

The Effect of Role Conflict on Auditor's Performance (Case of the Audit Board of Indonesia, East Nusa Tenggara)

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ABSTRACT

Auditors play an important role in the audit process, yet often closely related to stressful conditions. This is because they are put under lots of pressures at work, while at the same time, they have to balance two incompatible demands which mostly competing each other. Being professional and achieving an excellent performance can be challenging when an auditor is facing a role conflict. The main purpose of this study is to identify and analyze the impact of role conflict on auditor's performance in the Audit Board of Indonesia in East Nusa Tenggara Province. The Audit Board of Indonesia is a reputable institution that freely and independently conducts management checks on state financial responsibility. The population in this study are all auditors in the Audit Board of Indonesia in East Nusa Tenggara Province counted to 86 auditors, while the sample of this study are 46 auditors. This study uses a simple regression analysis to analyze and test the hypothesis. The finding of this study shows that role conflicts significantly affect auditor's performance. The result of this study makes a contribution to the Audit Board of Indonesia in their employment selection. Implications of the findings are discussed and directions for future research are offered.

Keywords: Auditor, Human Resources, Performance, Role stress, Role Conflict

1. INTRODUCTION

Human resources are one of the most important aspects of an organization because human resources determine the success of an organization. Among many organizations and companies in Indonesia, public sector organizations are one of the organizations that play an important role in serving the needs of society. In Indonesia, the public sector organizations are the central government, regional governments, companies where the government has shares in it (BUMN and BUMD), educational organizations, health organizations, and mass organizations [1]. Public sector organizations are required to have a transparent, independent and excellent system so that the people can easily access the public services. One of the ways to have such transparent, independent and excellent services is to create and develop good local governance.

The application of good governance principles is an important aspect of supporting the achievement of local government goals. Some of them are the principles of accountability and transparency. Accountability is the responsibility of subordinates to fulfil the work given to him/her [2]. Furthermore, [3] explained that transparency

is being known by many parties (stakeholders) regarding the formulation of policies (politics) from the government, organizations and business entities. The principle of transparency is the openness of information about all government policies to the public.

One of the methods to support the principles of accountability and transparency is through financial statements. In this case, an auditor plays an important role to ensure the process of reporting financial statement in line with the principles of accountability and transparency.

An auditor is a person authorized to review and verify the accuracy of financial records and ensure that companies comply with tax laws. The auditor must have integrity, be independent, and be able to work professionally according to the auditor's ethics code. Auditors are often facing conflicts of interest in doing their jobs. The profession of auditor is strongly related to stressful conditions because of many pressures at work [4]. Pressure can be worse because of the influence of role stress. There are three types of role stress, which are role conflict, role ambiguity, and role overload [5]. References [6] argued that auditors have two roles, which

are as a member of the profession who must act in accordance with the code of ethics and law, and as an employee in a public accounting firm with an applicable control system. Role conflicts usually happen when there is an incompatibility between the expected set of behavior perceived by the focal person and those perceived by role senders [7]. The auditors in carrying out their duties have to be consistent with the code of ethics, and at the same time need to carry out certain policies, such as political or conflicting organizational interests.

It is important to understand how role conflict is related to job performance because organizations are systems of roles and work behavior that is guided by social interactions that occur throughout the role-system. Auditors, who work in various capacities within different industries are often prone to face role conflict that will impact their performance. Some research often failed to find significant correlations between role stressors (role ambiguity, role conflict) and job performance, thus this study aimed to examine the relationship between role conflict and job performance. This study contributes to enhance the understanding of the role stressors concept.

2. LITERATURE REVIEW

2.1 Role Conflict

Conceptually, a role is a pattern of behaviors perceived by an employee as behaviors that are expected. Role conflict is basically part of the role stress concept. According to [8], conceptually job characteristics that cause work stress consist of five dimensions, including: physical environment, role conflict, role ambiguity, role overload, role insufficiency. According to [9], role stress is basically a situation in which a person's role is also influenced by the desires of others, so that they can intersect, are unclear, and can be difficult. References [10] state that role pressure is an issue that affects not only the auditor in relation to the auditor's performance itself but also to the environment where they work. Similarly, [11] states that the profession in the field of accounting, especially auditors, is a profession that has a high level of stress. Stress at a certain level can actually motivate someone to improve performance and complete the work. However, excessive stress levels can have a negative impact that can lead to decreased performance, job dissatisfaction, and can cause depression and anxiety [12].

