The Role of Task Complexity in Moderating The Effect of Obedience Pressure and Auditor's Experience on Audit Judgment (Empirical Study at Public Accountant Firms in Bali)

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Abstract: *Auditors' performance could be estimated from their judgment quality because audit judgment is a must-needed activity for auditors in every step of audit assignments. The emergence of several cases at Public Accounting Firms in Indonesia caused by auditor errors during the auditing process needs to make the auditor more beware to make a professional judgment, so financial statement users and independent auditor report users will not be harmed. This study aims to analyze and explain the effect of obedience pressure and auditor's experience on audit judgment along with the moderation effect of task complexity. The population that was used are 115 auditors who worked at Public Accountant Firms in Bali and registered in the 2021 IAPI Directory. Collected samples that obtained were 69 auditors and determined using a convenience sampling method. Data that was used for analysis is primary data sourced from the result of distributed questionnaires to all auditors who were working at Public Accountant Firms in Bali. The analysis technique used is Partial Least Square (PLS) modeling technique through SmartPLS 3.0 application. The results of this study showed that obedience pressure had a negative and significant effect on audit judgment, auditor's experience had a positive and significant effect on audit judgment, task complexity weakened the relationship between obedience pressure on audit judgment, and task complexity weakened the relationship of auditor's experience on audit judgment..*

Keywords: *Audit Judgment, Obedience Pressure, Auditor's Experience, Task Complexity*

Submission to Repository on September 2022

Introduction

Judgment is an activity required by the auditor to carry out each stage in the audit assignment. The quality of judgment issued by the auditor can show the performance of the auditor. In 2018, Public Accountant Firm of Satrio, Bing, Eny and Partner who audited PT Sunprima Nusantara Pembiayaan financial report's got administrative penalty because Otoritas Jasa Keuangan (OJK) found inexpediency of data in PT Sunprima Nusantara Pembiayaan financial report (CNBC, 2018). Meanwhile in 2017, Public Accountant Firm of Purwantono, Sungkoro, and Surja got 1-year suspension from OJK because there was overstatement found in PT Hanson International, Tbk financial statement (CNBC, 2020). Two of the case above show that audit judgment needs to be carried out carefully because it can impact the final opinion of a client's financial statements (Sulistyawati et al., 2019).

Various factors could influence audit judgment making such as obedience pressure, auditor's experience, and task complexity. The previous studies by Ainayah, Yasa, and Sujana (2017) have examined the negative and significant effect of obedience pressure on audit judgment, while Tampubolon (2018) got the opposite result. Another result from Safi'i and Jayanto's (2015) research stated auditor's experience positively affects audit judgment, but Tampubolon's (2018) research had otherwise results. The research from Muslim, Pelu, and Mentari (2018) had a negative results on task complexity in affecting audit judgment, while Chotimah and Kartika (2017) got positive results.

Those inconsistent in prior results need to study again deeply by developing more hypotheses. Adding task complexity as a moderation variable in this study will help to determine whether its presence can be strengthened like the previous studies by Hasnidar (2018) research's, Rakhman, Kartini, and Usman (2021)

research's or weakened the effect of exogenous variables on audit judgment like Fadlanty and Purnamasari (2020) research's also Nugraha and Januarti (2015) research.

Method

This study uses the quantitative method with research type: associative causal relationship. Data were collected using 5 points scale questionnaire that was distributed to 115 working auditors at 17 Registered Public Accountant Firms in the 2021 IAPI Directory, Bali Region. Thirty questionnaires were previously pilot tested to several working auditors and has been tested for validity and reliability through IBM SPSS Statistic 23. 72 questionnaires were distributed in May 2022 with total of 69 usable questionnaires received back in June 2022. The rate of respondent response from collected questionnaires was 95,83%. The hypotheses were tested with a 5% significant level through SmartPLS 3.0 with steps: 1) Designing inner model, 2) Designing outer model, 3) Construct path diagram, 4) Convert path diagram to a system of equations, 5) Estimation through path estimation and means parameters, 6) Goodness of Fit, 7) Hypothesis testing, 8) Moderating variable testing then classified into one of 4 moderator types: pure moderator variable, quasi moderator variable, homologise moderator variable, and predictor moderator variable (Riswan and Dunan, 2019).

