The Influence of Individual Rank, Work Experience, and Firm Size, On the Professionalism and Output of Internal Auditor

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ABSTRACT

This research is aimed to obtain empirical evidence and better understanding concerning the influence of individual rank, work experience, and firm size on the professionalism and output of internal auditors of public companies listed on the Indonesia Stock Exchange. This research is expected to contribute on the premise about the scientific development of accounting area, to improve or complement the auditing theory in an attempt to improve the quality of audit services, in particular, professionalism of auditing. For corporations and professionals, this research is expected to contribute to the setting of the strategic plan in order to improve professionalism and company’s internal auditor performance. This research employed a census method. The type of study used was the descriptive-verificative method. To test the hypotheses, the study used two methods, namely Principal Component Analysis (PCA) and Structural Equation Modeling (SEM). The conclusion of this study is that individual rank, work or job experience, and firm size empirically have a positive and significant contribution to professionalism and outputs of internal auditor of a company.

Keywords: Individual Rank; Work Experience; Firm Size; Internal Auditor Professionalism; Internal Auditor Outputs.

JEL Classification: M42, L25

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INTRODUCTION

The fluctuation of stock prices traded on the Indonesia Stock Exchange is caused by the state of the economy, government policy in the field of monetary and fiscal as well as the circumstances of each company. Ineffective corporate governance is a major cause of the economic crisis and the failure of various companies in Indonesia (Tugiman: 2004).

The enterprise crime scandal occurred in the United States’ and Indonesia’s companies are the responsibility of management. One of the factors causing these crimes is the ineffective functioning of the internal auditor. The research result of KPMG Forensic(2004) explained that the causes of fraud are due to the lack or absence of internal control that is getting higher as much as 48% in 2004 and 25% in 2002 (increasing up to 23%). The increase was due to the little or no enforcement of internal control that is 45% in 2004 and 34% in 2002 (increasing up to 11%).

The statement was supported by Agoes (2005) who stated that all these cases could occur due to the weak controls or internal control, the ineffective implementation of good corporate governance (GCG), and there are many business units that do not understand the importance of enterprise risk management and the implementation of it. Sawyer, et. al. Cited in YPIA (2003) suggested that wherever the management goes, internal auditors should follow, but if the management does not know where to take a step, the internal auditor should give the direction.

ICA(1999) point 42 and 47 which explain that a public company on London Stock Exchange is possible not to have an internal audit team so that in case of deviation, the management should be responsible. In other words, in case of deviation, the final responsibility is in the management, but the internal auditor is also responsible for the occurrence of such deviations. Organization of the Indonesia internal auditor profession consisting of the Institute of Internal Auditors (IIA) -Indonesia Chapter, Communication Forum of Internal Control Unit BUMN (State-owned corporation) or BUMD (province-owned corporation), Internal Audit Education Foundation (YPIA), Qualified Internal Auditor Certification Board (DS-QIA), and the Association of Internal Auditors Indonesia (PAII) has issued paper #1/2003 containing recommendations on the role of internal audit in improving corporate governance in companies in Indonesia.

Organization of the internal audit profession believes that the internal audit function (internal examiner unit) is effectively able to offer a significant contribution to improve the corporate governance, risk management, and management control. An internal auditor is an important support for the commissioners, audit committee, the board of directors and senior management in establishing the foundation for the development of corporate governance. Pickett (2005) explained that the internal audit activity should assess and organize appropriate recommendations to improve the process of governance in achieving the corporate’s goals. Sawyer et. al. (2003) stated that internal auditing should meet several criteria to be admitted as a professional profession.

QIA certificate holders mostly come from state-owned enterprises that are 1,484 people from 1,790 people. They work in 102 companies out of 176 companies. BUMS come the second with the number of 268 people working in 53 companies. This shows that the government’s attention to the professionalism of internal auditors is higher than the BUMS. The Institute of
Chartered Accountants in Australia (ICAA, 1994) suggests that the scope and purpose of the internal audit depend on the size of the organization and a request from the management of the organization concerned. Therefore, it is necessary to assess whether or not the size of the organization also affects the professionalism of internal auditors.

