

The influence of intrinsic and extrinsic factors on the job satisfaction of the internal auditors of The State Islamic Universities in Indonesia

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ABSTRACT: Job satisfaction is a set of unpleasant feelings or not an employee of their work. This study aimed to examine and to analyze the influence of intrinsic and extrinsic factors to internal auditor job satisfaction of State Islamic University in Indonesia. The research data was obtained through a questionnaire as many (86) copies to internal auditor of State Islamic University in Indonesia. Data were analyzed using Partial Least Square (PLS). The results showed that the intrinsic factor consisting of (1) commitment the organization significant effect on job satisfaction, (2) work-family conflicts no significant effect on job satisfaction, (3) professionalism significant effect on job satisfaction, and extrinsic factors that consist of (1) leadership style have a significant effect on job satisfaction, (2) organizational culture significantly influence job satisfaction, (3) the salary / incentive significant effect on job satisfaction internal auditor of State Islamic University in Indonesia.

Keywords: intrinsic factors, extrinsic factors, job satisfaction, internal auditor

1 INTRODUCTION

Indonesia established a new breakthrough in the management of state finances by the ratification of Government Regulation No. 23 the Year 2005 on Financial Management of Public Service Agency (PSA) since 2005. In the regulation, the meaning of the PSA is an agency within the government which is established to provide services to the public in the form of provision of goods and/or services sold without prioritizing profitability and in carrying out its activities based on the principles of efficiency and productivity. PSA may perform its financial management based on the Financial Management System of Public Service Agency (FMS-PSA), which is a financial management system that provides flexibility to apply sound business practices to improve services to the public in order to promote the general welfare and intellectual life of the nation, as administered in the regulation.

In Indonesia, there are 16 units of SIU that have PSA and already have Internal Audit Unit (IAU) in each agency. In each IAU, the number of internal auditors varies depending on the size of the agency. SIU internal auditor function cannot be separated from the financial management function of PSA

which supports the head of PSA in conducting an assessment of the internal control system.

All internal auditors who work in every department want a maximum level of job satisfaction. Regarding the duties and functions of an internal auditor, the head of PSA must place high attention on job satisfaction of internal auditors. There are various factors that can affect job satisfaction from both internal (intrinsic) and external (extrinsic) sides of the internal auditor. Internal auditor's job satisfaction can be affected by organizational commitment, Suma & Lesha (2013), Raniyawati & Sasongko (2015), Arifah & Romadhon (2015), work-family conflict, Ahuja et al. (2002), Alfiandi (2006). Professionalism, Putri (2011), Solimun (2013), Style of Leadership, Raniyawati & Sasongko (2015), Arifah & Romadhon (2015), organizational culture, Raniyawati & Sasongko (2015), Angella (2015) and salary/incentives Yustiana (2014), Raniyawati & Sasongko (2015). The inconsistency of previous research results for some variables such as organizational commitment variable, work-family conflict, and organizational culture on job satisfaction becomes the motivation to re-examine these variables by doing this research on IAU SIU PSA in Indonesia. In addition, some suggestions from the previous

studies indicated that future study should be expanded to the area and the sample being studied should not only be one institution (Putri 2011, Aditya & Wirakusuma 2014, Nanda & Utama 2015, Raniyawati & Sasongko 2015 and Arifah & Romadhon 2015). As well as considering the addition of independent variables in accordance with research suggestions conducted by Cahyasumirat (2006), Badjuri (2009), Jadidah (2014), Oktaviani & Nurhayati (2014) and Sukmantari & Wirasedana (2015). Thus, this study added variables of work-family conflict, professionalism, leadership style, organizational culture, and salary/incentives as independent variables.

2. METHODS

2.1. Location and Research Design

This research was conducted at State Islamic University in Indonesia. This study aimed to test the hypothesis (hypothesis testing) which explained the effect of independent variables on the dependent one so that this type of research is hypothesis testing. The nature of this study was a correlation study that aims to find the important variables related to the problem in this research. Before measuring the extent of the relationship and the effect of independent variables on the dependent variable, each variable was defined and measured by its proxies. The research environment was the real environment (field setting) with the unit of analysis is the internal auditor on IAU SIU PSA.

2.2. Data Collection Method

Data collection method used in this study was distributing questionnaires. The data collection procedure was done by sending the questionnaire to the respondent institution.

2.3. Data Analysis Method

Analytical techniques answered the questions by collecting data that has been collected and analyzed to provide answers to the hypotheses that have been formulated. The data obtained were analyzed using Partial Least Square (PLS). Data analysis used in this research was data quality test and hypothesis testing.

3. RESEARCH RESULT

The results of the research instrument test namely test of reliability and validity revealed that all the constructs met the reliability criteria. That was indicated by the value of Cronbach's Alpha above 0.60 and composite reliability above 0.70 as the recommended criteria. The outer model value or the correlation between the construct and the variables initially did not meet the convergent validity because there were still many indicators that have a loading factor value below 0.60. The modified model is done by issuing indicators that have a value of loading factor below 0.60.

