

Examining the Role of Motivation Among Public Accountants in Indonesia: Testing for the Mediation Effects

Ifah Lathifah¹, Lilis Sulistyani¹ and Eko Madyo Sutanto²

¹Adi Unggul Bhirawa School of Economics Surakarta, ²Setia Budi University,
ifahtifa@yahoo.co.id, ekomsutanto@yahoo.co.id, lilissulistyani44@yahoo.co.id

Abstract

The purpose of this study is to examine the influence of organizational and professional commitments on job satisfaction with motivation as an intervening variable. This study used a questionnaire-based survey for data collection. Data were collected by using a mail-survey on auditors who work in audit firms operate in Indonesian. Data were analyzed by Partial Least Squares (PLS) method with the help of SmartPLS software. The results of this study found that there was no significant relationship between organizational commitment and motivation of auditors, and there is significant relationship between professional commitment and motivation of auditors, there is significant relationship between organizational commitment and job satisfaction, there is no significant relationship between the professional commitment and job satisfaction. There is no significant relationship between motivation and job satisfaction of auditors.

Keywords: Organizational Commitment, Professional Commitment, Motivation and Job Satisfaction

1. Introduction

The success and achievement of the performance of individuals in an organization is largely determined by the level of competence, professionalism and commitment to pursue the field of work. Given the positive relationship between organizational commitment and individual performance, where this is a behavior that can be a driving force for someone to work. A person's commitment can also vary in various aspects such as family, environment, social community and so on. In the field of work that requires a certain level of expertise and independence, such as the public accounting profession, basically it requires several types of compatible commitments, including: organizational commitment and professional commitment to get the highest individual performance. In addition to organizational commitment, the existence of a professional orientation that underlies the emergence of professional commitment also seems to have an effect on individual job satisfaction. Previous studies on the relationship between

organizational commitment and job satisfaction indicate direction for further research. According to Gregor (1992), job satisfaction is a predictor or antecedent of an organizational commitment in a change of professional accountants working in audit firms. Another study from Batemen and Strasser (1984) found that organizational commitment is a predictor of individual job satisfaction. However, a recent study of the relationship between the two variables found that organizational commitment and individual job satisfaction have a reciprocal relationship with each other (Mathieu, 1991).

2. Theoretical Framework and Hypotheses Development

2.1. Role Theory

Role is defined by Siegel and Marconi (1989) as parts that people play in their interactions with others. The role conflict arises when a person occupies several positions that are incompatible or when a single position has mutually incompatible behavioral expectation (Siegel and Marconi, 1989). An auditor as part of audit firm plays a role as individual employee with some characters and expectations towards the role. An auditor plays two roles, as a member of professional organization that must obey the ethics code of public accountant profession and as a member of a family (Siegel and Marconi, 1989). If an auditor in their role as member of professional organization and as member of family feel that there are conflicting values between those adopted in the professional organization and those adopted on in the family, a role conflict will arise within the himself.

2.2. The Effect of Organization Commitment on Job Satisfaction

Previous studies on the relationship between organizational commitment and individual job satisfaction found ambiguous and mixed results where there was no general consensus on the two relationships. Scholars such as Vandenberg (1992) find that organizational commitment does not have a significant relationship with individual job satisfaction. Another study from Gregson (1992) found that individual job satisfaction is an initial signal that fosters organizational commitment in professional accountants.

Aranya et. al (1982) analyzed the effect of organizational and professional commitment on the satisfaction of individual accountants. By using these two commitments as predictors of job satisfaction, they report a significant correlation that affects the job satisfaction of individual accountants. Whereas professional commitment

influences job satisfaction indirectly through organizational commitment. Furthermore, professional commitment will affect job satisfaction indirectly through organizational commitment. A study from Poznanski (1997) supports the conclusions of Aranya et. al (1982) that organizational and professional commitment complement each other and have a positive and significant effect on job satisfaction. From the above explanation, the first hypothesis can be formulated as follows:

H1: Organizational commitment has a positive effect on job satisfaction.