Robbins (2005) explains that the internal auditor’s professional conduct is motivated by their expectation both personal and organizational. Expectancy theory of Vroom (1964) explains that the strength of a tendency to act in a certain way depends on the strength of an expectation that would be followed by specific output, and on the attractiveness of these outputs for the individual. In other words, expectancy theory helps explaining why many internal auditors are not motivated in their work and are merely doing the minimum work to save them.

This research is important because it is to test and analyze the empirical evidence and find clarity of individual rank, work experience, and firm size influence phenomenon on the professionalism and the output of internal auditor of listed companies in Indonesia Stock Exchange (BEI). This research is expected to contribute ideas towards the development of science in accounting, to complete the existing theories of auditing in order to improve the quality of auditing implementation especially professionalism in auditing. For companies and practitioner, this research is expected to contribute to the preparation of strategic plans in order to improve the professionalism and performance of the company’s internal audit.

The professionalism of internal auditor can produce qualified auditing service in accordance with the standards obtained (Bonner & Lewis, 1990; Ratliff, 1996; Sawyer, 2003; Whittington & Pany, 2004; IIA; Husodo, 2002; Wardayati, 2004; Agoes, 2005; Arens et. al, 2014). The professionalism of internal auditor is an individual behavior influenced by individual rank, work experience, and firm size (Sawyer, 2003; Robbins, 2005; Guntur, et. al., 2002, YPIA, DS-QIA, Wardayati, 2016). Individual rank is the people who entered the organization with certain characteristics that will influence their behavior in the workplace. Individual rank includes biographical characteristics consisting of age, education level, the number of training, positions in the internal audit team, and personality (Robbins, 2005; Kreitner & Kinicki, 2001; YPIA; DS-QIA).

Work experience of internal auditor that includes experience working at AI, and the number of assignments in AI would be a good consideration for individuals in making decision professionally in order to obtain work results as the internal editors expected.(Allport, 1937; Vroom, 1964; Colbert, 1989; Wood, 1989; Libby & Frederick, 1990; Ketchen & Strawser, 1998; Kalbers & Fogarty, 1995; Sawyer, 2003; Guntur, et.al, 2002; Suraida, 2003). Firm size is the size of the company where internal auditors provide a level of professional skills to produce qualified internal audit services. The measurement of firm size based on total assets, total sales and the amount of labor which are owned by listed companies in Indonesia Stock Exchange (Goetz, 1991; Aaker, 1992; ICAA, 1994; Afrizal, 1999; YPIA; DS-QIA). The professionalism of auditor is seen from the dimensions of community affiliation, certification, advanced professional education, dedication to the profession, and the profession of social obligations (Sawyer, 2003; IIA; YPIA; DS-QIA; Tugiman, 2000). Based on the statements and the results of the research the first hypothesis are the individual rank, work experience, and firm size simultaneously and partially influence the professionalism of the internal auditor (H1).
Professionalism of internal auditor could affect their output which includes recommendations, job satisfaction, and commitment of management (Brayfield & Rothe, 1951; Vroom, 1964; Locke, 1976; Hoesodo, 2002; Sawyer, 2003; Wardayati, 2016; Agoes, 2005; IIA; YPIA; DS-QIA; SK. Chairman of Bapepam No. 40 and 41, 2003). Professionalism is an element of motivation that contributes to a person in order to produce effective recommendations (Hall, 1968; Kreitner & Kinicki, 2001; Sawyer, 2003; Robbins, 2005; Agoes, 2005; ICA; YPIA; DS-QIA). Someone who does not have the ability to actualize his professionalism becomes dissatisfied at work (Brayfield & Rothe, 1951; Kalbers & Fogarty, 1995; Sawyer, 2003; Guntur, et al., 2002; Lestari & Cahyono, 2003; Wardayati, 2004).

Management’s commitment focuses on the responsibility of the directors of the financial statements and the audit committee of the company. Someone who has the ability to actualize his professionalism will have high commitment to management (Morrow, 1988; Colbert, 1989; Libby & Frederik, 1990; Boner, 1990; Benardi, 1994; Ketchen & Strawser, 1998; Arrunada, 2000; Sawyer, 2003; 1996; SK. Chairman of Bapepam No. 40 and 41, 2003). Based on the statements and the results of the research, the second and the third hypothesis are: Professionalism of internal auditor influences the output of the internal auditor (H2) and individual rank, job experience, firm size, and professionalism partially and simultaneously influence the output of the internal auditor (H3).

