

# Can Organizational Culture Moderate the Relationship between Motivation and Auditor Performance in Public Accounting Firms in Indonesia?

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## Abstract

A good quality audit is certainly the result of a good audit performance. Therefore, it is important to know the factors that influence auditor performance. This research examines whether auditor motivation can affect their audit performance and whether organizational culture can moderate auditor motivation toward their audit performance. This research uses a quantitative method with data sources in the form of questionnaire results from 196 auditors of Public Accounting Firms in Indonesia. The data in this research were processed using the PLS-SEM model with the help of SmartPLS 4 software. The research's results indicate that motivation significantly positively affects auditor performance, and organizational culture can moderate the relationship between motivation and auditor performance.

**Keywords:** Motivation, Organizational Culture, Auditor Performance.

## 1. Introduction

Financial reports that public accounting firm auditors have audited are indeed expected to be reliable by stakeholders who need financial information. Therefore, the auditor's opinion in the audit report should be correct. However, there are still cases that ensnare public accounting firms in Indonesia because the results of the financial report audits they carry out are problematic, causing losses to many parties (Untari, 2023). As a result, the problematic Public Accounting Office in Indonesia had its license to conduct financial report audits revoked. (Untari, 2023). The problematic audit results are certainly the result of poor auditor performance. Therefore, it is important to examine the factors that influence the performance of public accounting firm auditors in Indonesia. Good performance can be seen at the organizational, process, and individual level (Rummler & Brache, 2013; Swanson, 2007). At the individual level, the auditor's motivation to perform well can be seen. It is because motivation is an individual's desire to strive to achieve organizational goals (Febrina & Rahmat, 2024). In this case, the organization's purpose can be to produce good quality and reliable audit reports. In addition to factors from within the individual, at the organizational level, good performance can also be seen from external factors, such as organizational culture. Organizational culture

can be essential for continuous improvement (Orieno et al., 2024). If the organizational culture is good, then each individual in it will be encouraged to continue to pay attention to their performance and make improvements if performance is lacking. The relationship between this internal and external factor needs to be studied to determine its effect on auditor performance.

## 2. Literature Review

Several studies examine auditor performance using independent variables such as motivation and organizational culture. Julianto et al. (2021) studied auditor performance at the Audit Board of Indonesia using independent variables like team collaboration and supervision, then using the work motivation variable as a mediating variable. The results obtained were that the variables in the research significantly influenced auditor performance, except for the supervision variable. Zahmatkesh & Rezazadeh (2017) also studied within the scope of audits, with a research sample of public accounting firms registered in Iran in 2016. The relationships studied were the influence of auditor experience, competence, motivation, accountability, and objectivity on audit quality. Audit quality is the result of the manifestation of auditor performance. The research showed that all independent variables studied significantly influenced

audit quality, except for the motivation variable. The difference in results regarding the influence of motivation on auditor performance among previous studies prompted this research. Motivation is an emotional drive or force that drives employees to achieve company goals (Wahyuni et al., 2023). The employees in this research sample are auditors of public accounting firms in Indonesia. An auditor with strong motivation means he will have a strong drive from within himself to work optimally to achieve his goals, namely, to produce good quality audit reports. Therefore, the higher the motivation of the auditor, the better his audit performance. Based on this description, the following is the hypothesis in this research:

H1: Motivation has a positive effect on auditor performance.

Research by Rijanti et al. (2021) and Indriyaningrum et al. (2020) show that the effect of motivation on performance can be moderated by organizational culture. This is because organizational culture is a workplace habit that is reflected by the norms and behaviors adopted by its employees (Agwu, 2014) and also a force or guideline that influences employees' work lives (Haedar et al., 2021). Therefore, regardless of the motivation of the auditor, he will follow the organizational culture in his public accounting firm. If the auditor does not have a strong drive or motivation to produce a good performance, but the people around him or even his public accounting firm always emphasize working well, then he will be motivated to produce a good performance. It means that organizational culture can influence the strength of the relationship between the motivation of the auditor and his audit performance. So, the hypothesis in this research is:

H2: Organizational culture can moderate the relationship between motivation and auditor performance.

Based on the explanation above, the following is a conceptual framework of the hypotheses that will be tested in this research:

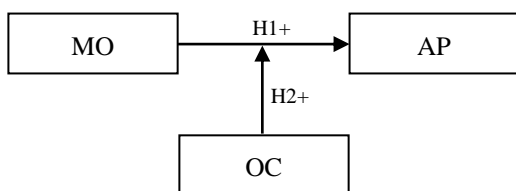


Figure 1: Conceptual Framework

In the figure 1 above, MO is Motivation, OC is Organizational Culture, and AP is Auditor Performance.

