme of building the basic attitude of good DGCE employees; 3) The unit that manages DJBC's human resources to continually improve audit technique knowledge for auditors by: (a) the requirements as an auditor to meet the qualification of audit technique knowledge, at least get a score of 2 of scale 4 according to the technical assessment, (b) undertake formal and informal training, workshops and / or other activities, with materials relating to the effective and efficient implementation of customs and excise audit duties, c) give auditors an audit assignment regularly with more varied types of auditees; (4) audit unit DGCE to conduct periodic monitoring and evaluation on auditor's behavior and performance, as input for career development of auditors.

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