References [13] explains stress due to roles or tasks (role stress), including conditions where employees play various roles in their workplace, have difficulty understanding what is their job, and the roles are felt too heavy. Role conflict indicates a level where the individual experiences a mismatch between the demands and commitments of a role [8]. This conflict occurs when people compete against various demands.

There are several types of role conflict in organizational settings, including (1) inter-role conflict, (2) intra-role conflict, and (3) person-role conflict. Inter-role conflict occurs when an employee has two opposite roles. Intra-role conflict occurs when individuals receive opposite messages from different people, while person-role conflict occurs when work obligations and organizational values do not match personal values. According to [7], role conflict occurs because the existence of more than one instruction that comes simultaneously and to do just one instruction can result in other instructions not being implemented. In the auditor's work environment, role conflict arises due to a mismatch from the leader's instructions [6]. Generally, auditors have two roles. First, as a professional who has a code of ethics in accordance with the regulations, and second as a member of an organization that has its own control system. This often results in auditors being in opposite positions. Based on the explanation above, role conflict is a conflict faced by an employee if he/she receives two or more different sets of orders so that there are expectations/commands that may be difficult to fulfil.

2.2 Performance

According to the behavioral approach in management, performance is the quantity or quality of something produced or services provided by someone who does the work [14]. Performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction and contributes to the economy. Based on this explanation, employee performance is the final result achieved by someone who does the work. Performance is the final result of human activities related to organizational tasks.

There are several factors that affect employee performance. Employee performance is influenced by several factors, which are quality of work, quantity of work, job knowledge, teamwork, creativity, innovation, and initiative. Quality of work is the goodness of work created by an employee that can be seen in terms of accuracy and neatness of work, and also skills and abilities. On the other hand, the quantity of work represents the amount of workload or the amount of work that must be completed by an employee. Measured from the ability in achieving targets or from the work outcomes. Job knowledge is the ability of employees to understand things relating to the tasks they are assigned to. Moreover, teamwork and creativity see not only how employees work with others in completing a job, but also the ability of an employee to complete his work in his own way or initiative. Lastly, innovation, which is the ability to create new changes for the improvement of the organization.

According to [15] there are four factors that affect performance, which are effectiveness and efficiency, authority and responsibility, discipline, initiative. The

effectiveness of the organization occurs if the organization's goals can be achieved according to plan, while efficiency is related to the amount of effort to achieve organizational goals. Furthermore, clarity of authority and responsibility of every person in an organization will support the employee's performance. Employee performance will improve if the employee is disciplined and has a commitment to the organization. In addition, organizational performance will be achieved if individual performance and group performance are improved. This requires initiative from employees in carrying out their duties.

2.3 Relationship between Role Conflict and Performance

Scholars have long assumed that role conflict and role ambiguity, two of the most frequently examined sources of work stress have bad impact on employee job performance. According to [9], role stress is basically a situation in which a person's role is also influenced by the desires of others so that they can intersect, and become unclear. Role stress appears often associated with role conflict, role ambiguity, and role overload [5]. Prior to this research, [16] examines role conflict on performance. The study uses 4 independent variables while this study only has 1 independent variable, namely role conflict, and also the study uses multiple regression analysis techniques while this study uses simple linear regression analysis. References [17] found that there is a significant negative impact of role conflict on performances. Moreover, [18] state that negative relationships between role ambiguity, role conflict and job performance can be explained by research that focuses on cognitive and motivational processes. Based on a cognitive perspective, role conflict should result in lower levels of performance since they represent a lack of information and information overload, respectively. The conceptual framework that will be examined in this study is role conflict as variable X and performance as variable Y. Based on the formulation of the problem above, the hypothesis in this study is: role conflict has a significant negative effect on the auditor's performance.