### 3. Research Method

This research uses quantitative method with the population of auditors in Indonesian Public Accounting Firms. The questionnaire is used as the primary data source. The questionnaire uses a Likert scale of 1-4, with information 1 = strongly disagree, 2 = disagree, 3 = agree, and 4 = strongly agree. As shown in Table 1 below, statements in the questionnaire modified from previous studies were used to measure the variables of this research.

TABLE 1

VARIABLE MEASUREMENT

Variable	Statement	Reference
Motivation	My audit performance leads to good results.	Brody et al. (2020); Leavitt et al. (1989)
	The results of my audit performance have a positive value for me.	
	I can perform audit tasks at the desired level.	
	I find identifying things that motivate auditors at work easy.	
	I can recognize how my feelings drive my behavior at work.	
	I understand the things that make auditors feel optimistic about working.	
Organizational Culture	My Public Accounting Firm emphasizes morale.	Caccia-Bava et al. (2006); Saputro (2012)
	My Public Accounting Firm encourages me always to pay attention to procedures when completing something.	
	My Public Accounting Firm emphasizes results and goal achievement.	
	My Public Accounting Firm encourages me always to take risks innovatively.	

Variable	Statement	Reference
	My Public Accounting Firm expects me to analyze every job carefully and pay attention to detail.	
	My Public Accounting Firm emphasizes me to always work aggressively and enthusiastically.	
	My Public Accounting Firm emphasizes me to always maintain and preserve stability in my work.	
Auditor Performance	I have sufficient knowledge in all aspects of accounting and auditing.	Brody et al. (2020); Ghadhab et al. (2019); Saputro (2012)
	I can produce optimal performance along with saving time and costs.	
	I always carry out audits using the procedures and policies set by the organization.	
	I can communicate decisions appropriately to stakeholders.	

Data in this research were processed using SmartPLS 4 software and analyzed using the SEM (Structural Equation Modeling) analysis model. SEM is a multivariate statistical technique that combines factor analysis and regression to test the relationship between variables in a model, both the relationship between indicators and constructs and between constructs (Ginting, 2009). The indicators referred to here are statements used to measure variables, while constructs are latent variables used in this research, namely motivation, organizational culture, and auditor performance. SEM is divided into two main models, namely the measurement model and the structural model (Ginting, 2009). The measurement model will describe the relationship between indicators and their constructs, while the structural model will describe the relationship between constructs.

#### 4. Results and Discussion

The questionnaires distributed to auditors of public accounting firms in Indonesia resulted in data on 196 auditors, with demographic details shown in Table 2.

TABLE 2  
RESPONDENT DEMOGRAPHICS

Category	Frequency	Percentage
<b>Gender</b>		
Male	92	46.94%
Female	104	53.06%
<b>Age</b>		
< 21 years	19	9.69%
21-25 years	105	53.57%
26-30 years	28	14.29%
31-35 years	13	6.63%
36-40 years	6	3.06%
> 40 years	25	12.76%
<b>Work experience as an Auditor</b>		
< 2 years	96	48.98%
2-5 years	59	30.10%
6-9 years	17	8.67%
10-13 years	2	1.02%
> 13 years	22	11.22%

From Table 2 above, it can be seen that there are more female respondents than male respondents, which is 104 respondents. Then, respondents aged 21-25 years dominate with a percentage of 53.57%. From the auditor work experience category, the majority of respondents have work experience as an auditor for less than 2 years, which is 96 respondents.

## Measurement Model

### Validity Test

The convergent validity test can be seen from the outer loadings results in Table 3.

TABLE 3  
OUTER LOADINGS

Variable	Outer Loadings
<b>Auditor Performance</b>	
AP1	0.801
AP2	0.795
AP3	0.796
AP4	0.795
<b>Motivation</b>	
MO1	0.788
MO2	0.758
MO3	0.782
MO4	0.765
MO5	0.823
MO6	0.811
<b>Organizational Culture</b>	
OC1	0.786
OC2	0.827
OC3	0.846
OC4	0.829
OC5	0.786
OC6	0.820
OC7	0.842
<b>OC x MO</b>	1.000

Table 3 above shows that the outer loadings value of each indicator of each variable is greater than 0.7. The convergent validity test can also be seen from the AVE value in Table 4.

TABLE 4  
AVERAGE VARIANCE EXTRACTED (AVE)

Variable	AVE
Auditor Performance	0.635
Motivation	0.621
Organizational Culture	0.672

Table 4 shows that the AVE value of each variable is greater than 0.5. Based on the results of the outer loadings and AVE values, it can be concluded that this research's convergent validity test was successful, meaning that one indicator with another alternative indicator in the same latent variable is positively correlated. The discriminant validity test can be seen from the Fornell-Larcker Criterion in Table 5.

TABLE 5

### FORNELL-LARCKER CRITERION

	AP	MO	OC
AP	<b>0.797</b>		
MO	0.601	<b>0.788</b>	
OC	0.621	0.775	<b>0.820</b>

Table 5 above shows that the square root of the AVE of each latent variable is greater than the correlation with other latent variables. The discriminant validity test can also be seen from the Heterotrait-Monotrait Ratio (HTMT) value in Table 6.

