



Analysis of the Influence of Leadership Style and Motivation on Auditor Performance at the Ministry of Defense Inspectorate

Thontje Erwin P. Samadara^{1*}

¹Universitas Dirgantara Marsekal Suryadarma, Jakarta Timur, Indonesia, erwintoncell@gmail.com

*Corresponding Author: erwintoncell@gmail.com¹

Abstract: In an effort to achieve the organizational goals of the Inspectorate General of the Ministry of Defense of the Republic of Indonesia through effective and efficient supervision activities, an integral process is needed in the actions and activities carried out continuously by the leadership and all employees to provide adequate confidence. For this reason, high performance of the Auditor is required in completing tasks related to supervision, among others, audit, review, evaluation, monitoring, and other supervisory activities on the implementation of organizational duties and functions that are the responsibility of the Inspector General which is influenced by the work motivation of each Auditor. On the other hand, the work motivation of an Auditor can be influenced by the leadership style of a leader. This study aims to determine the influence of leadership style on the performance of Auditors through work motivation in the Inspector General of the Ministry of Defense. The type of research used is quantitative research, with a survey method. This study uses a sampling technique. In data analysis, the researcher used *the Partial Least Square statistical application*. The results of the study show that the participatory leadership style has a significant influence on the performance of the Auditor through the work motivation that exists in the Auditor.

Keywords: Leadership Style, Work Motivation, Auditor Performance.

INTRODUCTION

The development of the country's strategic and political environment raises public demands for the implementation of a clean and KKN-free government, so it is a must for the government through ministries and other state institutions to carry out a good supervisory function. For this reason, the role of the auditor is the spearhead for the implementation of this function. Good government financial management must also be supported by good audit quality. The government through Government Regulation No. 60 of 2008 concerning the Government Internal Control System (SPIP) aims to provide adequate confidence for the achievement of effectiveness and efficiency in achieving the objectives of implementing state government, reliability of financial reporting, security of state assets, and compliance with laws and regulations. In an effort to achieve the objectives of supervision effectively and efficiently, it is necessary to have the performance of the Auditor who can provide adequate confidence in

the results of supervision by optimizing the existing potential in the form of an effective leadership style, work motivation, independence, and competence. (Immanuel et al., 2023)

Auditor performance is one of the most important factors in achieving organizational goals. However, the performance of an Auditor can be affected by a variety of factors, including leadership and work motivation. Effective leadership will affect the performance of Auditors by directing, motivating, and developing the Auditor's abilities. On the other hand, work motivation is also a very important factor in improving the performance of Auditors. High work motivation can make Auditors more motivated to work effectively and efficiently. In its implementation, it still does not understand the importance of leadership and work motivation in improving the performance of Auditors. Therefore, this study aims to investigate the influence of leadership and work motivation on auditor performance. In the evaluation of the implementation of the annual work program, there are still non-compliance with laws and regulations by work units within the Ministry of Defense and the findings of the Indonesian Audit Board. Various efforts have been made to improve the performance of the Ministry of Defense Inspectorate, including improving the performance of Auditors.

Problem Formulation:

1. Does leadership have a significant influence on the performance of the Auditor?
2. Does work motivation have a significant influence on the performance of the Auditor?
3. Do leadership and work motivation have a significant influence on the performance of the Auditor simultaneously?

Theoretical Foundations

Definition of Audit

Audit for organizations is quite important because it has a great influence on the activities of the organization concerned. At the beginning of its development, auditing was only intended to find and find errors and fraud, then developed into a financial statement checker to provide an opinion on the correctness of the presentation of the organization's financial statements and also became one of the factors in decision-making. The definition of audit according to Simamora is a systematic process of objectively searching and evaluating evidence about economic events and actions to increase the level of conformity between the assertion with the set criteria, as well as communicating the results to interested users. Then according to Mulyadi (2008: 9) is a systematic process to obtain and evaluate evidence objectively regarding statements about economic activities and events, with the aim of determining the level of conformity between these statements and the set criteria and conveying the results to stakeholders. (Mirah Kusuma Putri & Badera, 2019)

Auditor Performance

Robert Montgomery 1913 in his book *Auditing Theory and Practice* is an accounting and auditing expert states that Auditors must have high competence in the field of accounting and auditing, and emphasizes the importance of auditor independence in conducting audits, in order to provide objective opinions. In addition, they must also have high analytical skills to be able to analyze data and information obtained during an effective communication ability audit. Thus emphasizing the importance of professional prudence, proper judgment and compliance with ethical standards in audits. The factors that affect auditor performance include experience, education, technical skills and a supportive work environment to improve auditor performance. These three things are important to ensure increased trust in the object of supervision and stakeholders, improve audit quality, and improve organizational performance.