Result and Discussion

Respondent Characteristics

Based on collected questionnaires, the respondents in this study are 68,12% female, with 43,48% range of age dominated in 20-25 years old. From their questionnaire answers about the last position in Public Accountant Firms, 52,17% of respondents that filled out the questionnaires are auditor junior, 75,36% of respondents mostly have last education in bachelor degree, and 40,58% of respondents have 1-3 years work experience as an auditor.

Research Model

A measurement model and structural model with all of the constructs in this study were created in SmartPLS 3.0 (Riswan and Dunan, 2019), as shown in Figure 1 below:

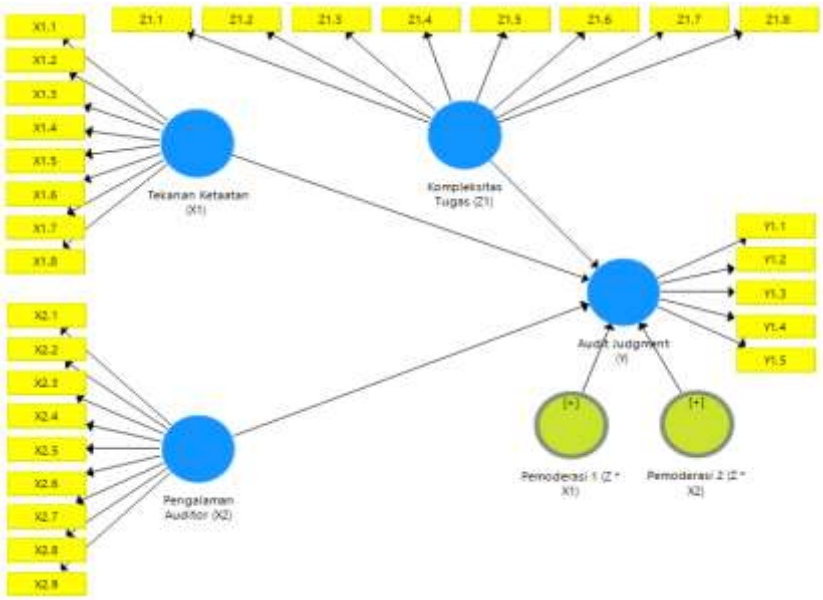

Figure 1. Research Model

Evaluation of the Measurement Model or Outer Model

Convergent Validity

Convergent validity testing in a research instrument is carried out to determine the suitability of the theory with the instrument (Abdillah and Jogiyanto, 2015) The value of loading factors from the measured

construct in PLS or the correlation between item scores and construct scores are the criteria used as a measure of the convergent validity of reflective indicators (Abdillah and Jogiyanto, 2015). Table 1 shows that all of the tested indicators have exceeded the minimum loading factors, which is more than 0,70, so all of the indicators in below are considered valid.

Table 1. Loading Factors Output Value

Indicators		*Loading Factors*
$X_{1.1}$	Pressure from Supervisor's	0,839
$X_{1.2}$		0,875
$X_{1.3}$		0,817
$X_{1.4}$		0,836
$X_{1.5}$		0,864
$X_{1.6}$	Pressure from Client's	0,810
$X_{1.7}$		0,863
$X_{1.8}$		0,794
$X_{2.1}$	Length of Work as An Auditor	0,875
$X_{2.2}$		0,738
$X_{2.3}$		0,941
$X_{2.4}$		0,887
$X_{2.5}$	Assignments Received	0,956
$X_{2.6}$		0,903
$X_{2.7}$		0,900
$X_{2.8}$		0,895
$X_{2.9}$		0,945
$Z_{1.1}$	Difficult Task	0,732
$Z_{1.2}$		0,846
$Z_{1.3}$		0,733
$Z_{1.4}$		0,903
$Z_{1.5}$		0,935
$Z_{1.6}$	Unstructural Task	0,922
$Z_{1.7}$		0,925
$Z_{1.8}$		0,882
$Y_{1.1}$	Judgment of Audit Risks Level	0,874
$Y_{1.2}$		0,865
$Y_{1.3}$		0,879
$Y_{1.4}$		0,861
$Y_{1.5}$	Judgment of Material Misstatement	0,725

Another way to asses convergent validity is by looking at Average Variance Extracted (AVE) value. If the AVE value is greater than 0,50, the construct could be stated as valid (Ghozali and Latan, 2015). Table 2 shows that all of the results below are valid because the AVE value is above 0,50.

