

THE EFFECT OF COMPETENCE, PROFESSIONALISM AND WORK ENVIRONMENT ON JOB SATISFACTION AND ITS IMPACT ON INTERNAL AUDITOR PERFORMANCE OF PT BANK NEGARA INDONESIA

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ABSTRACT

This paper aims to examine the effect of competence, professionalism and the work environment on job satisfaction, and its impact on internal Auditor performance. The study object is PT Bank Negara Indonesia (PT. BNI). The population of this research is the internal auditors of western and eastern clusters of PT. BNI numbered 429 people, and the determination of the sample was done using cluster sampling method, provided as many as 155 people. The research model was tested using Structural Equation Modeling (SEM) processed through AMOS software. Data were collected using questionnaires that used a Likert scale. The results from the tests conducted found that directly, audit competence affects internal auditor performance, professionalism affects internal auditor performance, the work environment affects internal auditor performance, audit competence affects internal auditor job satisfaction, professionalism affects internal auditor job satisfaction, work environment affects internal auditor job satisfaction, internal auditor job satisfaction affects internal auditor performance. Whereas through the results of testing the mediation model, it was found that internal auditor job satisfaction could not mediate the effect of audit competence on internal auditor performance, while professionalism and work environment are indirectly able to influence the internal auditor performance through their job satisfaction. The findings in this study can contribute to the development of theories. Practically, especially for PT. BNI as a research object, internal auditor satisfaction at work can be a focus for companies, whether as mediation or not, to improve the performance of their internal auditors, especially the results of their work which are very important in evaluating all elements of management within the company. The novelty of this study is the incorporation of the management causality model from previous studies to see it in audit work. Further research can also develop other research models based on this renewal theory.

Keyword: Competence, Professionalism, Work Environment, Job Satisfaction, Internal Auditor Performance.

1. INTRODUCTION

With the growth and development of a company, the range of control between the Directors and the executors of activities in all organizational units of the company will be wider and more

complex. Therefore, it is deemed necessary to have an internal audit. Internal Audit is an activity that focuses on providing independent and objective beliefs and consultations, which aim to increase the value of audit objects and improve the company's operations or organization, through systematic methods, by evaluating and increasing the effectiveness of a risk management, control, and process corporate or organizational governance. Internal Auditor Unit (SAI) is a division that functions to carry out inspection and evaluation activities on the efficiency and effectiveness of finance, accounting, operations, human resources, marketing, information technology, and compliance with management policies that have been determined by providing an analysis, assessment, and comments and recommendations to avoid problems that could potentially cause harm to the company.

At PT Bank Negara Indonesia (PT. BNI), auditors are required to meet the requirements to reduce findings that are of a principle and administrative nature, both from regular auditors and external parties (OJK). The internal audit function at PT. BNI is carried out by the SAI. Internal auditors must have high competence and professionalism and be able to adapt to the environment in which they conduct audits so that they are required to be able to complete the scope of work with a limited time budget effectively and are expected to reduce or reduce the findings of regular auditors and the findings of external parties (OJK).

However, the phenomenon that occurs is that internal auditors are faced with complex tasks in conducting audits, including periodic, sudden, daily and monthly reviews that are interrelated with one another, so that not the entire scope of activities can be checked and causes the internal auditor's performance to be less maximum and expectations expected by SAI have not been realized properly, this condition is proven by the existence of several problems that should have been detected by internal auditors but found by regular auditors or external parties (OJK) such as violations of embezzlement of cash funds, inputting SDB data base (Save Deposit Box) has not been fully recorded correctly on the system, causing a difference between the physical amount with the system, as well as the incident of money burglary on the ATM cassettein August 2016 by the BNI KCU Bengkulu restocking officer that failed to be detected by internal auditors.

Early operational error is a problem and can cause reputation risk for the company. Good performance is related to the work/job satisfaction of internal auditors. Satisfaction at work shows how much an employee likes his job, interactions with colleagues work in harmony so as to get a pleasant emotional satisfaction with their work. Feelings of satisfaction that arise in the work can create a positive impact on behavior and level of discipline resulting in increased morale. Internal auditors who find satisfaction at work, tend to do work seriously and ultimately have an impact on their performance in carrying out their duties.