According to Bernadin in 1993 (Sitanggang. 2005), there are six dimensions that can be used to measure employee performance, namely: (i) quality in doing a job; (ii) the quantity resulting from a work; (iii) timeliness to complete a job; (iv) effectiveness to complete a job;

(v) independence to perform and complete a job; and (vi) the work commitment shown by the employee to the organization he or she works for. According to this theory, the performance of the Auditor can be measured from the quality of audit results in the form of findings and recommendations that are compatible or actionable by the object of supervision. Second, it can effectively and efficiently complete supervision tasks in accordance with the existing time allocation and can be communicated well to.

Leadership

Leadership is the ability of individuals to influence, motivate, and make others able to contribute to the effectiveness and success of the organization (House in Yukl, 2015, p.3). In leading an organization, leaders have different leadership styles. Leadership style is a norm of behavior used by a person when that person tries to influence the behavior of others as he sees it (Thoha, 2010). According to Robbins & Coutler (2012:462).

According to Bernard Bass in his book "Leadership and Performance Beyond Expectations" (1985), leadership can be defined as the process of affecting, motivating, and directing individuals or teams to achieve predetermined goals. Bass also identified several characteristics of effective leadership, including; Transformational Leadership, that Leadership that can inspire and motivate individuals to achieve higher goals; Transactional Leadership That Leadership focuses on exchanges or transactions between leaders and subordinates; Charismatic Leadership That Leadership has the ability to inspire and motivate individuals through charisma and personality. Transformational Leadership Theory", which states that effective leadership must have the ability to Inspire, motivate, and develop individual abilities and skills to achieve higher goals. Third, Bernard Bass's leadership style, where a leader with this leadership style gives the Auditor the freedom to make decisions, and get the job done in the most appropriate way. A leader must realize that Human Resources is the key factor that has the most influence on organizational performance. In relation to his subordinates, the suitability of a leader's leadership style with the expectations desired by his employees can have a positive impact on his Auditors, namely they will have a high work morale.

In a study by Ida Bagus Kade Diva Jati Darma Kusuma and Ni Luh Sari Widhiyani The Influence of Independence, Organizational Commitment and Transformational Leadership Style on Auditor Performance in Public Accounting Firms of Bali Province concluded that if the auditor's attitude of independence, organizational commitment, and transformational leadership style is higher, then the auditor's performance will be better (Kusuma & Widhiyani, 2023)

Work Motivation

Motivation is the impetus for a series of human behavior processes to achieve goals. Meanwhile, the elements contained in motivation include elements of evoking, directing, maintaining, showing intensity, being continuous and having a purpose. (Wibowo, 2010). Motivation can spur Auditors to think and use their energy in doing their work to achieve company goals. Auditors with high work motivation will work with full discipline, initiative to carry out their responsibilities to do their work more effectively and efficiently. If the work motivation of the Auditors is high, the Auditors can have good performance as well. Therefore, strong motivators from external parties are needed.

In his book Intrinsic Motivation (1971), Edward Deci with his theory of intrinsic and extrinsic motivation, which he presented. He argues that intrinsic motivation is motivation that comes from within the individual, while extrinsic motivation is motivation that comes from outside the individual. Deci suggests that intrinsic motivation can be divided into three components, namely; individuals feel they have control over their own actions (Autonomy); individuals feel they have the ability to do something (Competence) and individuals feel they