3. METHOD

Table 1. Simple linear regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	75.890	3.867		19.624	.000
	ROLE_CONFLICT	-1.239	.317	-.508	-3.915	.000

a. Dependent Variable: PERFORMANCE

3.1 Sample and Procedure

Hypothesis was tested on data collected from a sample derived from the Audit Board of Indonesia (BPK) in the East Nusa Tenggara (NTT). Sample in this study were 46 auditors from the Audit Board of Indonesia (BPK) in the East Nusa Tenggara (NTT). The technique used is simple random sampling. The sample represents more than 50 per cent (53.48% to be exact) of the total population of auditors, consisting primarily of males (70 percent). In addition, the distribution of the questionnaire was divided into two parts; the first part consists of the respondent's identities and the second part includes the respondent's responses to the influence of role conflict and performance.

3.2 Measures

The independent variable used in this study is role conflict (X), and the dependent variable is performance (Y). Role conflict was assessed by 7 items questions, while performance was assessed by 4 dimensions of quality of work, the quantity of work, task implementation, and sense of responsibility. Instrument validity and reliability testing in this study use correlation and the Cronbach Alpha method.

4. RESULT AND DISCUSSION

Instrument validity testing shows that each item of the variable is proven valid, seen from the Pearson correlation of each item greater than 0.284. Based on the two variables in this study, the reliability test shows that the Cronbach's alpha average value is above 0.60, which means that all variables in the study are reliable so that it can be used for further analysis.

Analyzed data in this study examined whether there is any influence of the role conflict on auditor performance. Data were analyzed by simple linear regression analysis using SPSS 21. The results obtained can be summarized in the following Table 1.

From the Table 1, we can see that the value of t-count is -3.915 while the significant value=0.000 which is smaller than 0.05. Thus, H1 is accepted and H0 is rejected, it means that there is a negative influence of role conflict on performance.

Table 2. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.508 ^a	.258	.241	5.134

a. Predictors: (Constant), ROLE_CONFLICT

b. Dependent Variable: PERFORMANCE

The constant value is 75.890 while the value of role conflict is -1.239. Based on the regression results, a constant value of 75.890 shows that if the role conflict's value is 0 (when there is no role conflict) then the performance value is 75.890. The regression coefficient of the role conflict variable -1.239, which means that if there is an increase in one point the role conflict variable, it will be followed by a decrease in performance variable by 1.239 points. Congruent with expectation, this finding supports the hypothesis and previous studies, as the result shows that simultaneous increases in role conflict are associated with increasingly lower levels of job performance. The coefficient of determination is used to determine the contribution percentage of the influence of independent variables on the dependent variable.

From the summary model on Table 2, the coefficient determination of R Square (R²) is 0.258. This means that 25.8% of the variable Y (performance) is influenced by variable X (role conflict), while the rest (74.2%) is influenced by other variables which are not discussed in this study, such as motivation, work ethic, and work environment [19].

The results of the descriptive analysis indicate the level of role conflict in the Audit Board of Indonesia (BPK) in the East Nusa Tenggara (NTT) is very high. The results of simple linear regression analysis shows that the independent variable (role conflict) has a negative influence on the dependent variable (auditor performance) with a constant value of 75.890 and a regression coefficient of -1.239. This research contradicts with the results of research by [20] which says that role conflict has no influence on performance. However, this study is in line with research conducted by [21], which shows that role conflict and role overload have a significant influence on auditor performance. The results of this study also support and in accordance with a research by [22], stated that there is a significant effect between individual work stress on employee performance. This means that there is an influence of role pressure in doing work on individual performance.

5. CONCLUSION

Based on the results of the analysis and discussion, it can be concluded that: (1) Descriptive analysis results show that the level of auditor's role conflict at the Audit Board of Indonesia (BPK) in the East Nusa Tenggara (NTT) is very high while the auditor's performance is high, (2) The results of hypothesis testing prove that role conflict has a negative and significant effect on auditor

performance in at the Audit Board of Indonesia (BPK) in the East Nusa Tenggara (NTT).

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