Demands for a system and also human resources that are reliable and have added value occur to individual internal auditors. This demand has the aim to improve their performance shown on the products produced, namely the audit results. Internal auditor performance is one of the keys to the success of a bank in carrying out its duties. At this time, internal auditors are required to have sufficient competence, be able to work professionally and adapt to the environment wherever assigned. Auditors who do not have competence deemed appropriate will not be able to assist management in solving problems that contain a risk. In fact, the duties and functions of internal auditors in this era are more focused on supervision and also control of the parts in the company or the organization that contains risks and early warnings of potential

operational losses, not just audits of compliance. Even more problematic, if there are still auditors with low competence, of course it will cause major failures in the implementation of the inspection process. Auditors like this will find it difficult to find "findings" associated with the occurrence of irregularities - deviations in the company or organization.

In order to meet the qualifications, competencies, SAI regularly organizes education, training, and certification programs in the field of Internal Audit. With this program, internal auditors can also obtain the latest information in order to adjust to changes in the situation that will be found in audit activities. Professionalism is also a main requirement for someone who wants to become an auditor because with high professionalism the freedom of internal auditors will be increasingly guaranteed. Professionalism also means that internal auditors are required to carry out their duties with sincerity and also care. As a professional, internal auditors must be able to avoid negligence and dishonesty. A person's professionalism can be assessed from the extent to which the recommendations given can be an added value in increasing value and improving company operations.

In addition to the above factors, the work environment also has an impact on auditor performance. As expressed by (Nitisemito, 2010) that the work environment refers to everything that is physical and non-physical that is around employees that can affect their ability to carry out their duties. Each internal auditor must maintain competence and professionalism as well as good adaptation to the work environment in order to prevent and detect all forms of fraud and identify potential fraud. Internal auditors are also required to have an active and coordinating role with various parties, and can help all employees who are responsible for the management of the company by presenting objective analyzes, assessments and comments as well as recommendations on how to properly carry out their work activities. Internal auditors are required to be able to show good performance in order to produce quality inspection results.

Based on the phenomena that have been revealed above, the researcher intends to examine more closely which of the factors that cause the performance of individual internal auditors is low, whether caused by competence, professionalism or work environment is less supportive of work performance that impacts on weak internal auditor performance.

2. LITERATURE STUDY

Auditor Performance

The auditor's performance can be explained as a result of the auditor's work in carrying out his duties in accordance with what is the auditor's responsibility (Harsanty & Whetyningtyas, 2014). Auditor performance becomes a benchmark of the auditor's work, whether it is appropriate and successful or not. performance (work performance) can be measured through a certain measuring indicator (standard), such as quality, quantity and timeliness, where quality is a measure related to the quality of work produced, while quantity is the amount of a work produced in a certain time period, and also the timeliness is the suitability of the work time as planned (Trisnarningsih, 2007). (Rizqina, Adam, & Chan, 2017) explained that employee performance as a thing that leads to the level of achievement of task completion within the allotted time.

According to (Armstrong & Taylor, 2014), performance is not only as an output / result (achievement). They state that performance is how individuals or organizations do a job and also how results are achieved. Based on the understanding of some of these experts, it can be concluded that performance is a person's behavior in the achievement of the results of his work

where someone works as instructed or initiative from oneself. Performance indicators according to (Bernardin & Russell, 2012) consists of: 1) Quality; 2) Quantity; 3) Timeliness; 4) Cost-effectiveness; 5) Need for Supervision; and 6) Interpersonal impact.

Job Satisfaction

Job satisfaction variable is also often referred as work satisfaction. Job satisfaction shows how an employee likes his job. Job satisfaction is a sense of comfort and positive experience that an employee has related to his work. Job satisfaction can affect work behavior and organizational performance. Satisfied employees will have high performance thereby increasing organizational performance (Abdullah & Ramay, 2012). Meanwhile, (Mahdani, Hafasnuddin, & Adam, 2017) expressed job satisfaction is the hope of successfully completing tasks given in accordance with the wishes of the employees themselves from each situation.

According to (Masrukhin & Waridin, 2006) an individual's job satisfaction depends on individual characteristics and job situations. Job satisfaction is a pleasant or unpleasant emotional state with which employees view their work (Luthans, 2012). While according to (Zainal, 2015) job satisfaction is expressed as an assessment of the work of how far the job as a whole satisfies its needs. Job satisfaction becomes an interesting and quite important issue and discussion, because it has been proven to have significant uses for the interests of individuals, industry and society (Soetrisno, 2016). (Afriani & Kasmiruddin, 2017) mentioned job satisfaction defines a pleasant or unpleasant emotional state of the job, job satisfaction reflects a person's feelings towards his job. The indicators of work satisfaction measurement according to (Luthans, 2012), includes (1) the work itself (2) salary (3) promotion, (4) supervision (5) coworkers, (6) working conditions.

