THE EFFECT OF AUDITORS' EXPERIENCE, WORKLOAD PRESSURE, AND GENDER ON AUDIT QUALITY

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ABSTRACT

This study aims to analyze the relationships between Auditor's Experience, Workload Pressures, and Gender on Audit Quality. The method used is the survey method with the correlational approach. At the same time, the research data was obtained from instruments distributed to 110 auditors who worked at a public accounting firm in South Jakarta and listed on the Financial Service Authority. In addition, the statistical testing result in the first hypothesis showed that Auditors' Experience has a significant effect on Audit Quality, and the second hypothesis showed that Workload Pressure does not affect Audit Quality. In contrast, Gender does not have a significant effect on Audit Quality. The F-test showed that Auditors' Experience, Workload Pressure, and Gender simultaneously affect the Audit Quality

Keywords: Auditors' Experience, Workload Pressure, Gender, Audit Quality, Public Accounting Firm.

Introduction

Audit quality is critical because an audit results in reliable financial statements a business uses for decision-making. To perform auditing tasks, an auditor requires knowledge of auditing (general and specific), knowledge about auditing and accounting, and an understanding of the client's industry (Kusharyanti, 2003).

Regarding the importance of audit quality, auditors require adequate experience to support. An auditor must be an expert to carry out the work as an auditor by profession and uphold the profession's professional code of ethics. If the auditor was not professional, then it is certain that the audit quality does not correspond with the company auditing conditions.

Following the general standards in the Public Accountants Professional Standards, the auditors must have sufficient work experience in the professional practice and requirements to meet the technical qualifications and experiences about the industries they audit (Arens et al., 2004). Experience impacts any decision taken in an audit, so expect every decision taken is the right decision. This indicates that the auditor will better the quality audit resulting from the longer period of work owned auditor.

Beside Auditors' Experience, Workload Pressure also affects audit quality. Audit companies operating in the accounting industry have to face an everlasting problem of huge workload and shortage of resources during their busiest period in the year, the so-called 'peak season' (Awaludin & Yasin, 2020). This problem can be understandable because, in a short period, auditors need to complete an enormous workload to obtain audit evidence based on their clients' whole year accounting books. In addition, they have to carry out audit engagements for many different clients simultaneously. Moreover,

public companies must submit financial statements and audit reports within 60-90 days of fiscal year-end depending on government regulations. The workload burden leads to time constraints and fatigue situations that put auditors under excessive pressure to perform all necessary audit procedures, maintain thoroughly professional skepticism, or question and chase doubtful topics. In other words, auditors' professional judgment is impaired when less audit evidence is collected to support the audit opinion. As a result, audit quality is suffering.

The high workloads could cause fatigue and decrease auditors' ability to analyze deviations and fault findings on the audited financial statements. (Lopez and Peters, 2012) found that when the audit process is under pressure, the workload will be lower than when there is no pressure workload. The possible consequence of audit workload is a decline in audit quality (Hansen et al., 2007).

Audit quality also can be determined by Gender. Gender is a non-technical factor affecting the quality of the audit (Awaludin & Mantik, 2023). Gender makes a difference in the level of moral considerations, a step in making a decision, and information in the audit client's company. Decision-making should be supported by adequate information. Males in information processing normally does not use all the available information so the decisions taken are less comprehensive and reduce their work quality. Meanwhile, females in processing the information tend to be more careful with more complete information and re-evaluate such information, not a quitter (Meyer & Levy, 1986).

Based on the background above, the formulation of research problems is:

1. Does Auditors' Experience affect the audit quality of Public Accounting Firms in South Jakarta?
2. Does workload pressure affect the audit quality of Public Accounting Firms in South Jakarta?
3. Is Gender significantly correlated to the audit quality of the Public Accounting Firms in South Jakarta?

Literature Review

According to International Auditing and Assurance Standards Board (IAASB), audit quality is frequently used in debates among stakeholders, in communications of regulators, standard setters, audit firms, and others, and research and policy-setting audit quality is a complex subject. However, no definition or analysis of it has achieved universal recognition.