Table 2. Hasil *Output AVE*

Construct	AVE
Obedience Pressure (X_1)	0,701
Auditor's Experience (X_2)	0,801
Task Complexity (Z_1)	0,745
Audit Judgment (Y_1)	0,710

Discriminant Validity

Discriminant validity testing can be looked at from cross-loading value. If the cross-loading value is greater than 0,70, the indicators fullfill the validity requirements (Abdillah and Jogiyanto, 2015). The result from Table 3 below shows that all cross loading value are greater than the correlation of each item. It means, all the indicators that used in this study are valid.

Another way to assess discriminant validity is, by comparing the AVE square root for each construct with the correlation value between constructs in the model (Abdillah and Jogiyanto, 2015). Table 4 and Table 5 results show that all constructs in this study are valid and have met discriminant validity because the AVE square root value of each construct is greater than the correlation between model constructs.

Table 3. Cross Loadings Output Value

Indicators	Obedience Pressure (X_1)	Auditor's Experience (X_2)	Task Complexity (Z_1)	*Audit Judgment* (Y_1)
$X_{1.1}$	0,839	-0,273	-0,748	-0,756
$X_{1.2}$	0,875	-0,408	-0,718	-0,876
$X_{1.3}$	0,817	-0,072	-0,652	-0,565
$X_{1.4}$	0,836	-0,387	-0,487	-0,771
$X_{1.5}$	0,864	-0,375	-0,575	-0,759
$X_{1.6}$	0,810	-0,626	-0,602	-0,701
$X_{1.7}$	0,863	-0,519	-0,604	-0,775
$X_{1.8}$	0,794	-0,044	-0,673	-0,554
$X_{2.1}$	-0,338	0,875	0,109	0,459
$X_{2.2}$	-0,530	0,738	0,344	0,458
$X_{2.3}$	-0,346	0,941	0,043	0,476
$X_{2.4}$	-0,370	0,887	0,139	0,451
$X_{2.5}$	-0,385	0,956	0,058	0,467
$X_{2.6}$	-0,392	0,903	0,167	0,490
$X_{2.7}$	-0,346	0,900	0,041	0,422
$X_{2.8}$	-0,319	0,895	0,090	0,417
$X_{2.9}$	-0,378	0,945	0,104	0,502
$Z_{1.1}$	-0,408	-0,061	0,732	0,353
$Z_{1.2}$	-0,687	0,158	0,846	0,587
$Z_{1.3}$	-0,555	0,311	0,733	0,579
$Z_{1.4}$	-0,731	0,112	0,903	0,669
$Z_{1.5}$	-0,746	0,151	0,935	0,657
$Z_{1.6}$	-0,700	0,102	0,922	0,627
$Z_{1.7}$	-0,689	0,097	0,925	0,594
$Z_{1.8}$	-0,579	0,001	0,882	0,537
$Y_{1.1}$	-0,815	0,448	0,581	0,874
$Y_{1.2}$	-0,830	0,512	0,595	0,865
$Y_{1.3}$	-0,660	0,547	0,495	0,879
$Y_{1.4}$	-0,807	0,316	0,692	0,861
$Y_{1.5}$	-0,502	0,346	0,479	0,725

Table 4. AVE Square Root

Constructs	AVE	$\sqrt[2]{AVE}$
Obedience Pressure (X_1)	0,701	0,838
Auditor's Experience (X_2)	0,801	0,895
Task Complexity (Z_1)	0,745	0,863
Audit Judgment (Y^1)	0,710	0,843

Table 5. *Latent Variable Correlation*

	Audit Judgment (Y_1)	Task Complexity (Z_1)	Auditor's Experience (X_2)	Obedience Pressure (X_1)
Audit Judgment (Y_1)	1,000	0,680	0,517	-0,874
Task Complexity	0,680	1,000	0,137	-0,752
Auditor's Experience (X_2)	0,517	0,137	1,000	-0,424
Obedience Pressure (X_1)	-0,874	-0,752	-0,424	1,000

Reliability Test

Reliability test measured with two criteria, cronbach's alpha and composite reliability. The constructs are reliable if the value of cronbach alpha, and composite reliability is above 0,70 (Abdillah and Jogiyanto, 2015). Table 6 and Table 7 showed, the value of cronbach alpha and composite reliability is greater than 0,70, which means all of the constructs in the table below are considered to have good reliability.