TABLE 6

### HETEROTRAIT-MONOTRAIT RATIO

	AP	MO	OC	OC x MO
AP				
MO	0.710			
OC	0.716	0.864		
OC x MO	0.044	0.531	0.554	

Table 6 shows that the HTMT value is less than 0.90. Based on the results of the Fornell-Larcker Criterion and HTMT, it can be concluded that the discriminant validity test was successful, meaning that the latent variables are truly different from each other.

### Reliability Test

The reliability test can be seen from the Composite Reliability (CR) results in Table 7.

TABLE 7

### COMPOSITE RELIABILITY

	CR
AP	0.874
MO	0.908
OC	0.935

Table 7 above shows that the CR value is greater than 0.7, so it can be concluded that the reliability test was successful, meaning that the indicators in this research are reliable in measuring their latent variables.

## Structural Model

### Coefficient of Determination

The coefficient of Determination, or R Square value, describes how well the independent variable can explain the dependent variable. This research's R Square value is shown in Table 8.

TABLE 8

### R SQUARE

Variable	R Square
Auditor Performance	0.565

In Table 8 above, the R Square value of the auditor performance variable is 56.5%, meaning that the variable or model used to explain auditor performance is quite successful (moderate).

#### Path Coefficient

The path coefficient results are used to determine whether the direction of the positive or negative relationship between latent variables is in accordance with the hypothesis and whether the research hypothesis is accepted or not. The path coefficient result in this research is in Table 9.

TABLE 9  
PATH COEFFICIENT

	Original Sample	P Values	Decision
MO → AP	0.399	0.000	H1 is accepted
OC x MO → AP	0.216	0.002	H2 is accepted

The direction of the relationship H1 and H2 is in accordance with the hypothesis, namely the positive direction towards other latent variables. That direction can be seen from the original sample value, which shows a positive sign. P-values H1 and H2 are less than 0.05, meaning both hypotheses are accepted. So, it can be concluded that motivation significantly positively affects auditor performance. In addition, organizational culture has the significant ability to moderate the positive relationship between motivation and auditor performance. The following Figure 2 is the testing result of the structural model.

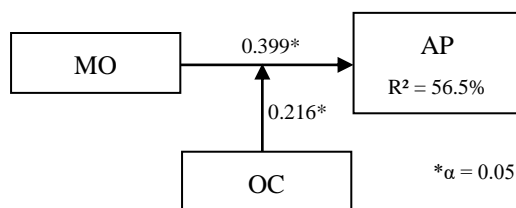


Figure 2: Structural Model Result

#### Discussion

The results of this research indicate that H1 is accepted. This result is in line with Haedar et al. (2021), Muarifudin & Rijanti (2022), and Rijanti et al. (2021), where the results of these studies also state that motivation has a significant positive effect on performance. It means that the higher auditor's motivation, the more he will be motivated to improve his performance. The auditors in this research were mostly aged 21-25, which is still relatively young. Young people are more motivated by achievement (Nainggolan, 2018), so they are more confident that their audit performance will lead to achieving good results. This thinking is very influential for them in

conducting audits with maximum work quality.

This research proves that H2 is accepted, namely, organizational culture can moderate the influence of motivation on auditor performance. This result is in line with Mustafa et al. (2022) and Rizal et al. (2021), which state that the relationship between work motivation and employee performance can be moderated by organizational culture. Of the 196 respondents, the majority of respondents are auditors under the age of 30, which is 152 respondents. Auditors under 30 are quicker to implement and develop organizational culture attitudes (Elen et al., 2021), so organizational culture greatly influences their motivation in carrying out their audit tasks. In addition, the majority of the work experience of auditors who are respondents in this research was less than 2 years, so they still had a high socializing spirit to be able to adapt by following the organizational culture in their public accounting firm. It means that if the auditor already has strong motivation and the culture of his public accounting firm also emphasizes good results and achievements, then he will be increasingly motivated to improve his performance. It is because motivation is not only a drive from within but also from external sources (M. Y. Mustafa, 2012), such as organizational culture, which can be used by managers as a major key in directing their companies (Smircich, 1983).

#### 5. Conclusion

Based on the test results from 196 respondent data who are auditors of public accounting firms in Indonesia, motivation has a significant positive effect on auditor performance, indicating that the higher the auditor's motivation, the better the performance. Also, it is proven in this research that organizational culture significantly can moderate the effect of motivation on auditor performance. It means that a strong and supportive organizational culture can strengthen the effect between motivation and auditor performance so that auditors can work optimally in an environment that supports professional values and norms. These results emphasize the importance of increasing motivation and building a positive organizational culture to improve auditor performance.

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