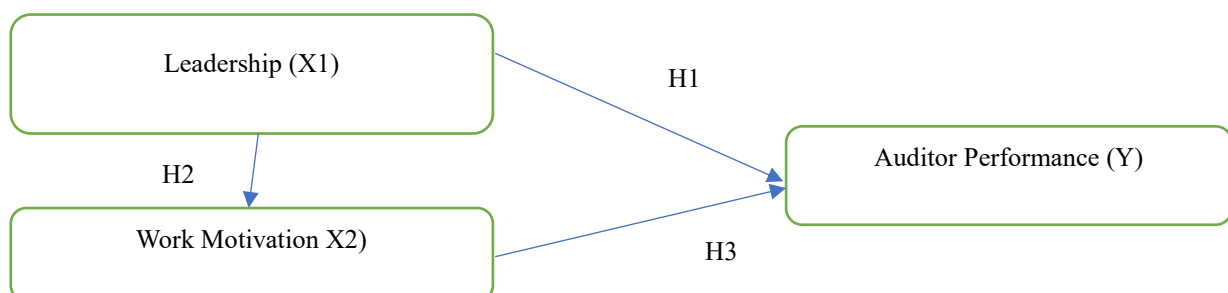
have good social relationships with others (Relatedness). Intrinsic motivation is stronger and more durable than extrinsic motivation, as it comes from within the individual, while extrinsic motivation can reduce intrinsic motivation, as individuals may feel that they are only doing something because there is an appreciation or pressure from the outside. This theory has implications including; can be used to increase intrinsic motivation in individuals, by increasing autonomy, competence, and social relationships; It can be used to develop effective motivational strategies, by paying attention to individual differences and developing strategies that suit individual needs and is used to improve performance and job satisfaction, by increasing intrinsic motivation and developing effective motivational strategies. (Yosepha et al., 2024)

Albert Bandura (American psychologist), stated that intrinsic and extrinsic motivation is influenced by cognitive processes consisting of Self-Efficacy, which is an individual's belief in their ability to do something; Expectancy is the individual's belief about the results that will be obtained from doing something and Goal is the goal that the individual wants to achieve. Intrinsic and extrinsic motivation can be influenced by this cognitive process. For example, if an individual has a high self-perception and positive expectations about the results to be obtained, then they will be more motivated to do something. This condition will have implications including; Increase Motivation by Increasing Self-Perception; By developing realistic goals, then individuals can have positive expectations about the results to be obtained and By increasing individual expectations about the results to be obtained, then their motivation can increase.

Nuhamidah Pulungan, SE, MM in her research entitled Factors Affecting Auditor Performance, that auditor performance is influenced by ethical orientation, professional commitment, audit experience, job satisfaction and motivation, in addition to Jailani Sidik and Devi Safitri in their Journal entitled Work motivation moderates the influence of organizational commitment, leadership style and role ambiguity on auditor (2105-Article Text-8662-1-10-20230213 , n.d.) performance(Work motivation moderates the influence of organizational commitment, leadership style, and ambiguity role on auditor performance) wrote that the results of the hypothesis test show that work motivation moderates the relationship between organizational commitment, leadership style, and role ambiguity affects auditor performance. Contribution: In accordance with his or her responsibility to deliver good audit results and reliability, the auditor must not only have competence but also relate to the involvement of organizational commitment, leadership style, and the ambiguity of the roles that exist within the auditor. It is necessary to improve the performance of auditors, so as to increase the trust of financial statement users in the results of financial statement audits based on applicable audit standards. (Sidik & Safitri, 2020)

Frame Mind

This study aims to reveal how leadership and work motivation affect the performance of auditors at the Inspectorate General of the Ministry of Defense of the Republic of Indonesia. The framework of this research is that effective leadership and good work motivation together and simultaneously will have a positive impact on the performance of auditors at the Inspectorate General of the Ministry of Defense of the Republic of Indonesia.



- X11 is a transformational leadership style concerning vision, drive for innovation and related to the needs and interests of auditors
- X12 is leadership Transactional style concerns leadership feedback on auditor performance and leadership responses to problems that arise
- X13 is participatory leadership that involves the auditor in decision-making, the encouragement to be involved in discussions and the leadership pays attention to the auditor's opinion
- X21 is an intrinsic motivation related to satisfaction when completing audit tasks well then motivated to improve work or performance in audits and the desire for work results in audits has a positive impact on the organization
- X22 is an extrinsic motivation related to adequate auditor salaries and benefits and satisfaction with promotion and career development opportunities and feels that there is recognition and appreciation from superiors and colleagues in adequate audits while
- X23 is a motivation related to work in the audit team, communication between team members and team awareness and responsibility.
- Y1 is an indicator of audit quality. that the auditor has the ability to identify and evaluate audit risks, the ability to plan and execute the audit effectively and the auditor has the ability to accurately identify and report audit findings
- Y2 is related to efficiency and effectiveness indicators, namely having the ability to complete audits within a predetermined time, auditors having the ability to use audit resources effectively and having the ability to improve audit quality continuously
- Y3 Indicators of the ability to communicate effectively with the audit team, have the ability to work closely with the audit team and the audit object to achieve the audit objectives and the ability to handle conflicts and opinions effectively within the audit team.
- H1: Leadership style affects Auditor performance
- H2: Leadership style affects work motivation Auditor
- H3: Work motivation affects Auditor performance

METHOD

The research method used is quantitative research with a survey method. Quantitative research is a type of research based on the philosophy of positivism, used to research on a specific population or sample. The sampling technique was carried out randomly. Data collection using research instruments, data analysis is quantitative with the aim of testing the hypothesis that has been determined (Sugiyono, 2012. p.14).