Based on the descriptions above, the problems of these three hypotheses are: (1) Does individual rank influence the professionalism of internal auditors? (2) Does work experience affect the professionalism of internal auditors? (3) Does firm size affect the professionalism of auditors internal? (4) Do individual rank, work experience, and firm size affect the professionalism of internal auditors? (5) Does internal auditor professionalism influence the output of the internal auditor? (6) Does individual rank influence the output of the internal auditor? (7) Does work experience influence on the output of the internal auditor? (8) Does the firm size affect the output of the internal auditor? (9) Do individual rank, job experience, firm size, and professionalism affect output of the internal auditor?

**RESEARCH METHODS**

**Research Design**

This type of research is quantitative research with an explanatory level and census research design. The operational definition of variables and indicators of research are: (1) Individual Rank variable ($\xi_1$) is measured by five indicators including age ($X^1$), education level ($X^2$), the amount of training ($X^3$), the position in the audit team ($X^4$), and personality ($X^5$); (2) Work Experience variable ($\xi_2$) is measured by three indicators that are length of work before in AI ($X^6$), the length of work for AI ($X^7$), and the number of assignments of internal auditors ($X^8$); (3) Firm Size variable ($\xi_3$) is measured by three indicators of total assets ($X^9$), total sales ($X^{10}$), and the labor ($X^{11}$); (4) The professionalism of Internal Auditors ($\eta_1$) is measured by five indicators covering community affiliation ($Y^1$), certification ($Y^2$), advanced professional education ($Y^3$), dedication to the profession ($Y^4$), and social obligations profession ($Y^5$); and (5) the Internal Auditor’s work ($\eta_2$) is measured by three indicators consist of recommendation ($Y^6$), job satisfaction ($Y^7$), and management commitment ($Y^8$).
Types and Sources of Data

Data collection method used is the census method with questionnaire both directly meeting the respondent, through contact person, courier, mail (mail census), forming teamwork and via the internet (email census). The research takes the internal auditor and the head of the company individually as units of analysis. The instrument used was a questionnaire. The period (time horizon) studied is a across sectional.

Population and Sample

Sekaran (2003) defines population as the entire group of people, events, or things of interest that researcher wishes to investigate. While the sample means a subset of the population. This study uses census technique on the entire population of companies listed in BEI manufactures which is 159 companies. Complete data of 120 listed companies, represented by the internal auditor and the head of the company resulted in 240 questionnaires that will be processed and will answer the proposed problems.

Data Analysis Methods

The first data to the analysis technique is testing the quality, validity, and reliability of the data. In the validity test, an instrument is said to be valid if it is able to measure what should be measured according to the specific situation and goals. In a reliability test, a reliable instrument is an instrument that is consistent in measuring the same symptom. To increase the scale of interval data measurement sequential method is used (Method of Successive Interval).

In accordance with the objectives and hypotheses stated, the data is processed using LISREL 8:30 programs. There are three exogenous and endogenous variables measured. One variable and others are interrelated and should be reviewed altogether. It is, therefore, appropriate to use multivariate statistic of analytical techniques. The statistical method used is the analysis of Structural Equation Modeling (SEM) which is written in a mathematical equation as follows:

\[ \eta = \beta \eta + \Gamma \zeta + \zeta \]

Where:  
\( \eta \) = endogenous latent variable  
\( \beta \) = relation of endogenous to latent endogenous variable  
\( \Gamma \) = relation of exogenous to endogenous latent variable  
\( \zeta \) = latent exogenous variable  
\( \zeta \) = error variant or epsilon
\[ \chi = \Lambda_{x} \xi + \delta \]

Where: \( \chi \) = indicators of exogenous variables  
\( \Lambda_{x} \) = loading factor of exogenous indicators  
\( \xi \) = latent exogenous variable  
\( \delta \) = error variant or epsilon

\[ y = \Lambda_{y} \eta + \epsilon \]

Where: \( y \) = endogenous indicator variable  
\( \Lambda_{y} \) = loading factor of endogenous indicator  
\( \eta \) = endogenous latent variables  
\( \epsilon \) = Error

**RESEARCH RESULTS**

**Validity and Reliability Test**

Tables 1 to 4 show the results of validity and reliability test conducted on questionnaire so that the data quality requirements have been met and the process of data analysis can be continued.