2.3. The Effect of Professional Commitment on Job Satisfaction

Aranya et.al (1982) analyzed the effect of organizational and professional commitment as predictors influencing job satisfaction. The results of their study found a positive and significant relationship between the two predictors of individual accountant job satisfaction. Another study from Poznanski (1997) also supports the conclusions of the study of Aranya et. al (1982) where organizational and professional commitment complement each other and have a significant relationship to job satisfaction.

A study from Norris and Niebuhr (1984) found that professionalism is related to organizational commitment and auditor job satisfaction, but autonomy is not a dimension of professionalism. A professional accountant will be more comfortable associating themselves with their professional organizations in carrying out their duties and they are more willing to obey the norms, rules and codes of ethics in conducting assignments. However, there is no difference between female and male auditors in audit firms in this situation. However, norms, rules and codes of conduct in audit firms have a function as an internal control mechanism that will determine the quality of the individual auditor's performance. From the above explanation, the second hypothesis can be formulated as follows:

H2: Professional commitment has a positive effect on job satisfaction.

2.4. The Effect of Organizational Commitment on Motivation

Organizational commitment is a combination of attitude and behavior. A commitment involves two attitudes namely, a sense of involvement with organizational tasks and a sense of loyalty to the organization (Ferris & Aranya, 1983). While motivation is an impulse that makes people to act or behave in certain ways (Michael Armstrong, 1994). According to Gibson et al (1993), the content of work motivation also

determines individual work performance - because performance is an interaction between ability and motivation. From the above explanation, the third hypothesis can be formulated as follows:

H3: Organizational commitment has a positive effect on motivation.

2.5. The Effect of Professional Commitment on Motivation

Professional commitment is often referred to as the level of individual loyalty to the organization in line with what is perceived by him / her (Larkin, 1990). Professional commitment underlies the behavior, attitudes and orientation of individual professionals in carrying out their assignments. However, norms, rules and professional codes of ethics function as an internal control mechanism that will be able to determine the quality of individual work and encourage the desire of individuals to carry out certain activities in order to achieve a goal (Handoko, 1995). From the above explanation, the fourth hypothesis can be formulated as follows:

H4: Professional commitment has a positive effect on motivation.

2.6. The Effect of Motivation on Job Satisfaction

Job satisfaction cannot be separated by motivation which is often an individual's expectation. An accurate description of this relationship is that motivation contributes to high job satisfaction. Individual job satisfaction will be high when their wants and needs are met; therefore, this becomes additional motivation in carrying out the task. Penelitian terdahulu yaitu Raharjo (2000) menganalisis motivasi dan kepuasan kerja, hasil penelitiannya menyatakan bahwa motivasi memiliki keterkaitan yang kuat dengan kepuasan kerja. Dengan demikian dapat disimpulkan bahwa motivasi yang tinggi akan menghasilkan kepuasan kerja yang tinggi. From the above explanation, the fifth hypothesis can be formulated as follows:

H5: Motivation has a positive effect on job satisfaction.

Figure 1 below shows the model being tested.