Population and Sample

Population and Sample In this study, the population studied was 78 Auditors in the Inspectorate of the Ministry of Defense. The sample studied was 52 respondents. The sampling technique used is probability sampling. Where Probability sampling is a sampling technique that provides an equal opportunity for each element or member of the population to be selected as a sample element (Supriyanto, 2009, p.126). This study uses simple random sampling where every Auditor at the Inspectorate of the Ministry of Defense has the same opportunity to be taken as a sample. The type of data used in this study is primary data. Primary data is in the form of the opinion of the subject (person) individually or in groups, the results of observation of an object (physical), events or activities and test results (Indriantoro and Suparmo, 1999). Primary data in this study was obtained through a survey method using a questionnaire to respondents. The data collected is nominal and ordinal data, especially those related to the identity or characteristics of the respondents. Meanwhile, the data related to likert scale answers between 1-10 is basically ordinal data. The method of determining the sample used is the purposive sampling method. The criteria for determining the sample in this study are auditors

who have participated in the implementation of audits and have at least 1 year of work experience.

Data Analysis Techniques. The data analysis technique uses Partial Least Square (PLS version 3). According to Abdillah & Hartono (2015:164), Partial Least Squares (PLS) is a statistical analysis method used to build structural models and measure relationships between variables. According to Abdillah & Hartono, PLS is a very useful technique in complex data analysis, especially when the data has certain characteristics such as multicollinearity or small sample size, there are 2 models in PLS, namely the measurement model used for validity and reliability tests, and the structural model used for causality tests. Abdillah & Hartono (2015:194) said that the validity test was carried out to determine the ability of the research instrument to measure what should be measured. In this study, the validity test uses convergent validity and discriminatory validity.

RESULTS AND DISCUSSION

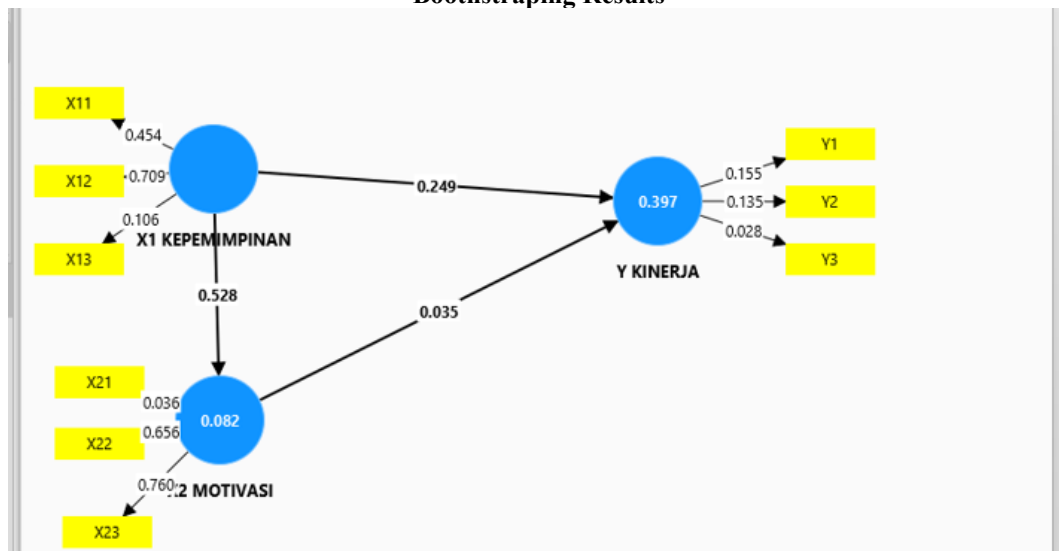
The Inspectorate General of the Ministry of Defense of the Republic of Indonesia is an organization under the responsibility of the Minister of Defense has the task of organizing Internal Supervision within the Ministry of Defense and Internal Supervision of administrative support within the TNI. In carrying out the duties of carrying out functions, among others; i. preparation of technical policies for Internal Supervision within the Ministry of Defense; ii. the implementation of Internal Supervision within the Ministry of Defense on performance and finance through Audit, Review, Evaluation, Monitoring, and Other Supervision Activities with the target of budget allocation, non-tax state revenue management, financial management of public service agencies and asset utilization; iii. the implementation of supervision for certain purposes on the assignment of the Minister; iv. preparation of reports on the results of supervision within the Ministry of Defense; v. the implementation of the administration of the Inspectorate General; and the implementation of other functions given by the Minister of Defense. In the evaluation of the implementation of the annual work program, there are still non-compliance with laws and regulations by work units within the Ministry of Defense and the findings of the Indonesian Audit Board. Various efforts have been made to improve the performance of the Ministry of Defense Inspectorate, including improving the performance of Auditors. Responding to these conditions, the Leadership has decided to carry out technical guidance involving all Auditors in an effort to improve Competence on the other hand in an effort to improve performance by building cooperation between auditors.