Audit quality means how well an audit detects and reports material misstatements in financial statements; the detection aspects reflect auditor competence, while reporting reflects ethics or auditor integrity, and particularly independence (Arens et al., 2011).

The most widely used definition of audit quality is by DeAngelo (1981), who stated that the quality of audit services is defined to be the market assessed joint probability that a given auditor will both (a) discover a breach in the client's accounting system and (b) report the breach. It formulated a two-dimensional definition of audit quality as detecting misstatements and errors in financial statements and then reporting these material

misstatements and errors. Seyyed (2013) explained that audit quality could show the auditor's ability to detect and report material misstatements and errors.

Auditor's experience affects the quality of the audit and audit judgment (Libby, 1983). Skills can be measured by several elements, i.e., ability, knowledge, and experience.The longer the auditor's work, the more experienced auditor gets in making an audit judgment, which can affect the audit quality.

Professional Experience plays in performing the essential references in the decision-making role essential to many of the most important reasons is that many of the provisions of the auditors are personal and subjective. In addition, Messier (1983) stated that both experience in the industry and client's attitudes affect the review of those provisions during the sequential stages of auditor's task. Some other studies in the field of auditing used the number of years of specialization in a particular area, the functional level, or the Accounting Office as a substitute for professional audit. However, empirical studies showed that the time required for this experience is about three to five years (Ashton, 1991). In addition, acquiring such an experience is not done once, but obtained in stages by merging education, practice, and experience.

Work overload has been defined as employees' perceptions that they have more work than they can complete within a given time (Jex, 1986). Workload pressure is segregated by busy season i.e., fiscal year-end date in December, audit workload, i.e., pressure degree of audit company on clients' portfolio at a certain point of time, audit concentration, i.e., the concentration of audit company on one client at a certain point of time (Lopez and Peters, 2012).

Qualitative underload pressure happens when auditors believe their skills and experience are over-required for the engagement they are in charge of. This situation also happens due to personnel shortages due to a high staff turnover rate. In other words, the high-competent and the experienced auditor has to be in charge of the small engagements or even responsible for the audit staffs' tasks. The consequence of this problem is low motivation and due care in performing audit procedures.

The overload causes more pressure than the underload condition. From a practical viewpoint, the Workload Pressures cause lower audit quality and reduce the chance for junior auditors to enhance their knowledge and experiences. Senior auditors are quite busy to share their experience or advanced understanding. On the other hand, junior auditors seem hard to learn on fieldwork without guidance and under a time shortage (Shaw & Weekley,1985).

Gender is a wide range of characteristics related to, and distinguish between, masculinity and femininity. These characteristics lead to sex in biological criteria, where masculine is males and feminine is female. In sociology, gender is not only about sex but also the social role and identity in the community.

According to Ruegger and King (1992), females generally have a higher level of moral judgment than males. Jamilah et al. (2007) also state that females are relatively more efficient than males in obtaining information. Even cognitive psychological literature

and marketing (Salsabila, 2011) state that females are not only inefficient but females also more effective when the complexities of processing information in making decisions than men. In addition, females also have a sharper memory than males for new information. Another study stated that female auditors tend to be more thorough and attentive to detail and could be more trusted and honest (Mgbame, 2012).

Hypothesis

According to Gusnardi (2003), audit experience can be measured from the structure where the auditor's work, years of work experience, a combination of hierarchy and years of work experience, the expertise of the auditor relating to the audit, as well as training have been followed by the auditor's audit. Meanwhile, Kolodner (1996) identified two dimensions of experience as the tenure of the audit job. they were measured by how long the auditor has been doing the audit job) and the frequency of carrying out the audit engagement. The auditor experience is essential to auditing firms because the auditing process is primarily a human endeavor and audit firms are very dependent upon the quality of their professionals, including competence and decision-making skills (Smith, 2009). Indayani et al., (2015) showed that experience significantly affects audit quality. Furthermore, (Carcello, 1992) found that the audit experience has a significant and positive relationship with audit quality. In line with the above opinions, this study proposes the following hypotheses:

H_1: Experience has a significant effect on audit quality.