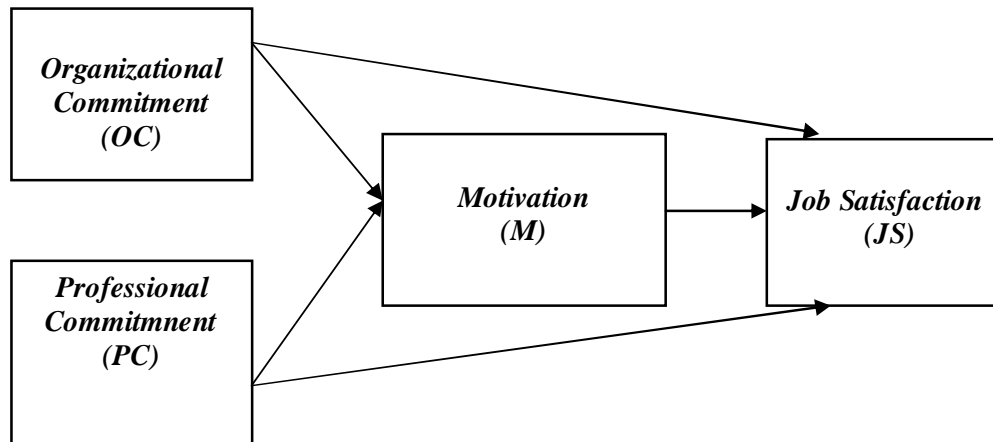


Fig 1. The relationship between variables and proposed model

3. Research Method

3.1. Population and Data Collection

The population in this study are auditors who work in audit firms in Indonesia. Our target population is auditors working in regions in Central Java. Furthermore, our target respondents are manager auditors, senior auditors and junior auditors. We chose this sample based on the consideration that conflicts might occur with families and auditors working in audit firms as listed in the Public Accounting Firm Directory published by the Indonesian Accountants Association in 2018. We use non-probability sampling techniques that were chosen non-randomly. This study uses structural equation modeling (SEM) for data analysis through the Partial Least Square (PLS) approach (Ghozali, 2010).

3.2. Measurement Variables

3.2.1. Organizational Commitment

This variable was measured using 6 items adopted from Alan and Mayer (1991). Each respondent was asked to conduct a self-assessment of their level of organizational commitment by answering questions using a 5-point Likert scale - where 1 showed strongly disagree to 5 indicating strongly agree. If a low total score is obtained, this shows their low organizational commitment and vice versa.

3.2.2. Professional Commitment

This variable was measured using 18 items adopted from Alan and Mayer (1991). Each respondent was asked to conduct a self-assessment of their level of organizational commitment by answering questions using a 5-point Likert scale - where 1 showed strongly disagree to 5 indicating strongly agree. If a low total score is obtained, this shows their low professional commitment and vice versa.

3.2.3. Motivation

This variable was measured using 10 items. Each respondent was asked to conduct a self-assessment of their level of organizational commitment by answering questions using a 5-point Likert scale - where 1 showed strongly disagree to 5 indicating strongly agree. If a low total score is obtained, this shows their low motivation and vice versa.

3.2.4. Job Satisfaction

This variable was measured using 4 items. Each respondent was asked to conduct a self-assessment of their level of organizational commitment by answering questions using a 5-point Likert scale - where 1 showed strongly disagree to 5 indicating strongly agree. If a low total score is obtained, this shows their low job satisfaction and vice versa.

3.3. Data Analysis

Data analysis and hypothesis testing in this study were carried out through the Partial Least Squares Path Modeling (PLS-PM) approach. PLS-PM is a structural equation (SEM) model based on components or variances. PLS is a powerful method because it eliminates heavy assumptions, for example it does not require multivariate normally distributed data, and large sample sizes. In addition, PLS can be used to predict and test causal relationships with construct types such as reflective or formative. Formative construct types, for example, are difficult to estimate by covariance-based SEM because it will become an unidentified model.

4. Results

4.1. Descriptive Statistic

In this study, the target respondents were professional accountants (auditors) who were married and held positions as junior auditors, senior auditors or managers in 2017. The total number of valid questionnaires used in this study for data analysis and hypothesis testing was 82. Table 1 below shows the descriptive statistics of the variables in the model.

Table 1.
Descriptive Statistics

	N	Teoritis		Real		
		Range	Range	Range	Mean	SD
<i>Organizational Commitment (OC)</i>	118	12 - 60	36	31 - 48	37,90	3,314
<i>Professioanal Commitment (PC)</i>	118	18 - 90	54	53 - 76	66,25	4,126
<i>Motivations (Mo)</i>	118	10 - 50	30	28 - 41	34,30	2.765
<i>Job Satisfaction (JS)</i>	118	4 - 20	12	8 - 17	13,06	2.081

4.2. Measurement Model Assessment

We evaluate the measurement model to assess the validity and reliability of indicators and constructs. Convergent validity is evaluated by looking at loading factors and average variance extracted (AVE). While discriminant validity is evaluated using the heterotrait-monotrait (HTMT) ratio. The factor loading value of each indicator in our model > 0.5 with AVE value > 0.5 (see Figure 2). Meanwhile, the HTMT value that we obtained < 0.85 for the correlation between the two constructs. Finally, we evaluate the reliability of the measurements using Cronbach Alpha and composite reliability. We obtained both measure > 0.80 , which means according to the rule of thumb.

