

# The Influence Of Dysfunctional Behavior And Individual Culture On Audit Quality

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**ABSTRACT:** *Dysfunctional behavior and organizational culture affects the quality of audit. Partially, dysfunctional behavior has negative and significant effect on the quality of audit. The decline of the audit quality is due to the auditors do not research of financial accounting standards, set a materiality level lower than it should, do not review more intensively of client documents, remove most of the time the audit has been spent in audit process and remove the difference between the actual time and time budget audit. Whereas, organizational culture has positive and significant effect on audit quality. The improve of the audit quality is due to the auditors do not feel stress when they have audit process, less work and competition among them.*

Keywords: Dysfunctional Behavior, Organizational Culture and Audit Quality

## INTRODUCTION

Since ENRON, a giant company in the U.S. committed a horrendous scandal colluded with Arthur Anderson LLP. This scandal started with the inside story of the destruction of thousands of e-mails and other documents related to the Enron audited by officials at the audit firm Arthur Andersen. According to the Asian Wall Street Journal, it caused Andersen LLP clients switched to other auditors. They are Deloitte and Touche (10 %), KPMG (11 %), Price water house Cooper (20 %), and Ernst & Young (28 %). And the rest switched to other small auditors or did not know where to move (40%) **zone-new [20]**. Unethical and undignified behavior by Arthur Anderson LLP was not only detrimental to the investors, but also had a negative impact on the auditor who had worked at the Firm. It is a big challenge for auditors in the future to be able to restore public trust in the accounting profession, to work in accordance with professional ethics and standards set in this service industry competition. In order to compete in this service industry, quality control and quality audits must be performed by each Certified Public Accountant (CPA) to have disciplinary process and quality monitoring, especially to the public accountants and Certified Public Accountant (CPA) audit the issued financial statements. It is important for the public to believe that their interests are the primary consideration in determining whether members of the profession are guilty or not and that the public believe that audit quality has gone through an independent review process. Timeliness of auditor's work completion is also one of the criteria for measuring the audit quality due to auditor activity is a professional. The auditor must have adequate planning in working during the audit process. There is a time budget in this planning. The pressure of time budget may affect auditor performance in decision making and implementation of audit procedures. The positive influence of the time budget pressure is the high performance of the auditors to complete the work on time. Whereas the negative influence of time budget pressure is potentially create professional attitude actions that can affect the audit quality and resulted audit reports.

Dysfunctional behavior due to pressure of time planning is premature sign off on the audit program before completing one or more of the required audit procedures and underreporting of time (not reported in real time to avoid or minimize excessive budget). It improves with increasing pressure of time planning. This will be a serious threat to audit quality and a trust in accounting profession as it will affect the reliability of audit reports when the auditors make opinion basis. According to Hunt & Vitell (1986) in **Khomsiyah and Nur Indriantoro [10]**, that the ability of a professional to understand and be sensitive to the issue of ethics in the profession is strongly influenced by the culture or society where he works and also from his personal experiences. Audit quality resulted in audit process is from the CPA firm's habit or culture that audit the financial statements of client. Every accountant who works at a CPA firm will have a different culture among the other accountants. Different cultures among them will lead to a large organizational culture. Thus, the corporate culture cannot be separated from individual culture. Organizational culture reflects the employee behavior in all layers. However, the internalization, alignment, and understanding of the corporate culture are needed. Role models and culture builder run by the leader will be very helpful and encourage the implementation of corporate culture by all employees at any level. With full commitment and awareness of employees hence the company will get benefit and achieve the purpose in the longer term. The purpose of this study are: 1). Finding out how much dysfunctional behavior has an influence on the audit quality at CPAs in Bandung City; 2). Finding out how big the organizational culture has an influence on the audit quality at CPAs in Bandung City; 3). Finding out how much dysfunctional behavior and organizational culture has an influence on the audit quality at CPAs in Bandung City.

