

# Performance Model of Auditors and Supervisors in the Inspectorates Government Indonesia

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## **Abstract-**

Supervision is one of the important managerial functions in the operational aspect of government. Supervision on government operations is needed to evaluate the execution of those government operations. The evaluation is conducted to ensure that the execution has been conducted in accordance with the existing roles and functions and also that it is in accordance with the stipulated plans and policies, and provisions of applicable laws and regulations. Internal supervision of regional government is conducted by two functional positions (auditor and supervisor) which are virtually the same in one institution (Inspectorate). This research aim to determine whether there is affect the performance of auditors and supervisors individually concerning the duties of their positions. Research was conducted using the quantitative method with a population of 832 auditors and supervisors in Inspectorates of the Provincial and City/Regency in West Java, Indonesia. Research results also show the variables developed in the Colquitt model was proven although there were other variables which influence an individual's performance aside from organization culture, leadership style, personality, and job satisfaction. On those variables, further research needs to be conducted.

**Keywords:** *Organization Culture, Leadership, Personality, Job Satisfaction, and Performance.*

## **1. INTRODUCTION**

Auditors and supervisors in the environs of Government Internal Supervision Agency (APIP/Aparat Pengawasan Intern Pemerintah) have the main responsibility of determining whether policies or procedures stipulated by the top management have been obeyed, determining the quality of bookkeeping for the organization resources, determining the efficiency and effectivity of the organization activity procedures, and also determining the reliability of the information generated by various parts of the organization. In order that APIP can function as the agent of quality assurance, consulting, and for its parent organization (regional government), human resource support is needed in the form of professional auditors and supervisors (P2UPD). Furthermore, when we observe prior empirical researches conducted by the researchers of individual/employee performance, there are numerous research positioning organization culture, leadership style, personality, and job satisfaction as the antecedent of individual/employee performance. Even the integrative model of organizational behavior according to Colquitt, Lepine, Wesson (2009, p. 8), in relation to performance as a dependent variable, there are many variables that can influence it, namely the variables of

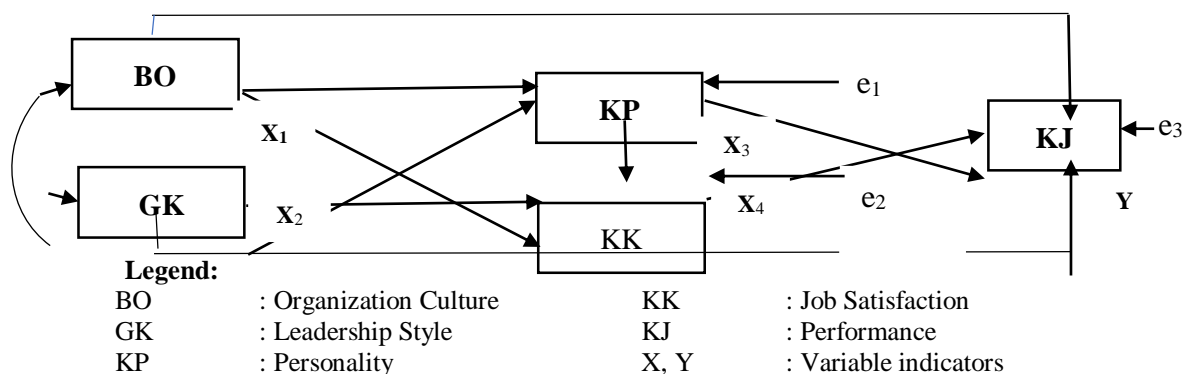
organizational mechanisms that cover organization culture and organization structure; the variables of group mechanisms, that cover the style, power and influence of leadership, and also team process and characteristic; the variables of individual characteristics in the form of personality, cultural values and capabilities, via individual mechanisms that cover job satisfaction, pressure, motivation, trust, ethics, justice, and decision making. From the observation results in the field, by the Government Regulation No. 16 Year 1994, the legalization of skills and the authority of the functional positions of auditors and supervisors (P2UPD) are stated in the form of certificates. However, the real life situation shows that only auditors have performed certifications in the determination of skill level and roles, but for the supervisors (P2UPD), certification is not yet performed. Even after the stipulation of the functional position of supervisors (P2UPD) by the Ministerial Regulation of Administrative and Bureaucratic Reform No. 15 Year 2009 until the moment this research was conducted, the appointment of this functional position is still using impassing (the mutation from structural position to functional position) and not using the path of training. Two functional positions in one inspectorate institution with no regulation concerning the requirements of the functional position levels, for instance who can be the team leader and the positions beyond that (technical controller and quality controller) and also regulation on the duties/responsibilities that both functional positions would do, create a dilemma in the field because naturally the auditors and supervisors (P2UPD) as humans would seek what is beneficial for themselves, be it the ease of promotion, obtaining credit score of monetary gains (functional allowance). It is no wonder that in several regional APIP, there were mutation from one functional position to another and this is very disruptive to the performance of APIP (Edy Sudaryanto, Journal of Administrative and Bureaucratic Reform – Bureaucracy to Achieve World Class Government Edition V Year 2015). The existence of two functional position with similar supervisory duties in one institution (inspectorate) will influence the performance of auditors and supervisors individually in carrying out their respective responsibilities. Due to the problem described above, this research is focused in whether the existence of two functional position, namely the auditor and supervisor, with similar supervisory duties in one institution/agency would have impacted the performance of auditors/supervisors viewed from the aspects of organization culture, leadership style, personality, and job satisfaction as described by the model developed by Colquitt, Lepine, Wesson.