The high workloads can cause fatigue that decreases their ability to analyze deviations and fault finding on the audited financial statements. Lopez and Peters (2012) found that when the audit process is under the pressure of workload will be lower than when there is no workload pressure. The possible consequences of audit workload are a decline in audit quality and earnings quality (Hansen et al., 2007). Diem (2016) states that busy season companies have higher abnormal accruals. In other words, workload pressure negatively affects audit quality. From the above opinion, this study proposes a hypothesis as follows:

H_2: Workload pressure affects audit quality.

Ruegger (1992) found that females have a level of moral judgment higher than males. Gender is one of the non-technical factors that affect the quality of the audit. Mayers and Levy (1986) suggest that the males in the information processing usually do not use all the available information so that decisions are taken less comprehensively. Moral considerations are intended to measure decision-making and the information in the audit client company. According to (Widiarta, 2013), gender does not significantly affect audit quality. From the above opinions, the researchers propose hypothesis as follows:

H_3: Gender does not have a significant effect on the audit quality

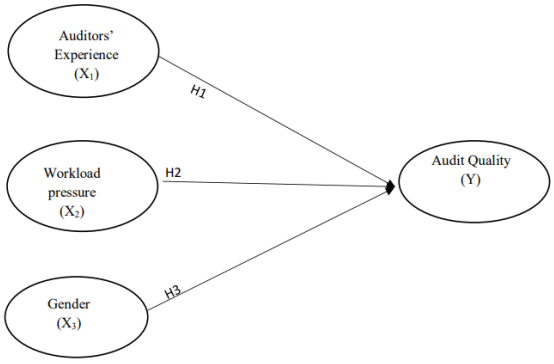

Figure 1 Design Hypothesis

Research Methodology

This is quantitative research. The population in this study is the auditors who work in public accounting firms located in Jakarta were registered with the financial services authority. The sampling method used in this study is purposive sampling, a technique for determining a research sample with a few considerations that aim that the data obtained can be more representative (Sugiyono, 2011), and according to Arikunto 2006), purposive sampling is not based on random, local or strata, but based on the consideration that focuses on a particular goal.

The sample criteria are:

1. Auditors are working for Public Accounting Firms located in South Jakarta and listed in the Financial Service Authority (OJK).
2. The Auditors with a minimum of one year of working experience.
   According to Financial Services Authority, 52 public accounting firms have 214 auditors, and 110 are willing to become respondents.

The primary data was taken from independent auditors who work in Public Accounting Firm in South Jakarta. The data is collected through survey questionnaires. The analysis used in this study is the quantitative analysis and SPSS version 22 to examine the data.

Finding, Analysis, And Discussion

Table 1
Characteristics of Respondents based on Gender

Gender	**Frequency (person)**	**percentage**
Man	59	54%
Woman	51	46%
Total	**110**	**100%**

Sources: Primary data processed

The above table shows that of the 110 respondents, primarily female, 51 people (46%) and male respondents of 59 people (54%).

Table 2
Characteristics of Respondents Based on the Working Duration as Auditor

Work Duration	Frequency (person)	Percentage
1 year	31	28%
Between 1-5 years	20	18%
Between 6-10 years	35	32%
> 10 yeapaars	24	22%
Total	**110**	**100%**

pressure, and Gender, will be tested by descriptive statistics as shown in Table 3.