## LITERATURE REVIEW AND HYPOTHESES

### Dysfunctional behavior

Human behavior is a function of the interaction between the person or individual and his environment (**Nadler, Hackman, and Lawler, 1979**) as cited by **Thoha [17]**. Individual brings his abilities, personal beliefs, expectations, needs, and past experiences into the organization. These characteristics belong to the individual, and these will be taken by him when he is about to enter a new environment,

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the organization or the other. The organization is an environment for individuals who have the characteristics as well. The characteristics that belongs to an organization such regularity embodied in hierarchy, jobs, tasks, authorities and responsibilities, payroll systems, control systems, and so forth. If individual characteristics interact with the organization, it will be realized an individual behavior in organizations. Behavior is all conducted by a person **Gibson, Ivancevich, Donnelly, and Konopaske [5]**. Behavior, is speaking to a manager, listening to a manager, listening to a coworker, documenting a report, inserting memo into a word processor, and putting the complete unit into the inventory. The behavior depends on variables such as the type of the original formula Kurt Levin,  $B = F(I, E)$ : Worker behavior (B) is a function of individual variables (I) and environment (E). Dysfunctional behavior is not only irrational human tendencies, but also a rational action against respond to the existing controls and processes **Hartmann, 2000 in Soobaroyen, [15]**. Furthermore, where the controls will impact on performance evaluation and reward, is also seen as having an impact on managerial stress and tension, which would lead to dysfunctional actions. Opinions of **Griffin et al in Ghozali and Setiawan [8]**, defines that dysfunctional behavior is motivated by an employee or group of coworkers who has negative consequences for the individual in the organization, the group of individuals in the organization, and / or the organization itself. According to a researcher, **Jaworski and Young (1992) cited by Soobaroyen [15]**, dysfunctional behavior is defined as "...actions in which a subordinate [purposefully] attempts to manipulate elements of an established control system for his own purposes.." In the context of auditing, the act of manipulation or fraud committed by the auditor is a manifestation of dysfunctional behavior. Dysfunctional behavior is an auditor behavior that manipulates against the audit quality programs and regulations that have been established **Donnelly et al, [6]**. Thus this dysfunctional behavior exhibit the auditor manipulate the audit process in order to achieve individual performance that has been established, in which the results of dysfunctional behavior is decline of audit quality as the sacrifices required by auditors in order to survive in the environment audit **Donnelly, Quirin, & O'Bryan [6]**. **SAS No. 82 in Donnelly et al [6]** stated that the attitude of the auditors accept dysfunctional behavior is an indicator of actual dysfunctional behavior. Dysfunctional Audit Behavior is a reaction to the environment. "Some of the dysfunctional behaviors that endanger the audit quality are: underreporting of time, premature sign off, altering / replacement of the audit procedure. Underreporting of time lead to poor personnel decisions, cover the needs of the revised budget, and produce unknown time pressure an audit in the future. Premature sign-off (PMSO) is a condition that indicates the auditor to stop one or more of the required audit steps in the procedure without replacing the others". **Marxen in Christina [2]**. The pressures of time budget and personality types are related to the emergence of dysfunctional behaviors such as premature sign-off. While the underreporting of time behavior is systematically related to the level of moral reason auditors **Kelly and Margheim (1990)** and **Ponemon in Golembiewski [7]**. Several studies have reported that the accountants showed the opposite behavior to the rules that applied in their

organization. Some factors are related to dysfunctional behavior has been considered, but it still need more information because this behavior can lead to potential serious consequences.

### Premature Sign-off

Reduced Audit Quality behaviors (RAQ) described by **Malone and Roberts (1996)** in (**Weningtyas, Setiawan, and Triatmoko [18]**) as actions taken by the auditors during work in which it can reduce the accuracy and effectiveness of audit evidence collection. On one hand, the auditors must meet professional standards that encourage them to achieve a high level of audit quality, but on the other hand, they face cost barriers that make them have a tendency to degrade the audit quality. One of audit quality reduction behaviors (behaviors RAQ) is the premature termination of the audit procedures; **Coram, et al., [4]**. Premature sign-off appears when auditors do not complete the audit steps or misrepresent the amount of audit verification, **Golembiewski [7]**. This action relates to the termination against required audit procedures, do the job incompletely and ignore audit procedures but they have a courage to disclose an opinion on their audited financial statements. Unlike the underreporting of time (where his work has been done), premature termination of audit procedures directly affect the audit quality and infringe the professional auditor standards (**Shapeero, Koh, Killough [13]**). According to **Shapeero, Koh, Killough, 2003 [13]** concluded that the failure in audit more frequently due to the removal of important audit procedures because they are not used / specified. Furthermore, the audit failure does not only improve operating costs of CPA, but also complicate the ability of CPA to retain an experienced auditor **Dalton et al in Shapeero, Koh, Killough [13]**. If an experienced auditor out of the CPA firm and replaced by an auditor who has less experience, then the potential for the activities under standard will more improve. This behavior can also lead to an improve in lawsuits against the auditors. Probability of auditor in making wrong judgment and opinions will be higher, if one / several steps in the audit procedure are eliminated.