Table of relationships between Variables

	X11	X12	X13	X21	X22	X23	Y1	Y2	Y3
X11	1.000	0.236	0.078	0.004	0.161	0.103	-0.402	-0.185	0.030
X12	0.236	1.000	-0.095	0.207	-0.282	-0.002	-0.062	0.286	0.054
X13	0.078	-0.095	1.000	-0.231	-0.111	-0.121	0.049	0.379	0.050
X21	0.004	0.207	-0.231	1.000	0.218	-0.243	0.105	0.318	0.399
X22	0.161	-0.282	-0.111	0.218	1.000	0.036	-0.099	-0.307	0.246
X23	0.103	-0.002	-0.121	-0.243	0.036	1.000	0.169	-0.081	0.191
Y1	-0.402	-0.062	0.049	0.105	-0.099	0.169	1.000	0.311	0.299
Y2	-0.185	0.286	0.379	0.318	-0.307	-0.081	0.311	1.000	0.411
Y3	0.030	0.054	0.050	0.399	0.246	0.191	0.299	0.411	1.000

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X11 <- X1 KEPEMIMPINAN	-0.417	0.047	0.557	0.748	0.454
X12 <- X1 KEPEMIMPINAN	-0.212	0.229	0.568	0.373	0.709
X13 <- X1 KEPEMIMPINAN	0.874	0.332	0.540	1.618	0.106
X21 <- X2 MOTIVASI	0.926	0.548	0.441	2.100	0.036
X22 <- X2 MOTIVASI	0.281	0.133	0.630	0.446	0.656
X23 <- X2 MOTIVASI	0.139	0.042	0.455	0.306	0.760
Y1 <- Y KINERJA	0.626	0.457	0.440	1.423	0.155
Y2 <- Y KINERJA	0.836	0.575	0.559	1.496	0.135
Y3 <- Y KINERJA	0.763	0.615	0.347	2.200	0.028

Boothstraping Results



	X1 KEPEMIMPINAN	X2 MOTIVASI	Y KINERJA	
X11	-0.417	0.051	-0.219	
X12	-0.212	0.195	0.163	
X13	0.874	-0.284	0.248	
X21	-0.215	0.926	0.385	
X22	-0.176	0.281	-0.095	
X23	-0.160	0.139	0.093	
Y1	0.240	0.166	0.626	
Y2	0.431	0.275	0.836	
Y3	0.030	0.487	0.763	

Descriptive Analysis

The analysis discusses each of the variables and indicators associated with this study, namely leadership, motivation, and auditor performance. Each variable will be analyzed based on the results of the measurements given, including the coefficient value, the 'p' value, and the relationship between the variables.

1. Leadership (X11, X12, X13)

Transformational Style Leadership (X11):

- a. **Description:** This transformational leadership focuses on vision, innovation, and meeting the needs, and interests of auditors.
- b. **Analysis:** From the data, Transformational Style Leadership has a p-value of 0.454, which shows that its effect on auditor performance is not significant. This shows that while transformational leadership is important in creating a positive work environment, its impact on auditor performance is not strong enough to be considered significant.

Transactional Style Leadership (X12):

- a. **Description:** The leadership style relates to leadership feedback on auditor performance and responses to issues that arise.
- b. **Analysis:** The 'p' value for Transactional Style Leadership is 0.709, which indicates that the effect is also insignificant. Although there was a positive relationship with efficiency (Y2) of 0.286, this showed that leadership feedback had not sufficiently affected the overall performance of auditors.