<table>
<thead>
<tr>
<th>Code</th>
<th>value R and p</th>
<th>Validity</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>IR8</td>
<td>R=0,975 and p=0,000</td>
<td>Valid</td>
<td>Alpha = 0,9242 (reliable)</td>
</tr>
<tr>
<td>IR9</td>
<td>R=0,720 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>IR10</td>
<td>R=0,775, and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>IR11</td>
<td>R=0,834 and p=0,004</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>IR12</td>
<td>R=0,845 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>IR13</td>
<td>R=0,755 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>IR14</td>
<td>R=0,975 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2015  
Description: R = the coefficient of correlation value , p = probability value (significance)

<table>
<thead>
<tr>
<th>Code</th>
<th>value R and p</th>
<th>Validity</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>PK15</td>
<td>R=0,819 and p=0,000</td>
<td>Valid</td>
<td>Alpha =0, 7960 (reliable)</td>
</tr>
<tr>
<td>PK16</td>
<td>R=0,839 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PK17</td>
<td>R=0,883 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2015  
Description: R = the coefficient of correlation value , p = probability value (significance)
The Influence of Individual Rank, Work Experience, and Firm Size, On the Professionalism and Output of Internal Auditor

Table 3. Validity and Reliability Test Results of Internal Auditor Professionalism

<table>
<thead>
<tr>
<th>Code</th>
<th>value R and p</th>
<th>Validity</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAI21</td>
<td>R=0,194 and p=0,231</td>
<td>Valid</td>
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</tr>
<tr>
<td>PAI22</td>
<td>R=0,737 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PAI23</td>
<td>R=0,816 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PAI24</td>
<td>R=0,849 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PAI25</td>
<td>R=0,814 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PAI26</td>
<td>R=0,691 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PAI27</td>
<td>R=0,947 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PAI28</td>
<td>R=0,737 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PAI29</td>
<td>R=0,816 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>PAI30</td>
<td>R=0,849 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2015

Table 4. Validity and Reliability Test Results of Internal Auditors’ Output

<table>
<thead>
<tr>
<th>Code</th>
<th>value R and p</th>
<th>Validity</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKAI31</td>
<td>R=0,570 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI32</td>
<td>R=0,680 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI33</td>
<td>R=0,595 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI34</td>
<td>R=0,678 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI35</td>
<td>R=0,788 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI36</td>
<td>R=0,631 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI37</td>
<td>R=0,802 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI38</td>
<td>R=0,293 and p=0,067</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI39</td>
<td>R=0,562 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI40</td>
<td>R=0,142 and p=0,383</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI41</td>
<td>R=0,460 and p=0,003</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI42</td>
<td>R=0,438 and p=0,005</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI43</td>
<td>R=0,678 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI44</td>
<td>R=0,788 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI45</td>
<td>R=0,562 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI46</td>
<td>R=0,142 and p=0,383</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI47</td>
<td>R=0,460, and p=0,003</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI48</td>
<td>R=0,438 and p=0,005</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI49</td>
<td>R=0,678 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI50</td>
<td>R=0,788 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI51</td>
<td>R=0,709 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI52</td>
<td>R=0,905 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI53</td>
<td>R=0,788 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>HKAI54</td>
<td>R=0,631 and p=0,000</td>
<td>Valid</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2015

Description: R = the coefficient of correlation value, p = probability value (significance)
Hypothesis Test

After analyzing the research instruments, scaling analysis and analysis of indicators measurement of research variables, the data were then used to analyze and test the formulation of hypothesis testing based on the structure of the model among the variables with regard on the research paradigm. Research hypothesis testing is done by statistical test by calculating the Structural Equation Modeling Analysis (SEM) as the quantitative analysis shown in Figure 1.