### Underreporting of Time

Various studies suggest in determining a realistic budget and deadlines which is one of the important actions that should be carried out by a company to encourage the staff in order to survive in the public accounting world. To determine a realistic budget, companies need data such as the amount of time spent in the previous tasks **Smith, Hutton, and Jordan [14]**. The accountant instead, always report accurately in terms of time. Commonly, inaccuracy is underreporting, report less time than the actual time **Kartika and Wijayanti [9]**. Underreporting behavior can lead to a variety of issues related to the productivity, employee turnover, and morality **Smith, Hutton, and Jordan [14]**. Underreporting of Time occurs when the auditors do not record overall time completion of the audit into audit report to prevent over budget. Known as "time consuming" in auditing the firms. There will have unintended consequences such as inaccurate evaluation of staff, loss of CPA revenues, unrealistic budgets in the future, and a decline of audit quality in the next time **Commission on Auditors' Responsibilities Report in**

**Soobaroyen [15], Shapeero, Koh, and Killough [13]** stated some of the reasons why accountants always exceeds the time budget set:

1. The increasing complexity of tasks,
2. Problems created by the client,
3. Inefficiency accountants, and
4. Unrealistic time budget.

Underreporting of time also shows an indirect effect on the quality of audit (**Smith 1995; Kelley and Margheim 1990; Lightner et al. 1982 in Donnelly et al [6]**). Underreporting of time triggers errors in decision-making and time limitation of the revised time budget. Underreporting behavior has a different effect when it compared to the premature termination of audit procedures (auditing process has been implemented). Underreporting activities will make an auditor look more productive and still be able to maintain his work quality. However, these activities will lead to improper time budget in the future that may cause loss of audit quality, because the auditor may terminate specified audit procedures or audit under standard set in order to finish on time or less than specified time. Thus Underreporting affects indirectly the quality of auditor work.

### Organizational culture

There are individual culture and organizational culture (corporate culture). organizational culture is: *“Organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning is, on closer examination, a set of key characteristics that the organization value”* (**Robbins [11]**). Meanwhile, according to **Anwar Prabu Mangkunegara [1]**: *“A set of assumptions or belief systems, values and norms that are developed within the organization that made the guidelines of behavior for its members to address the external adaptation and internal integration problems”*. Hofstede has derived cultural concept from mental programs differentiated into three levels (**Hofstede 1980: 15**), they are: 1) Universal level, mental program possessed by all human beings. At this level the mental program entirely inherent in human beings. 2) Collective level, the mental program possessed by some people. At this level the mental program specific to the group or category, and can be learned. 3) Individual level, which is unique mental program possessed by only a person, two people will exactly not have the same mental program. At this level a small part of mental program inherent in a man, and others can learn from community, organizations or other groups. **Chairuman Armia [3]**. From all definitions of the experts, the writer conclude that organizational culture can be defined as well as individual culture because it is essentially a cultural organization born from the mixing of different individual cultures in an organization. Thereby organizational culture or individual culture is a characteristic applies to an individual or an organization that is used as a way of life in the organization.