Participatory-Leadership (X13):

- a. **Description:** the Participatory leadership involves the auditor in decision-making and encourages discussion.
- b. **Analysis:** Participatory leadership has a 'p' value of 0.106, which is close to the limit of significance. This suggests that while insignificant, there are indications that engaging auditors in decision-making can contribute positively to performance.

2. Motivation (X21, X22, X23)

Intrinsic Motivation (X21):

- a. **Description:** Associated with satisfaction when completing audit tasks well and a desire to improve performance.
- b. **Analysis:** Intrinsic Motivation shows a 'p' value of 0.036, which indicates that its influence on auditor performance is significant. This shows that intrinsic motivation has a strong positive impact on auditor performance, which shows the importance of internal factors in driving performance.

Extrinsic Motivation (X22):

- a. **Description:** Related to salary, benefits, promotions, and recognition from the employer.
- b. **Analysis:** This 'p' value of 0.656, Extrinsic Motivation shows that the influence of extrinsic motivation is not significant on auditor performance. This shows that external factors such as salaries and allowances are not enough to motivate auditors to improve the performance of auditors.

Teamwork Motivation (X23):

- a. **Description:** Related to cooperation within the audit team and communication between team members.
- b. **Analysis:** The 'p' value for Teamwork Motivation is 0.760, which suggests that the effect is also insignificant. This shows that while teamwork is important, this factor does not have a strong impact on auditor performance.

3. Kinerja (Y1, Y2, Y3)

Audit Quality Indicator (Y1):

- a. **Description:** The auditor's ability to identify and evaluate audit risks and report audit findings.
- b. **Analysis:** Audit Quality has a 'p' value of 0.155, which indicates that the influence of independent variables on audit quality is not significant. This shows that while audit quality is important, the factors analyzed are not strong enough to influence that quality.

Efficiency Indicator (Y2):

- a. **Description:** Assesses the auditor's ability to complete audits on time and use resources effectively.
- b. **Analysis:** Efficiency Indicator shows a p-value of 0.135, which also indicates that the effect is not significant. Although there was a positive relationship with transactional (X12) and participatory (X13) leadership, the influence was not strong enough to be considered significant.

Communication and Cooperation Ability Indicators (Y3):

- a. **Description:** Assesses the auditor's ability to communicate and work closely with the team.
- b. **Analysis:** Communication and Cooperation Ability shows a p-value of 0.028, which means the influence is significant. This shows that auditors' communication and cooperation skills have a strong positive impact on performance, demonstrating the importance of interpersonal skills in the context of auditing.

4. 'p' value of 0.082 on Motivation

- a. A p-value of 0.082 indicates that the influence of motivational variables (most likely extrinsic motivation or other related variables) on auditor performance is close to the limit of significance. In many research contexts, the commonly used significance level is 0.05. Therefore, although 0.082 doesn't reach significance, it suggests that there is an indication that motivation may have a relevant influence on the auditor's performance.
- b. In this context, although not statistically significant, a p-value close to 0.05 may indicate that there is a relationship that needs further attention (research), especially in the context of motivation development to improve performance.

5. P Value 0.397 on Performance

- a. The p-value of 0.397 indicates that the measured influence on auditor performance is not significant. This means that the variables analyzed (perhaps related to leadership or other factors) do not have a strong enough impact to be considered statistically influential on performance.
- b. In studies, a p-value greater than 0.05 generally indicates that there is not enough evidence to reject the null hypothesis, meaning that there is no significant influence of the variable on auditor performance.

CONCLUSION.

From the above analysis, it can be concluded that H1, H2 and H3 are rejected with the following explanation:

1. **Leadership:** Leadership styles, whether transformational, transactional, or participatory, exhibit varying influences on performance. However, only participatory leadership comes close to significance.
2. **Motivation:** Intrinsic motivation was shown to be significant in improving auditor performance, while extrinsic motivation and teamwork did not show a significant influence.
3. **Performance:** Indicators of auditor communication and cooperation are significant factors in improving performance, while audit quality and efficiency do not show a strong influence of the variables analyzed.

This analysis shows that to improve auditor performance, focus should be placed on developing intrinsic motivation and improving communication and teamwork skills.

Recommendations

1. Further research with larger samples or additional variables is needed to explore this relationship more deeply.
2. Given these results, organizations may want to focus on developing auditors' communication capabilities as a step to improve overall audit performance.

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