Table 3
The Result of Descriptive Statistics

N		Minimum	Maximum	Mean	Std. Deviation
Audit quality	110	27,00	60,00	48,3364	6,36256
Auditors' Experience	110	14,00	40,00	30,5273	5,83364
Workload Pressure	110	11,00	30,00	20,0636	3,90548
Gender	110	,00	1,00	,4636	,50096
Valid N (listwise)	110				

Source: data processed using SPSS

Table 3 explains that for the variable of audit quality, the respondents' answer was a minimum of 27 and a maximum of 60, with an average of 48,336 and a total answer to the standard deviation is 6,362. Respondents answered a minimum of 14 and a maximum of 40 with an average of 30,527 and a total answer to the standard deviation is 5,833 for the of auditors' Experience variable. The minimum of variable Workload Pressure's respondents answer is 11, and the maximum is 30, with an average of 20,063 and a total answer to the standard deviation is 3,905. Meanwhile, the Variable of genders' respondents answer a minimum is 0 and a maximum is 1, with an average of 0,643 of the total

Table 4
The Result of the T-test of Auditors' Experience Coefficients

		unstandardized Coefficients		standardized Coefficients		
		B	Std. Error	beta		
	(Constant)	22.894	2.104		10.883	, 000
	Auditors' Experience	, 833	, 068	, 764	12,311	, 000

a. Dependent Variable: audit quality
Source: data processed using SPSS

From the table t-test, the magnitude t count is 12,311 with 0,000 significant. Because the probability < 0.05, then Ho is rejected, and Ha is accepted. This means the Auditor's Experience significantly affects the quality of the audit.

Table 5
The Result of the T-test of Workload Pressure Coefficients

		unstandardized Coefficients		standardized Coefficients		
		B	Std. Error	beta		
	(Constant)	45.975	3.195		14.388	, 000
	Workload	, 118	, 156	, 072	, 753	, 453

a. Dependent Variable: audit quality

Source: data processed using SPSS

From the table t-test, the magnitude t arithmetic is 0.753 with 0.453 significant. Because the probability > 0.05, then Ho is accepted and Ha rejected. This means that the workload pressure does not affect audit quality.

Table 6
The Result of the T-test of Gender Coefficients

Model	unstandardized Coefficients		standardized Coefficients	t	Sig.
	B	Std. Error	beta		
(Constant)	49.305	, 821		60.068	, 000
Gender	-2.089	1,205	-, 165	-1.733	, 086

a. Dependent Variable: Audit Quality
Source: data processed using SPSS

From the table t-test, the magnitude t arithmetic is -1.733 to 0.086 significant. Because the probability > 0.05, then Ho is accepted and Ha rejected. The figure means that Gender does not affect audit quality. Table 17-19 above shows the results of statistical test t between variables independent and dependent variables as follows

The first hypothesis testing uses a t-test for variable X_1 represents the Auditors' Experience has a value of t_{count} 12,311, greater than the value of t_{table} 1.983 and 0.000 significance level less than 0.05. The figure indicates that the auditors' experience a significant effect on audit quality. Furthermore, results plus (positive) show a positive relationship between auditor experience and audit quality. So, this study's first hypothesis that the Auditors' Experience has a positive and significant impact on audit quality is proven and accepted.

The second hypothesis of this study says that Workload Pressure has adverse effects on audit quality. However, variable X_2 (workload pressure) has a value of t_{count} by 0,753 lower than the value of t_{table} 1.983 and 0,453 significance level greater than 0.05. The figure indicates that the workload pressure has no significant effect on audit quality. So the second hypothesis of this study that states that the workload pressure has not a significant impact on audit quality is rejected.

The third hypothesis of this study stated that Gender has no significant effect on

audit quality. Variable X3 (Gender) has a value of t_{count} by -1,733 smaller than the value of t_{table} 1.983 and 0,086 significance level greater than 0.05. This indicates that Gender re has not significantly affected audit quality. Results plus (positive) show the relationship between Gender negative and audit quality. So the third hypothesis of this study that states that Gender has not a significant impact on audit quality is accepted.

Conclusion

The results conclude that **a**uditors' experiences positively and significantly affect audit quality. Experience of auditors was measured with two indicators, the length of time worked as an auditor and the number of inspection tasks. Workload Pressure does not affect the audit quality. It was measured with two indicators: the auditor's attitude utilizing audit time and the auditors' attitude in the audit quality deterioration. Gender has no significant effect on audit quality. It was measured with two indicators: the auditor's attitude to using the time and attitude auditor audit the audit quality deterioration.

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