### Dimensions of individual Culture

According to **Robbins [11]**, organizational culture can be measured by knowing some indicators in any objective factors formulated in statement packed in respondent questionnaire, they are:

1. Innovation and risk-taking. New ways to work, attitude of leaders to support employees in innovating, interesting work to innovate, challenging work, work units to take risks, calculated risks in advance.
2. Leadership. The leader attentions to his employees work in details, a leader who want a perfect work, prioritize accuracy.
3. Orientation to results. Work unit that prioritizes outcomes rather than process, the leader that emphasizes achieving results rather than process.
4. Orientation to person. A profitable job offers for employees, work unit that who pay attention to employee satisfaction, reward, punishment for the negligent, justice priority and interests of employees.
5. Orientation to a team. Grouping of team work, teams according to their function, good cooperation between the team.
6. Aggressiveness. Work unit who always encourage employees to work, work unit that want to keep superior of the others, emphasize hard work and punctual, aggressive work unit on duty.
7. Stability. Work unit that has the vision and mission, good work, an effort to develop, work unit who is able to adapt to its environment, good career system, work orientation prioritizes to public.

Hofstede (1980) in **Chairuman Armia [3]**, based on the analysis of factors, there are four dimensions of mental programs empirically:

#### 1. Power distance

Is a cultural dimension indicates inequality for members who have no power in such institutions (family, school, and community) or organization (place of work). This distance depends on the social, education and occupation level. For example, politicians may like status and power, businessman like wealth and power, and so on. This inequality may occur in society (the difference in mental and physical characteristics, social status, wealth, power, rules, laws, and rights), family, school, and workplace / organization (visible on the organizational structure and the relationship between the boss-subordinate). The power distance norm is related to: 1) desirable or undesirable inequality level; 2) dependence and interdependence level in society. The value of this inequality is inherent in power value practiced in society. The difference of values lead to differences in interpreting something. **French dan Raven (1959)** classify social power base in 5 types: *reward power, coercive power, legitimate power* (based on the rules / law), *referent power* (based on a person's charism) and *expert power*. The difference of this power has consequences on the political system, religious life, ideology, and organization. Measurements used by **Hofstede** in **Chairuman Armia [3]** power distance levels are:

- a. Geographic breadth (the wider it is, the lower power distance level become);
- b. Large population (the larger it is, the higher power distance level become);
- c. Prosperity (the more prosperous it is, the lower power distance level become). High level of



prosperity represented by the measures: lack of traditional agriculture, technology is more modern, more urban life, more social mobility, better education system, and more mid-level societies.

## 2. Uncertainty avoidance

Is a cultural dimension indicates the nature of society to face unstructured, vague and unpredictable cultural environments. Society could do this uncertainty avoidance with technology, law, and religion. Technology is used to assist in defending ourselves from the uncertainty caused by nature. Law is used to defend ourselves from uncertainty other people behavior. Religion is used to accept the uncertainty that cannot be maintained by the man himself. Uncertainty in an organization relates to the environment concept associated with something beyond company controls. Theories related to the uncertainty used commonly in the organization are: 1) Decision making theory in uncertainty conditions; 2) Contingency theory; 3) Strategic behavior theory. Uncertainty avoidance in organizations is conducted with technology, regulations, and ordinances (rituals). The technology is used to create the short-term prediction of achievement. While regulations and ordinances are used to reduce the uncertainty due to unpredictability organizational behavior. Measurements used in measuring the Uncertainty avoidance are:

1. Orientation of rules,
2. Worker Stability,
3. Stress.

## 3. Individualism versus Collectivism

Is a cultural dimension shows the attitude of family and self-interest as a common interest in a group. It also occurs in the community and organization. In organizations, people who have Collectivism dimension require a greater dependency emotional than those who have individualism dimension (**Hofstede, 1980:217**). Some factors affect the individualism level are: education level, organization history, size of organization, technology used in the organization, and subculture adopted by the organization concerned.

## 4. Masculinity versus Femininity

Is a cultural dimension shows different roles in every society depending on the types. In masculine societies, considered that men should be more ambitious, love to compete, and courageously declare their opinions, and tend to try to achieve material success. In feminine societies, men are expected to pay more attention to the quality of life compared with the material success. Furthermore, it is explained that society describes the nature of masculinity and femininity. So the point of view is not the gender.