Table 6. Cronbach's Alpha Output Value

Construct	*Cronbach's Alpha*
Obedience Pressure (X_1)	0,940
Auditor's Experience (X_2)	0,968
Task Complexity (Z_1)	0,950
Audit Judgment (Y_1)	0,898

Table 7. Composite Reliability Output Value

Construct	*Composite Reliability*
Obedience Pressure (X_1)	0,949
Auditor's Experience (X_2)	0,973
Task Complexity (Z_1)	0,959
Audit Judgment (Y_1)	0,924

Evaluation of the Structural Model or Inner Model

R-Square (R^2)

Table 8. R-Square Output Value

	R-Square	*R-Square Adjusted*
Audit Judgment	0,844	0,832

Table 8 shows that the R-Square value is 0,844. It can be concluded, the inner model in this study is classified as a 'strong' model. The variability of audit judgment was 84,4% explained and 15,6% explained by another variable outside of this study.

F-Square (F^2)

Table 9. F-Square Output Value

	Audit Judgment (Y_1)
Obedience Pressure (X_1)	0,941
Auditor's Experience (X_2)	0,068
Task Complexity (Z_1)	0,144

The result of Table 9 shows, the auditor's experience, and task complexity have "small" effects on audit judgment and obedience pressure has a "big" effect on audit judgment if the three variables are used or excluded in the structural model.

Discussion

Table 10. Hypothesis Test Results

Variables	Original Sample	T-Statistics	P-Values
Obedience Pressure → *Audit Judgment*	-0,682	5,760	0,000
Auditor's Experience → *Audit Judgment*	0,128	2,200	0,028
Moderator 1 (Z_1*X_1) → *Audit Judgment*	-0,259	3,753	0,000
Moderator 2 (Z2*X2) → *Audit Judgment*	-0,139	3,865	0,000

1. The effect of Obedience Pressure on Audit Judgment

The result of testing for the first hypothesis (H1) shows that there is a significant effect between obedience pressure on audit judgment because of p-values score less than 0,05. The direction of the relationship between obedience pressure and audit judgment is negative because the original sample that has obtained -0,682. The first result in Table 10 above indicates H1 is accepted and obedience pressure has a negative and significant effect on audit judgment, which means, the higher obedience pressure felt by the auditor, the less precise audit judgment, because the obedience pressure that the auditor obtained during working also influenced their judgment. As stated in goal setting theory, auditors are required to know their goals so when they have pressure from superiors or clients, auditors will not do diverge action. Overall, setting a goal for the auditor is very important and necessary because auditors can be able to minimize their obedience pressure while making judgments and doing their assignments.

The results of this study are in line with previous research conducted by Ainayah, Yasa, and Sujana (2017) which stated obedience pressure has a negative and significant effect on audit judgment. In contrast with Tampubolon's (2018) result which obtained, obedience pressure has a positive and significant effect on audit judgment.

2. The effect of Auditor's Experience on Audit Judgment

The result of testing for the second hypothesis (H2) in Table 10 indicates that there is a significant influence between auditor's experience on audit judgment with positive direction from original sample value: 0,128 and p-values score less than 0,05 so the second hypothesis is accepted. It can be explained that, the more experience auditor has, the more ability is increased and the result of audit judgment from the auditor will be better and accurate. Based on cognitive theory, the auditor will learn from their experience so the similiar problems that have occurred especially when making judgments didn't happen again. Another statement from behavioral decision theory strengthens that an auditor's experience can be used to predict a situation to considered a judgment.

The results of this study agree with Safi'i and Jayanto's (2015) result which obtained auditor's experience have a positive and significant effect on audit judgment. However, the result of this study is in the reverse with Tampubolon's (2018) research which stated auditor's experience has a negative and significant effect on audit judgment.