Inner model or structural model testing was administered to see the relationship between construct, significance value, and R-square of the research model. Assessment model with PLS is done by looking at R-square for the latent dependent variable. The R-square value for the Y variable is 0.524. These results indicate that 52.4% of job satisfaction variables can be influenced by organizational commitment variables, work-family conflicts, professionalism, leadership style, organizational culture, and salary/incentives.

3.1 *The effect of Organizational Commitment Variable (X1) on Job Satisfaction of Internal Auditor (Y)*

The result of the first hypothesis testing shows that the correlation of organizational commitment variable (X1) with job satisfaction (Y) shows the coefficient value of 0.266 with the t-value 3.655. The value is greater than the t-table (1.993) and the probability level is below 0.05 ($0.000 < 0.005$). These results indicate that organizational commitment has a significant effect on job satisfaction. This means the H1 hypothesis is accepted.

3.2 *The effect of Work-Family Conflicts Variable (X2) on Job Satisfaction of Internal Auditor (Y)*

The result of the second hypothesis test shows that the relation of work-family conflict variable (X2) with job satisfaction (Y) shows the coefficient value of -0.087 with the t-value of 0.737. The value is smaller than the t-table (1.993) and the probability level is above 0.05 ($0.461 > 0.005$). These results indicate that family-employment conflict has no significant effect on job satisfaction. This means the H1b Hypothesis is rejected.

3.3 *The effect of Professionalism Variable (X3) on Job Satisfaction of Internal Auditor (Y)*

The result of the third hypothesis test shows that the correlation of professionalism variable (X3) with job satisfaction (Y) shows the coefficient value of 0.201 with the t-value equal to 2.274. The value is greater than the t-table (1.993) and the probability level is below 0.05 ($0.023 < 0.005$). These results indicate that professionalism has a significant effect on job satisfaction. This means the H1c Hypothesis is accepted.

3.4 *The effect of Leadership Style Variable (X4) on Job Satisfaction of Internal Auditor (Y)*

The result of the fourth hypothesis test shows that the relationship of leadership style variable (X4) with job satisfaction (Y) shows the coefficient value of 0.243 with the t-value of 2.215. The value is greater than the t-table (1.993) and the probability level is below 0.05 ($0.027 < 0.005$). These results indicate that leadership style has a significant effect on job satisfaction. This means Hypothesis H2a is accepted.

3.5 *The effect of Organizational Culture Variable (X5) Against Job Satisfaction Internal Auditor (Y)*

The result of the fifth hypothesis test shows that the relationship of organizational culture variable (X5) and job satisfaction (Y) shows the coefficient value of 0.195 with the t-value of 2.015. The value is greater than the t-table (1.993) and the probability level is below 0.05 ($0.041 < 0.005$). These results indicate that organizational culture has a significant effect on job satisfaction. This means Hypothesis H2b is accepted.

3.6 *The effect of Salary/Incentives Variable (X6) on Job Satisfaction of Internal Auditor (Y)*

The result of the sixth hypothesis test shows that the relationship of salary/incentive variable (X6) and job satisfaction (Y) shows the coefficient value of 0.163 with the t-value of 2.082. The value is greater than the t-table (1.993) and the probability level is below 0.05 ($0.038 < 0.005$). This result means that salary/incentive has a significant effect on job satisfaction. This means the H2c Hypothesis is accepted.

4. CONCLUSIONS AND RECOMMENDATIONS

Based on the results and previous discussion, it can be concluded that organizational commitment has a significant effect on job satisfaction. This means that

loyalty to the organization gives a positive impact on job satisfaction of internal auditors at PTKIN in Indonesia. The higher the organizational commitment of the internal auditor, the greater the job satisfaction of the internal auditor; work-family conflicts have no significant effect on job satisfaction. This means that the increase in work-family conflict has a negative impact on job satisfaction of the internal auditors at SIU in Indonesia. The higher the work-family conflict that occurs in the internal auditor, the lower the job satisfaction that the auditor perceives in doing his job; Professionalism has a significant effect on job satisfaction. This means that higher professionalism gives a positive impact on job satisfaction of internal auditors at SIU in Indonesia. The higher the professionalism of an internal auditor, the higher the job satisfaction of the internal auditors; Leadership style has a significant effect on job satisfaction. This means that leadership style gives a positive impact on job satisfaction of internal auditors at SIU in Indonesia. The better the leadership style of the internal auditor's superior, the higher the job satisfaction of the internal auditor; Organizational culture has a significant effect on job satisfaction. This means that organizational culture gives a positive impact on job satisfaction of internal auditors at SIU in Indonesia. The more uniform organizational culture adopted by the internal auditor, the higher the job satisfaction perceived; Salaries/incentives have a significant effect on job satisfaction. It means that the increase of salary/incentive gives a positive impact on job satisfaction of internal auditor at SIU in Indonesia. The higher the salary/incentive of the internal auditor, the higher the job satisfaction perceived.

The sample used in this study is only limited to internal auditors at SIU in Indonesia. So for further research, it is suggested to expand the scope of research. Future research should consider adding independent variables or intervening such as the influence of position, organization size, work culture, work ethic, and motivation.

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