### Characteristics of Organizational Culture

Organizational culture is relatively varied according to its characteristics. **Anwar Prabu Mangkunegara [1]**, there are some characteristics of organizational culture:

1. Visible individual behavior
2. Applicable norms in the organization
3. Dominant values in organizational life
4. Management Philosophy

5. Applicable regulations
6. Organizational climate
7. Initiative of individual organization
8. Tolerance of risk
9. Directing leader (management)
10. Integration of work
11. Management support (leader and managers)
12. Supervision of work
13. Identity of individual organization
14. Work performance award system
15. Tolerance towards conflict
16. Work Communication patterns

According to **Robbins [11]**, derive main characteristics of the organization values into the 10 characteristics the essence of the organizational culture:

1. Individual initiative: responsibility, freedom, and individual independence.
2. Risk tolerance: assessing the employees to be aggressive, innovative, and courageously encounter considerable risks.
3. Direction: assessing the organization's ability to create obvious goals and expectations of work performance.
4. Integration: assessing units in the organization encouraged to work in a coordinated way.
5. Management support: assessing how managers provide obvious communication, help and support for their employees.
6. Control: the level of direct regulation and supervision used to monitor and to control employee behavior.
7. Identity: assessing the members to identify themselves within the organization as a whole rather than specific working groups or professional expertise field.
8. Reward system: assessing the allocation of reward system (salary improves, promotions, etc.) in the organization based on employee performance criteria.
9. Conflict tolerance: assessing any feedbacks, suggestions, and conflict among working groups.
10. Communication patterns: shows the formal hierarchical boundaries in communicating with each other.

Based on the explanation above the writer concludes that each character is determined on low to high conditions. Based on these characteristics will be obtained different cultures formed by the interaction between leaders and members of the organization. "**Manusia Indonesia Kini ala Mochtar Lubis**" written by **Amarildo** and quoted by **Wahyuancol [20]** mentioned Indonesia human characters, they are:

### 1. Hypocrite

It is one of Indonesian characteristics. For example, Indonesia led by religious men who wear religious symbols such as name and clothes. But there are still found many places of prostitutions. Speeches about virtue and wisdom are everywhere, spoken and heard, but corruption is still rampant. Hypocrisy in Indonesia has been reaching various aspects now days.

## 2. Not responsibility

The word "not me" is a savior word facing something bad. Escape from responsibility by saying "I just do the job as the boss told" is the most potent advocacy of Indonesian mistakes.

## 3. Feudalism

Feudalism is a legacy of the ancient archipelago kingdoms and then taken over by the colonialists. Revolution of independence aimed to eliminate feudalism in Indonesia human being. These feudal attitudes are destructive because a subordinate would assume that they are higher than they who are right in every action. One of the feudalism vices is we could not deny something even it bad. It also destroys human dignity as equal human beings.

## 4. Superstitious

It has been a long time, since 1977, we could see now that television shows all kinds of magic and ghost stories. And horror movies in cinemas produced as public demands. Recent superstitious stories are little shamans who can cure various diseases. They could get ten thousand of patients in a day. It is surprising in the modern world that has been dominated by advanced science and technology there are people still expecting unexplained miracles by ratio.

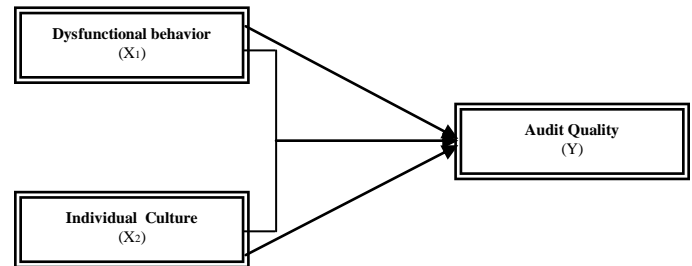
## 5. Artistic

Indonesia is a rich country and it has a lot of cultures in every region. Art is the result of culture. Thereby Indonesian people have the soul to work and love beauty. There are ancient buildings relics such as amazing temples, indicating that Indonesian people have their own civilization. Even in today's Indonesian music said to have "colonized" Malaysia. There is a boycott against private radio station in Malaysia, due to more often play Indonesian songs than play local artist songs. And there are still many arts exported to other countries.