![Path diagram to Coefficient Line among variables](image)

Source: Primary data processed, 2015

Figure 1. Relationships Model Structure among individual rank, job experience, firm size, professionalism and output variables.

The Path diagram to Coefficient Line among variables in which all the variables affecting the professionalism of the Internal Auditor and the Internal Auditor’s work is significant to the level of 5% as shown in Table 5.

<table>
<thead>
<tr>
<th>No</th>
<th>Path</th>
<th>Coefficient</th>
<th>T values</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>f1 -&gt; f4</td>
<td>0.25</td>
<td>3.63</td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>f1 -&gt; f5</td>
<td>0.17</td>
<td>2.43</td>
<td>Significant</td>
</tr>
<tr>
<td>3</td>
<td>f2 -&gt; f4</td>
<td>0.45</td>
<td>8.31</td>
<td>Significant</td>
</tr>
<tr>
<td>4</td>
<td>f2 -&gt; f5</td>
<td>0.28</td>
<td>4.09</td>
<td>Significant</td>
</tr>
<tr>
<td>5</td>
<td>f3 -&gt; f4</td>
<td>0.17</td>
<td>3.75</td>
<td>Significant</td>
</tr>
<tr>
<td>6</td>
<td>f3 -&gt; f5</td>
<td>0.17</td>
<td>3.51</td>
<td>Significant</td>
</tr>
<tr>
<td>7</td>
<td>f4 -&gt; f5</td>
<td>0.38</td>
<td>3.43</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2015
DISCUSSION

The results of hypothesis test, the variables of individual rank, work experience, and firm size on professionalism and the outputs of the internal auditor of a company as follow:

**Individual rank, work experience, and firm size partially and simultaneously influence the professionalism of the internal auditor**

The first hypothesis is used to answer the first to the fourth problem of researches.

**Influence of Individual Rank ($\xi_1$) on the Internal Auditor Professionalism ($\eta_1$)**

Figure 1 shows the direct influence of individual rank on the professionalism of the internal auditor of $(0.25 \times 0.25 \times 100 \text{ per cent}) = 6\%$ which means that the influence of individual rank consisting of indicators of age, education level, number of training positions in internal audit team, and personality on the professionalism of internal auditors is positive and significant at $6\%$. The influence of other variables that are not tested in this study was $94\%$. The results support the arguments and conclusions of researches by Kreitner & Kinicki (2001), Robbins (2005), Tugiman (2004), IIA (2000), Ratliff (1996), YPIA (2003), and Agoes (2004), Allport (1937), Buss (1989), Hoesodo (2002), Wardayati, 2016.

**Influence of Work Experience ($\xi_2$) on the Internal Auditor Professionalism ($\eta_1$)**

Figure 1 shows the direct influence of work experience on the professionalism of the internal auditor of $(0.45 \times 0.45 \times 100 \text{ per cent}) = 20\%$ which means that the effect of work experience variable consisting of length of work before in the internal auditor, the length of work for internal auditor, and the number of assignments of internal auditors indicator on the professionalism of the internal auditor is positive and significant at $20\%$. The influence of other variables that are not tested in this study is $80\%$. The results of the study support the statement and conclusions of researches by Kreitner & Kinicki (2001), Colbert (1989), Ketchen & Strawser (1998), Libby & Frederik (1990), Robbins (2005), Wood, et. al. (1989), Kalbers & Fogarty (1995), Tugiman (2000), Guntur, et. al. (2002), and Suraida (2003), Wardayati, 2016.

**The Influence of Firm Size ($\xi_3$) on the Internal Auditor Professionalism ($\eta_1$)**

Figure 1 shows the direct effect of firm size on the professionalism of the internal auditor of $(0.17 \times 0.17 \times 100 \text{ per cent}) = 3\%$ which means that the effect of firm size variables consisting of total assets, total sales, and the amount of labor indicators on the professionalism of internal auditors is positive and significant of $3\%$. The influence of other variables that are not tested in this study is at $97\%$. The results of the study support the statement and conclusions of researches by Aaker (1992), Afrizal (1999), ICAA (1994) and Goetz, et.al. (1991).
Influence of Individual Rank ($\xi_1$), Work Experience ($\xi_2$), and Firm Size ($\xi_3$) Toward Professionalism of Internal Auditors ($\xi_4$)