## **2. METHOD**

The design applied in this research is quantitative using descriptive approach. In quantitative research, the main focus is positive principles and the research used variables and hypotheses, in which the calculation of variables and hypotheses are tested accurately. The qualitative method applied by the writers is also using the correlation research method, which Purwanto (2010) described as “a research which involves the relation of one or more variables to another set of one or more variables. The relation happens in one group.” The application of this correlation method is meant to discover how far the impact of organization culture, effectivity of leadership style, the strength of employee personality, and the amount of job satisfaction would influence the effectivity of employee performance as described by the model developed by Colquitt, Lepine, Wesson. The data in this research consists of two types of data, namely primary and secondary data. Primary data is obtained by using instruments measuring the research variables by distributing questionnaires which are filled out by respondents and by conducting interviews to several respondents that

researchers think are needed. Secondary data is the supporting data coming from the auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java, and also supporting data obtained from the fostering agency for auditors (BPKP) or for supervisors of regional government affairs /P2UPD (Training Agency of the Ministry of Internal Affairs/Badan Diklat Kementerian Dalam Negeri). The number of auditors and supervisors in Inspectorates of the Provincial and City/Regency in West Java, according to the fostering agency above is 832 people, consisting of 418 auditors and 414 supervisors. Those auditors and supervisors are distributed in Inspectorates of the Provincial and City/Regency in West Java, which are divided in four Coordinating Agency for Governance and Development (BKPP/Badan Koordinasi Pemerintahan dan Pembangunan), with the following distribution: BKPP Area I covers City of Bogor, Regency of Bogor, City of Depok, City of Sukabumi, and the Regency of Cianjur; BKPP Area II covers City of Bekasi, Regency of Bekasi, Regency of Purwakarta, Regency of Subang, Regency of Majalengka, Regency of Indramayu, City of Cirebon, Regency of Cirebon, and Regency of Kuningan; BKPP Area III covers City of Banjar, Kab. Ciamis, City of Tasikmalaya, Regency of Pangandaran, Regency of Tasikmalaya, Regency of Sumedang, and Regency of Garut; BKPP Area IV covers City of Bandung, Regency of Bandung, Kota Cimahi, and Regency of West Bandung. The sampling technique applied in this research was random sampling by taking samples proportionately using randomizing technique and due to the consideration of location and time, the samples taken are in the Inspectorate of West Java Province and in two BKPP, namely BKPP Area I and Area IV with 202 respondents, consisting of 120 auditors and 82 supervisors. This research has been tested for validation and reability before data analysis.

The research model can be described in the following problem constellation:



### 3. RESULT AND DISCUSSION

After the data obtained from the respondents were processed and reviewed using the various required test, the next stange in the causality model testing is to conduct path analysis. The value of inter-variable correlation coefficient (r) is shown in Table 1 as follows:

**Table 1 Inter-variable Correlation Coefficient (r)**

	Organization Culture	Leadership Style	Personality	Job Satisfaction	Performance
Organization	1				

<b>Culture</b>					
<b>Leadership Style</b>	0.462	1			
<b>Sig.</b>	0				
<b>Personality</b>	0.276	0.331	1		
<b>Sig.</b>	0	0			
<b>Job Satisfaction</b>	0.557	0.514	0.344	1	
<b>Sig.</b>	0	0	0		
<b>Performance</b>	0.632	0.642	0.558	0.685	1
<b>Sig.</b>	0	0	0	0	

Based on the correlation coefficient calculation results by using the software STATA, the coefficient value for each path was calculated and its significance was tested using the t test statistic. If the path tested show an insignificant path coefficient value, the path will be discarded and the inter-variable structural correlation model will be modified and its path coefficient will be recalculated.