Work Environment

Work environment refers to anything physical and non-physical that is around employees that can affect their ability to carry out their duties (Nitisemito, 2010). Environmental definitions according to (Pitaloka & Sofia, 2015) is an attribute in the organization that influences employees in completing their work. Measures of work environment with space and fair treatment facilities at work, communication climate, rules and procedures at work.

According to (Raziq & Maulabakhsh, 2015) The work environment involves all aspects that act and react to the body and mind of an employee. If the environment is pleasant, fatigue, monotony and boredom are minimized and work performance can be maximized. The work environment is one comprehensive concept because it covers aspects of physical, psychological and social working conditions. Work environment indicators according to (Siagian, 2014) are (1) workplace buildings, (2) adequate work equipment, (3) facilities, (4) availability of transportation facilities, (5) peer-level relationships, (6) supervisors with employees, (7) cooperation between employees.

Professionalism

Professionalism is a standard of behavior that is applied in doing work for the intended results. Professionalism can also be stated as one of the keys to success in running a company. The professionalism of an internal auditor will certainly be able to improve his mentality in carrying out various jobs. Profession and Professionalism can be distinguished conceptually.

Professional is a type of work that meets several criteria, while professionalism is an individual attribute that is very important without looking at a job as a profession or not (Lekatompessy, 2003).

Professionalism is explained as an attitude or passion in maintaining a profession and maintaining a public image of it, as well as pursuing knowledge and substance of work in the field (Basri, 2011). Professionalism with internal auditors means that internal auditors must carry out their duties with sincerity and thoroughness. As a professional, internal auditors must be able to avoid acts of neglect and dishonesty. Indicators of Professionalism according to (Susilawati, 2014) include: 1) professional service; 2) social obligations; 3) independence 4) beliefs, and 5) relationships with fellow professionals.

Competence

According to (Kandula, 2013) competence explains the underlying characteristics of a person or individual relating to a causal relationship or cause-effect of carrying out a job. Competence can show the condition or condition of someone in doing their work, effective or not. Meanwhile according to (Edison, Anwar, & Komariyah, 2017) competence is the ability of individuals to carry out a job correctly and has an advantage based on things that involve 3 things, namely knowledge, skill, and attitude.

According to (Gaol, 2014), competence can be seen from people who work in an organization (also called personal, labor or employees) who do a job or task based on skills, knowledge, and supported by the work attitude required by the job. (Moeheriono, 2014) explained that competence is a characteristic that underlies a person related to the effectiveness of an individual's performance in his work or basic characteristics of individuals who have a causal relationship or cause and effect with criteria that are used as a reference, effective or excellent or superior performance at work or in certain situations. According to (Wibowo, 2015) the indicators of competence consist of seven (7) indicators, namely: 1) confidence and values; 2) skills; 3) experience; 4) personal characteristics; 5) motivation; 6) intellectual abilities; 7) organizational culture.

Research Paradigm

Based on the discussion of the problem and research literature, the authors formulate the research paradigm and hypothesis as follows.