## 6. Weak Characters

The weakness of Indonesian people in defending or fighting for his beliefs is the point of six Indonesian People characteristics. Mochtar Lubis said that it is characterized by the existence of intellectual prostitutions in many fields. For example is the manipulation of results that is intended to maintain the other rulers. Like a food scientist said that it was not dangerous to use a product from a specific manufacturer whereas products sold contain harmful substances, however because he had been given wages, then he covered up the fact and said that there was nothing wrong with the product, so it is said as intellectual prostitution. But the stereotype is neither entirely true nor false. It is formed from the experiences and observations that inherent in the Indonesian people. At the false side, stereotypes reinforced by the prejudices and generalizations. This book has been published since 1977, yet when the writer read and observed it, is really relevant to Indonesian society today. Mochtar Lubis also responded about the subjectivity of thought, after receiving criticism from the father of psychology Indonesia, Sarlito Wirawan, about the inability to generalize Indonesia society essentially pluralistic from various aspects. Sarlito Wirawan added again that profile of Indonesian human personality

expressed by Mochtar Lubis only based on his observations without objective data and all allegations did not tell exactly how many percent actually of Indonesia people meant by Mochtar Lubis ( **Wahyuancol**) [20]. Based on the reviews, a research model is made as paradigm below:



Picture of Research Model

## Hypothesis

The hypothesis is based on the thoughts mentioned above, as follows:

- $H_0$ : There is no influence of dysfunctional behavior and individual culture on audit quality either partially or simultaneously.
- $H_1$ : There is an influence of dysfunctional behavior and individual culture on audit quality either partially or simultaneously.

## OBJECT AND RESEARCH METHODOLOGY

Object and scope of this research includes analysis of the influence of dysfunctional behavior and organizational culture on the audit quality. The type of research is descriptive verification because it describes the research variables and observes the variable relation from the hypotheses that have made systematically by statistical tests **Sugiyono** [16]. Meanwhile, based on method used, the research conducted by the writer is included in survey research methods. According to **Kerlinger (1973)** in **Sugiyono** [16] survey research is research conducted in large and small populations, but the data of samples taken from the population, so it is found relative events, distribution, and relationships between sociological and psychological variables. The concept of dysfunctional behavior is based on the opinions of **Griffin et al** in **Ghozali** and **Setiawan:2006** [8] which defines dysfunctional behavior as behavior motivated by an employee or group of employees who have negative consequences for individual in the organization, a group, and / or organization itself. Hereinafter the concept of dysfunctional behavior operationalize in variable (X1) with the following dimensions:

- a) Premature Sign-Off, the indicators used are:
  - Completeness of work completion
  - Termination on audit procedures required
  - Indifference of audit procedures
- b) Underreporting Of Time, the indicators used are:
  - Monitoring actual time hours
  - Reporting audit time budget

Whereas for organizational culture concept based on the concept defined by **Hofstede (1991: 4)** as a mental program patterned thinking, feeling and action or referred

to as "software of the mind" **Chairuman Armia [3]**, the organizational culture concept operationalize in variable ( $X_2$ ) with the following dimensions:

- a) Power distance, the indicators used are:
  1. Geographic breadth (the wider it is, the lower power distance level become)
  2. Large population (the larger it is, the higher power distance level become)
  3. Prosperity (the more prosperous it is, the lower power distance level become)  
High level of prosperity represented by the measures: lack of traditional agriculture, technology is more modern, more urban life, more social mobility, better education system, and more mid-level societies.
- b) Uncertainty avoidance, the indicators used are:
  1. Orientation of rules,
  2. Worker Stability,
  3. Stress.
- c) Individualism versus Collectivism, the indicators used are:
  1. Education level
  2. Organization history
  3. Size of organization
  4. Technology used in the organization, and
  5. Subculture adopted by the organization concerned.
- d) Masculinity and Femininity, the indicators used are:
  1. More ambitious
  2. Love to compete
  3. Courageously declare their opinions, and
  4. Lend to try to achieve material success
  5. Pay more attention to the quality of life