The calculation results for the coefficient values of paths  $\rho_{X_3X_1}$  and  $\rho_{X_3X_2}$  can be observed on Table 2 as follows:

**Table 2. Coefficient Calculation of Paths  $\rho_{X_3X_1}$  and  $\rho_{X_3X_2}$**

Variable	Coef.	Std. Err.	T	P	Beta
<b>Organization Culture (X<sub>1</sub>)</b>	0.150	0.071	2.100	0.037	0.157
<b>Leadership Style (X<sub>2</sub>)</b>	0.199	0.058	3.460	0.001	0.258
<b>Constants</b>	86.670	6.221	13.930	0.000	

**Dependent Variable: Personality (X<sub>3</sub>)**

The calculation results for the coefficient values of paths  $\rho_{X_4X_1}$ ,  $\rho_{X_4X_2}$ , and  $\rho_{X_4X_3}$  can be observed on Table 3 as follows:

**Table 3 Coefficient Calculation of Paths  $\rho_{X_4X_1}$ ,  $\rho_{X_4X_2}$ , and  $\rho_{X_4X_3}$**

Variable	Coef.	Std. Err.	t	$\rho$	Beta
<b>Organization Culture (X<sub>1</sub>)</b>	0.428	0.069	6.180	0.000	0.384
<b>Leadership Style (X<sub>2</sub>)</b>	0.260	0.057	4.570	0.000	0.289
<b>Personality (X<sub>3</sub>)</b>	0.166	0.068	2.430	0.016	0.142
<b>Constants</b>	10.052	8.413	1.190	0.234	

**Dependent Variable: Job Satisfaction (X<sub>4</sub>)**

The calculation results for the coefficient values of paths  $\rho_{YX_1}$ ,  $\rho_{YX_2}$ ,  $\rho_{YX_3}$  and  $\rho_{YX_4}$  can be observed on Table 4 as follows:

**Table 4 Coefficient Calculation of Paths  $\rho_{YX_1}$ ,  $\rho_{YX_2}$ ,  $\rho_{YX_3}$ , and  $\rho_{YX_4}$**

Variable	Coef.	Stad. Err.	t	$\rho$	Beta
Organization Culture (X <sub>1</sub> )	0.261	0.049	5.37	0.000	0.258
Leadership Style (X <sub>2</sub> )	0.222	0.039	5.77	0.000	0.272
Personality (X <sub>3</sub> )	0.312	0.045	7.00	0.000	0.294
Job Satisfaction (X <sub>4</sub> )	0.274	0.046	5.99	0.000	0.301
Constants	-4.181	5.431	-0.77	0.442	

Dependent Variable: Performance (Y)

Summary of the calculation results of path coefficient and significance test can be observed on Table 5 as follows:

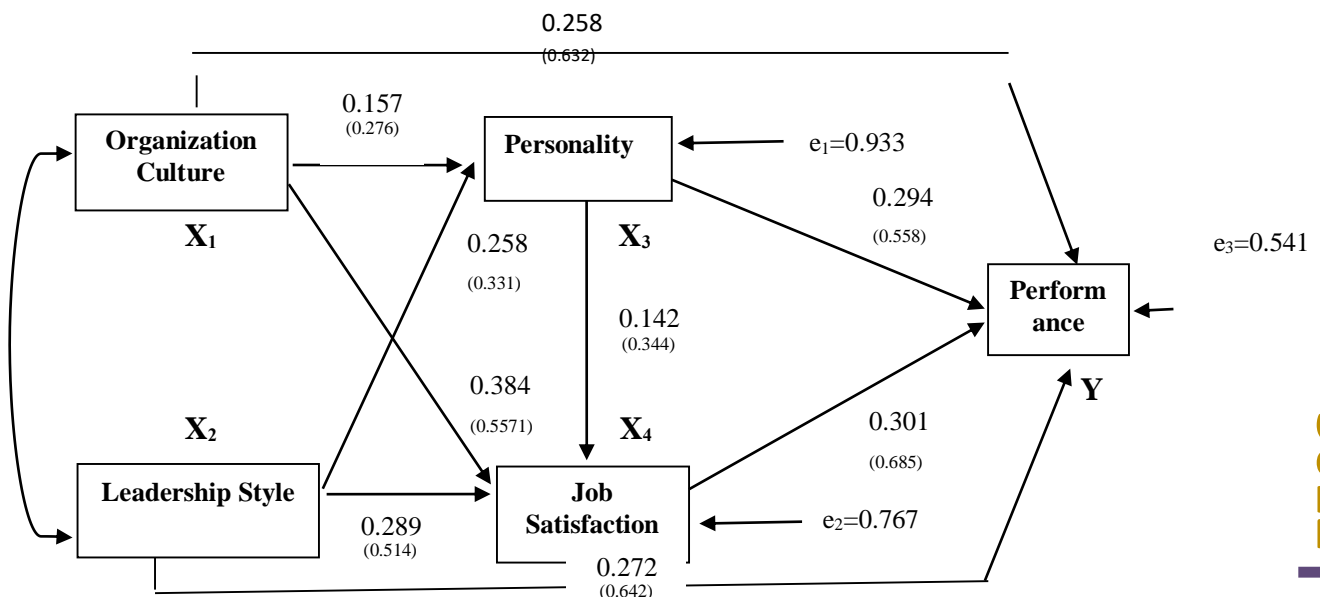
Table 5 Summary of Path Coefficient and Significance Test

Path	Path Coefficient	Probability
pX <sub>3</sub> X <sub>1</sub>	0.157*	0.037
pX <sub>3</sub> X <sub>2</sub>	0.258**	0.001
pX <sub>4</sub> X <sub>1</sub>	0.384**	0.000
pX <sub>4</sub> X <sub>2</sub>	0.289**	0.000
pX <sub>4</sub> X <sub>3</sub>	0.142*	0.016
pYX <sub>1</sub>	0.258**	0.000
pYX <sub>2</sub>	0.272**	0.000
pYX <sub>3</sub>	0.294**	0.000
pYX <sub>4</sub>	0.301**	0.000

Note:

\*\* = Path coefficient very significant at  $\alpha = 0.01$

\* = Path coefficient significant at  $\alpha = 0.05$  From the calculation of the inter-variable correlation coefficient (r) and path coefficient and significance test ( $\rho$ ) above, the structural model can be imagined as follows:



From the results of analysis and significance test, it can be said that the path model built is a good model in explaining Performance based on the variables Organization Culture, Leadership Style, Personality, and Job Satisfaction. Summary of the hypothesis testing with the path coefficient calculation in accordance with the structural model can be observed on Table 6 as follows:

**Table 6 Summary of Hypothesis Test Results**

No	Hypothesis	Statistic of Hypothesis	Statistic of Test Result	Conclusion
1	Organization Culture has a direct impact towards Personality	Ho : $\rho X_3 X_1 = 0$ H <sub>1</sub> : $\rho X_3 X_1 > 0$	Ho rejected	Has direct impact
2	Leadership Style has a direct impact towards Personality	Ho : $\rho X_3 X_2 = 0$ H <sub>1</sub> : $\rho X_3 X_2 > 0$	Ho rejected	Has direct impact
3	Organization Culture has a direct impact towards Job Satisfaction	Ho : $\rho X_4 X_1 = 0$ H <sub>1</sub> : $\rho X_4 X_1 > 0$	Ho rejected	Has direct impact
4	Leadership Style has a direct impact towards Job Satisfaction	Ho : $\rho X_4 X_2 = 0$ H <sub>1</sub> : $\rho X_4 X_2 > 0$	Ho rejected	Has direct impact
5	Personality has a direct impact towards Job Satisfaction	Ho : $\rho X_4 X_3 = 0$ H <sub>1</sub> : $\rho X_4 X_3 > 0$	Ho rejected	Has direct impact
6	Organization Culture has a direct impact towards Performance	Ho : $\rho Y X_1 = 0$ H <sub>1</sub> : $\rho Y X_1 > 0$	Ho rejected	Has direct impact
7	Leadership Style has a direct impact towards Performance	Ho : $\rho Y X_2 = 0$ H <sub>1</sub> : $\rho Y X_2 > 0$	Ho rejected	Has direct impact
8	Personality has a direct impact towards Performance	Ho : $\rho Y X_3 = 0$ H <sub>1</sub> : $\rho Y X_3 > 0$	Ho rejected	Has direct impact
9	Job Satisfaction has a direct impact towards Performance	Ho : $\rho Y X_4 = 0$ H <sub>1</sub> : $\rho Y X_4 > 0$	Ho rejected	Has direct impact