4.3. Structural Model Assessment

We evaluate the structural model by looking at the coefficient of determination (R^2), predictive relevance (Q^2) and effect size (f^2). The R^2 value generated by the model ranges from 0.396–0.553, with the Q^2 value obtained > 0 , which means

meaningful. In addition, the f^2 value generated by each predictor is good with a range between 0.142–0.167.

4.4. Hypothesis Testing

We tested the hypothesis through a bootstrapping approach with 500 resamples. We assessed the direction of the path coefficient and its magnitude, as well as the t-statistic significance. The cutoff to reject or accept the proposed hypothesis is ± 1.65 , with significant at $p < 0.05$ (one-tailed). As illustrated in Table 2, We supported H1 and H4, while H2, H3 and H5 were rejected.

Table 2
Structural Model Assessment

Hipotesis	Relationship	Coeff	S.E	T-Statistic	Conclusion
H1	OC-> JS	0.968	0.031	30.777	Accepted
H2	PC-> JS	0.080	0.079	1.015	Rejected
H3	OC -> MO	0.010	0.083	0.117	Rejected
H4	PC -> MO	0.628	0.075	8.377	Accepted
H5	MO->JS	-0.044	0.037	1.194	Rejected

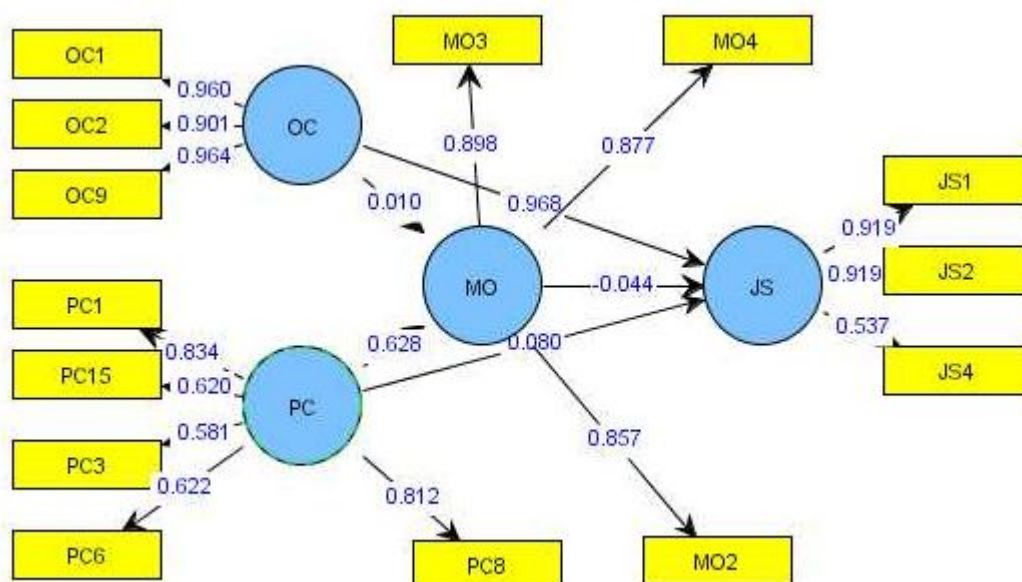


Fig 2. Full model of PLS

5. Discussion

Our study attempts to examine the effect of organizational and professional commitment on job satisfaction of professional accountants with motivation as an

intervening variable. Based on the results of PLS-PM testing using the help of SmartPLS statistical software, we obtained the following findings. We did not find a positive and significant relationship between organizational commitment and job satisfaction. Our findings support previous studies from Poznanski (1997) which found a positive and significant relationship between the two. Since organizational commitment is an individual's loyalty to the organization, job satisfaction may increase. Furthermore, we do not find a significant relationship between professional commitment and motivation on job satisfaction. One reason that can explain this finding is that the relationship between these variables is still ambiguous and mixed, hence further testing is needed by adding a moderating variable. Finally, we found a positive relationship between professional commitment and motivation. This finding suggests that professional commitment such as complying with norms or codes ethics professional can increase the motivation of professional accountants when undergoing assignments.

Some limitations of this study need to be considered. The findings of this study may not be generalizable into different contexts and cultures. In addition, the number of samples obtained is quite small, so that it might affect the power of statistical analysis. In addition, items of measurements need to be further developed and pre-tested need to be conduct to minimize indicators removed from the model.

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