3. Task Complexity Moderating The Effect of Obedience Pressure on Audit Judgment

The result of testing for the third hypothesis (H3) shows that task complexity has a negative and significant effect in moderating the effect of obedience pressure on audit judgment. It can be obtained the third hypothesis does not support the result of this research. Based on the information listed in Table 10, task complexity weaken the effect of obedience pressure on audit judgment. As a moderator variable in this study, task complexity is categorized as quasi moderator variable because the variable able to moderate the relationship between obedience pressure and audit judgment, and the interaction between the moderator variable and obedience pressure has a significant effect (<0,05). It means, the high complexity of tasks assigned to the auditor will have a negative effect on the obedience pressure and also reduce and affect the audit judgment made by the auditor. Based on goal setting theory, higher task complexity perceived by the auditor can make auditors felt difficult to capture the objective and goals from the task they do. So the expected achievement target from their audit assignment is not carried out optimally (Nugraha and Januarti, 2015).

Previous research conducted by Hasnidar (2018) with result in task complexity moderating and strengthening the effect of obedience pressure on audit judgment, contrary to the result of this study. However, the result from Fadlanty and Purnamasari's (2020) research are in line with this study result's.

4. Task Complexity Moderating The Effect of Auditor's Experience on Audit Judgment

The result of the fourth hypothesis test (H4) shows, task complexity has a negative and significant effect on moderating the effect of the auditor's experience on audit judgment. The result of this study supports the fourth hypothesis that has been made before: task complexity weakens the effect of auditor experience on audit judgment. The amount of experience that auditors had does not necessarily make them able to handle

the complexity of the given tasks because auditors with a lot of experience still find difficulty when making audit judgments. After all, they need to consider various things outside of their experience related to the audit investigation they have done. The moderation variable is classified as a quasi moderator variable because the interaction between task complexity and auditor's experience has a significant effect with p value score of less than 0,05, which means the moderator variable able to able to moderate the relationship between auditor's experience and audit judgment.

The results of this study are in line with previous research conducted by Nugraha and Januarti (2015) which obtained task complexity weakens the effect of auditor experience on audit judgment. In contrast with the results of Rakhman, Kartini, and Usman's (2021) research: task complexity strengthens the effect of auditor experience on audit judgment.

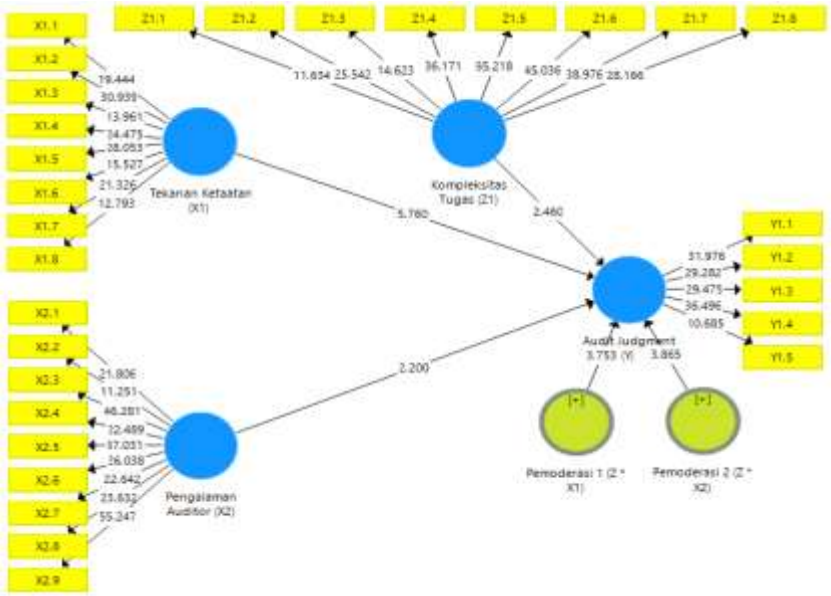

Figure 2. Bootstrapping Result

Conclusion

Based on the results of the analysis and discussion, it can be concluded that: 1) Obedience pressure had a negative and significant effect on audit judgment, 2) Auditor's experience had a positive and significant effect on audit judgment, 3) Task complexity weakened the relationship of obedience pressure on audit judgment, 4) Task complexity weakened the relationship of auditor's experience on audit judgment.

Acknowledgment

The writers would like to thank all the parties who helped in this research such as the auditors who filled out the questionnaire properly and the reviewers from Bali State Polytechnic for their help in reviewing this article.

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