From Table 6 above, the hypothesis test with calculation of path coefficient in accordance to the structural model shows the following:

- a. Structural Model I (Personality)  
 Organization Culture and Leadership Style have direct impact towards Personality.
- b. Structural Model II (Job Satisfaction)  
 Organization Culture, Leadership Style, and Personality have direct impact towards Kepuasan Kerja.
- c. Structural Model III (Performance of Auditors and Supervisors)  
 Organization Culture, Leadership Style, Personality, and Job Satisfaction have direct impact towards Kinerja Auditor dan Pengawas.

The path analysis applied to test this research structural model is divided into 3 (three), namely the Personality path (Structural Model I), the Job Satisfaction path (Structural Model II), and the

Performance path (Structural Model III), show that the structural models developed are acceptable and significant. This means that those models can explain the interconnectivity among the endogenous variables and exogenous variables, particularly in relation to the impacts that various variables have towards Performance. The research results testing the interconnectivity among variables can be described in more details as follows:

- a. Structural Model I, Personality is influenced by the variables Organization Culture and Leadership Style, and it is also influenced by other variables in the value of 93.3% ( $e_1=0.933$ ).
- b. Structural Model II, Job Satisfaction is influenced by the variables Organization Culture, Leadership Style, and Personality, and it is also influenced by other variables in the value of 76.7% ( $e_2=0.767$ ).
- c. Structural Model III, Performance is influenced by the variables Organization Culture, Leadership Style, Personality, and Job Satisfaction, and it is also influenced by other variables in the value of 54.1% ( $e_3=0.541$ ).

From the nine paths grouped into 3 (three) structural models, the fastest path (highest total value of 1.414) means that improving the performance of auditors and supervisors in Inspectorates of the Provincial and City/Regency in West Java can be carried out by building a more effective leadership style along with building a better personality of the auditors and supervisors and improving the job satisfaction of auditors and supervisors.

#### **4. CONCLUSION**

Based on the results of data analysis and statistical calculation as elaborated above, this research results can be concluded that the variable depiction of organization culture, leadership style, personality, job satisfaction, and performance of auditors and supervisors show that it has conformity with the model developed by Colquitt, Lepine, and Wesson. The strength of organization culture developing in the Inspectorates of the Provincial and City/Regency in West Java can influence the personality of auditors and supervisors in the agencies involved, making it advantageous or disadvantageous. The effectiveness of leadership style of superior officers in the Inspectorates of the Provincial and City/Regency in West Java can influence the personality of auditors and supervisors in the agencies involved, making it advantageous or disadvantageous. The strength of organization culture developing in the Inspectorates of the Provincial and City/Regency in West Java can influence the job satisfaction of auditors and supervisors in the agencies involved, making it high or low. The effectiveness of leadership style of superior officers in the Inspectorates of the Provincial and City/Regency in West Java can influence the job satisfaction of auditors and supervisors in the agencies involved, making it high or low. The personality of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can influence their job satisfaction in the agencies involved, making it high or low. The strength of organization culture developing in the Inspectorates of the Provincial and City/Regency in West Java can influence the performance of auditors and supervisors in the agencies involved, making it high or low.

The effectiveness of leadership style of superior officers in the Inspectorates of the Provincial and City/Regency in West Java can influence the performance of auditors and supervisors in the agencies

involved, making it high or low. The personality of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can influence their performance in the agencies involved, making it high or low. The job satisfaction level of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can influence their performance in the agencies involved, making it high or low. It can be concluded that the performance variable of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can be influenced by various variables, among which are organization culture, leadership style, personality, and job satisfaction. The efforts to improve performance of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can be carried out by improving the four variables mentioned above. However, the research results show that there are other factors other than organization culture, leadership style, personality, and job satisfaction which can influence the performance of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java. On this aspect, a deeper and further research needs to be conducted.

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