Professionalism of Internal Auditor affect the Internal Auditor’s Output

The second hypothesis is used to answer the fifth research problem. Figure 1 shows that the direct effect of professionalism of internal auditors on the work of the internal auditor (0.38 x 0.38 x 100 percent) = 14%, which means that the professionalism of internal auditors consisting of community affiliation, certification, advanced professional education, dedication to the profession and social obligations professions have positive and significant direct impact and significantly on the work of the internal auditor, while the influence of other variables that are not tested in this study was 86 percent. The results of the study support the statement and conclusions of researches by Hall (1968), Sawyer (2003), Vroom (1964), Bonner & Lewis (1996), Bernardi (1994), Arrunada (2000), Morrow & Goetz, et al. (1988), Kalbers & Fogarty (1995), Guntur, et al. (2002), and Lestari & Cahyono (2003), Wardayati, (2004), Agoes (2005), Brayfield and Rothe (1951), Locke (1976), Robbins (2005), SK. Chairman of Bapepam numbers: 40 and 41 in 2003.

Individual Rank, Work Experience, Firm Size, and Professionalism Simultaneously and Partially Influence Output of Internal Auditor

The third hypothesis is used to answer the sixth to the ninth research problems.

Influence of Individual Rank ($\xi_1$) on the output of Internal Auditors ($\eta_2$)

Figure 1 shows the direct influence of individual rank variable on the output of the internal auditor (0.17 x 0.17 x 100 percent) = 3% which means the individual rank has positive and significant impact on the work of the internal auditor, while the influence of other variables that are not tested in this study was 97%. The results of the study support the statement and conclusions of researches by Kreitner & Kinicki (2001), Robbins (2005), Allport (1937), Buss (1989), and Hoesodo (2002).
Effect of Work Experience ($\xi^2$) on the outputs of Internal Auditors ($\eta^2$)

Figure 1 shows the direct influence of work experience variable on the output of the auditors (0.28 x 0.28 x 100 percent) = 8% which means that work experience has a positive and significant impact on the output of the internal auditor, while the influence of other variables that are not tested in this study was 92%. The results of the study support the statement and conclusions of researches by Kreitner & Kinicki (2001), Colbert (1989), Ketchen & Strawser (1998), Libby & Frederik (1990), Kalbers & Fogarty (1995), Guntur, et. al. (2002), Wardayati (2016).

Effect of Firm Size ($\xi^3$) on the output of Internal Auditors ($\eta^2$)

Figure 1 illustrates the direct effect of firm size variables on the output of the internal auditor (0.17 x 0.17 x 100 percent) = 3% which means that firm size has a positive and significant impact on the output of internal auditors. The influence of other variables that are not tested and are not included in this research model is 97%. The results of the study support the statement of Afrizal (1999) and the ICAA (1994).

Effect of individual rank ($\xi^1$), work experience ($\xi^2$), Firm size ($\xi^3$), and the professionalism of the Internal Audit ($\eta^1$) on the output of Internal Auditors ($\eta^2$)


CONCLUSIONS

Based on the results of research on the influence of Individual Rank, Work Experience, and Firm Size on Professionalism and the output of an internal auditor, it is concluded that; (1) individual rank has positive and significant impact on the professionalism of the internal auditor, (2) work experience has positive and significant effect on the professionalism of internal auditors, (3) firm size has positive and significant impact on the professionalism of internal auditors, (4) individual rank, work experience and firm size have positive and significant impact on the professionalism of internal auditors, (5) the professionalism of internal auditors has positive and significant impact on the output of the internal auditor, (6) individual rank has positive and significant effect on the output of the internal auditor, (7) work experience has positive and significant impact on the output of the internal auditor, (8) firm size has significant and positive
effect on the output of the internal auditor, (9) the individual rank, job experience, firm size, and professionalism have positive and significant impact on the output of internal auditors; in other words of this study shows that individual rank, work or job experience, and firm size empirically have positive and significant contribution on professionalism and the outputs of the internal auditor of a company.

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