The audit quality concept is based on opinion **Sawyers, [12]** audit quality improvement by an auditor can be measured from the performance supported audit objectives and it can be seen in audit completion under time budget, generate useful findings and recommendations, and the increasing a number of audit work requests **Sawyer's [12]**. Furthermore, the audit quality concept is operationalized in (Y), with indicators:

1. Useful findings and recommendations
2. The achievement of audit purpose
3. The increasing a number of audit work requests

These variables are used to find the correlation coefficient to determine how big the influence of variable X on variable Y is. To determine the independent and dependent variables, the writer distributes questionnaires to respondents which are returned and completed properly. The sampling technique used is purposive sampling. Data collecting techniques in this research are literature review, and questionnaires. Measurement techniques used to transform qualitative data from the questionnaires into quantitative data is Summate Rating Method: Likert Scale. Data Quality Test, item analysis is used to test the validity of each item, correlates the scores of each item with the total score is the sum of each score point. Furthermore,

Product Moment correlation value is calculation results compared with r table, if the r-count is higher than r-table it means Product Moment Correlation for each statement item is valid. Testing reliability of the instrument uses internal consistency, the instruments tested only once. The data obtained is analyzed using the Spearman Brown technique (Split half). Before testing the regression model, first need to test the classical assumptions. There are four ways to test regression:

1. Multicollinearity test
2. Heteroscedasticity test
3. Autocorrelation test
4. Normality test

In this research, the writer used multiple linear regression analysis, because it does not explain whether there is any relationship between variables clearly, so in this case the writer draw conclusions of the relationship between variables logically. The regression equation used to determine the elasticity of the independent variable on the dependent variable. It is also used to see how much change in the independent variable to influence the dependent variable.

## RESULTS

The highest weight result of premature sign off dimension achieved by statement item "does not research on IFRSs" which is an indicator instrument for termination of audit procedures required. The lowest weight result of premature sign off dimension is statement item "send a confirmation to third parties" and statement item "to assess and test the effectiveness of the client's auditor internal work". Total achievement of weight result for premature sign off dimension is in average classification range. The premature sign off behavior to complete audit engagement may lead to lower audit quality because the steps are not conducted holistically (**Public Oversight Board, 2000 in Donnelly et al [6]**). If the auditor could complete the job with a professional attitude, the audit quality would be guaranteed because the quality is the main output of professionalism. But if the stress due to pressure of time planning has motivated auditor to conduct dysfunctional behavior, then it will be a serious threat to audit quality and trust of Accountants. Because that behavior will eventually cause error and irregularities and finally get misleading opinion on the financial statements. The highest weight result of underreporting of time dimension achieved by statement item "remove some time audit spent in the process". This item is indicator of time budget monitor. The lowest weight result is statement item "Report time audit as budget time not based on actual time audit". Total achievement of weight result for underreporting of time dimension is in high classification range. Although underreporting of time is judged as dysfunctional behavior, according to a count of responses that the auditors at CPA firms in Bandung still use it to finish their audit. The aim is to prevent over budget in order to keep CPA reputation save in finishing time audit without revising time budget. Underreporting time is more seriously influential in using time budget mistakes so it could affect audit quality in the future. Achieving respondents compared to power distance dimension standard is the item "breadth of work affects my job in processing audit" is in strong criteria. The lowest weight

result is statement item "a lot of works I handle affect audit quality" at 56.56%. Total achievement of weight result for power distance dimension is in average classification range. From weight results of the power distance dimension, it is known that individual or auditor power distance worked at the CPA firms in Bandung city influences audit quality strong enough. On uncertainty avoidance dimension, the highest weight achieved by the statement item "The rules set by the CPA to be my work reference". And the lowest one achieved by the statement item "I feel stress doing my work". Total weight result achievement of uncertainty avoidance dimension is in strong category. Based on those results, it is known that the auditors work at CPA firms in Bandung city have good attitude to uncertainty avoidance. On Individualism versus Collectivism dimension, the highest achievement is the statement items "My education could help my work" and "The culture and habits of CPA firm where I work often help me to finish my work". And the lowest one is the statement item "Big Firm where I work has always motivated me to work". Total weight result achievement of Individualism versus Collectivism dimension is in strong category. Based on the criteria, it is known that the auditors work at CPA firms in the city have neutral and strong attitude to perform their profession. On Masculinity versus Femininity dimension, the highest achievement is the statement item "I always try to maximize profits of firm" and the lowest one is "I have often expressed my opinion about the current Firm condition" statement. Total weight result achievement of Masculinity versus Femininity dimension is in average category. Based on the criteria, it is known that the auditors work at CPA firms in the city have average emphatic attitude. On the audit quality variable, the highest weight achievement is "Any mistakes found are presented as findings and any suggestions are expressed in of recommendations" and "Opinions are expressed based on the actual condition of financial statements" statement. The lowest one is "Requested audits assignment by CPA to me has improved". Total weight result achievement of audit quality variable is in good category. Based on the result, it is known that audit quality from the auditors work at CPA firms in the city is good. The writer used multiple linear regression method to analyze the data statistical software SPSS 11.0 for Windows. The calculation result is:

$$Y = 4.384 - 0.064 X_1 + 0.251 X_2 + \mathcal{E}$$

$$\mathcal{E} = \text{Errorvar} = 0.599; R^2=0.401$$

The equation model can be described as follows:

1. Regression coefficient of  $X_1$  is -0.064; it shows that any improve in variable dysfunctional behavior of one unit value will reduce the audit quality for 0064 unit of value or 6.4% assuming other variables are constant.
2. Regression coefficient of  $X_2$  is 0.251; it shows that any improve in the variable of organizational culture at the unit value will raise the audit quality for 0.251 unit of value or 25.1% assuming other variables are constant.

Errorvar value is 0.599; it shows the influence of other factors beyond the dysfunctional behavior and

organizational culture on audit quality is 59.9%. Meanwhile  $R^2$  or multiple determination coefficient is 0.401 shows the influence of dysfunctional behavior and organizational culture on audit quality is 40.1%. Calculated F value is 10.04 is greater than F in table 2.92. Therefore we can conclude that  $H_0$  is rejected. Or simultaneously dysfunctional behavior ( $X_1$ ) and individual culture ( $X_2$ ) influence significantly on audit quality (Y) at CPA firms in Bandung City.

#### Conclusion Partial Test

Variable	$t_{\text{count}}$ value	$t_{\text{table}}$ value	Conclusion
$X_1$	-1.991	-1.697	Significant
$X_2$	3.496	1.697	Significant

From the results above can be seen that variable  $X_1$  (Dysfunctional Behavior) has a significant negative effect on the variable Y (audit quality), it means that variable  $X_1$  (dysfunctional behavior) does not reject the hypothesis. Dysfunctional behavior on the external auditor in Bandung is able to decline the audits quality. Variable  $X_2$  means to accept or reject the hypothesis. It can be concluded that the individual Culture is able to affect audit quality becomes better partially.

## CONCLUSIONS AND RECOMMENDATIONS

### CONCLUSIONS

Dysfunctional behavior affects the audit quality. Improved Dysfunctional behaviors will decline audit quality. The decline is due to auditors do not study of financial accounting standards, establish the materiality level lower than it should be and do not review the client documents seriously, remove most of the time audit spent in the process and remove the difference between the time budget with actual time audit. Individual culture affects the audit quality. Strong individual culture will improve audit quality. The improve is due to auditors do not feel stress when audit process, work less and there is competition among them. Dysfunctional behavior and individual culture simultaneously affect audit quality.

### RECOMMENDATIONS

To decline dysfunctional behaviors, the auditor is expected to study of financial accounting standards, establish the materiality level lower than it should be and review the client documents more seriously, do not remove most of the time audit spent in the process and do not remove the difference between the time budget with actual time audit. To improve and strengthen the organizational culture, the auditors should not be in stress during audit process, do not work too much and the competition level among them must be maintained. For next researcher should add more references and further expand the objects and use other variables studied such as competence, independence of auditors, audit complexity, training, supervision measures, self-efficacy, and commitment to the profession.



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