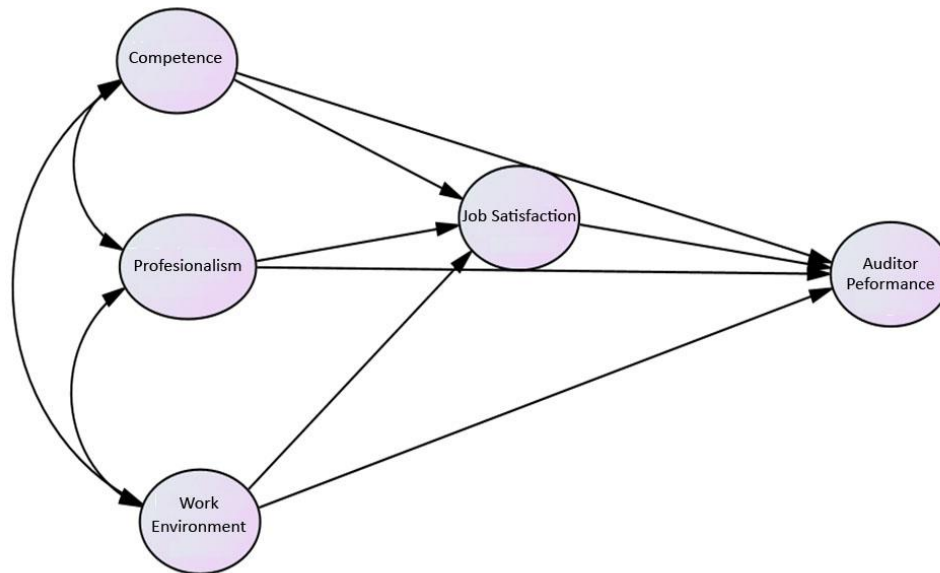


Figure 1. Research Model

Ha1: audit competence directly affects the internal auditor performance

Ha2: professionalism directly affects the internal auditor performance

Ha3: work environment directly affectsthe internal auditor performance

Ha4: audit competence directly affectsinternal auditor job satisfaction

Ha5: professionalism directly affects internal auditor job satisfaction

Ha6: work environment directly affectsinternal auditorjob satisfaction

Ha7: internal auditorjob satisfaction directly affects the internal auditor performance

Ha8: audit competence indirectly affects the internal auditor performancethrough internal auditorjob satisfaction

Ha9: professionalism indirectly affects the the internal auditor performancethrough internal auditorjob satisfaction

Ha10: work environment indirectly affectsthe internal auditor performancethrough internal auditorjob satisfaction

2. RESEARCH METHOD

This study was conducted at PT. BNI as the object of research. While the variables in the study are Competence, Professionalism, Work Environment, Job Satisfaction and Internal Auditor Performance. The population of this research is the internal auditors of the eastern and western clusters of PT. BNI, amounting to 429 people. For the determination of the number of sample, this study referred to the opinion of (Sugiyono, 2013) to use the probability sampling with cluster sampling method. As much as 155 people was determined as a sample, where each element in the population has the same opportunity and opportunity to be chosen as subjects in the sample. The research model was tested using Structural Equation Modeling (SEM) analysis whose data was processed through the use of AMOS statistical software. Data was collected

using a questionnaire that uses a Likert scale. The SEM equation model is described as a set of statistical techniques capable of simultaneously testing a series of relatively complex relationships (Hair, Hult, Ringle, & Sarstedt, 2016). SEM is able to enter latent variables into the analysis. Before testing the hypothesis, confirmatory factor analysis (CFA). CFA in SEM needs to be done to ensure that the indicators are fit (Silva & Alwi, 2008). To test mediation variables, this study used the Sobel test.

3. RESULT AND DISCUSSION

Direct Influence

Structural model analysis that explains the test of influence between the variables presented in the following path diagram:

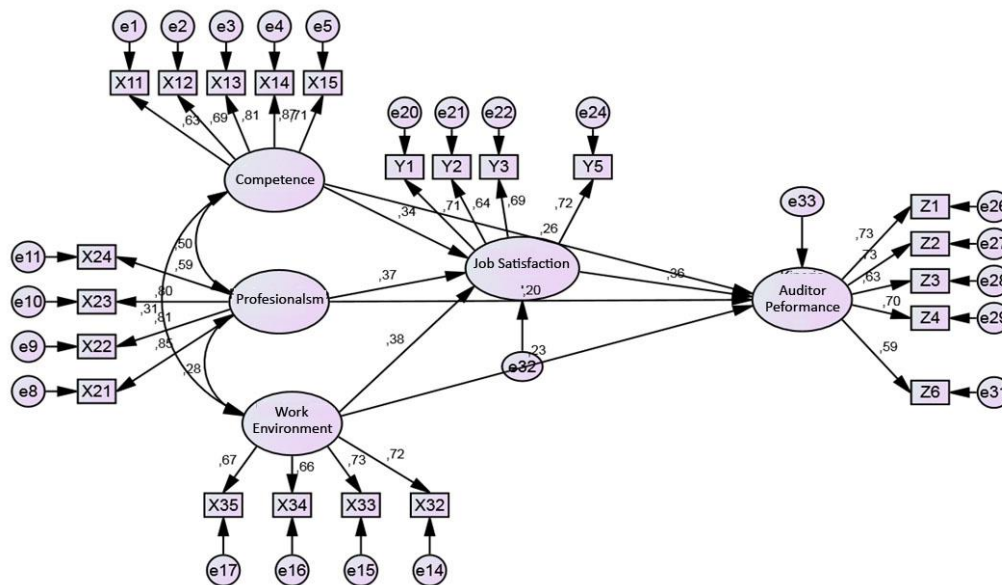


Figure 2. Regression Weight

The results of hypothesis testing are simultaneously tested through the full model after going through the fulfillment of SEM assumptions, more clearly found in the following table:

Table 1. Direct Influence In the Research Model

Exogenous		Endogenous	Estimate		S.E.	C.R.	Sig
			Standard	Unstandar l			
Job Satisfaction_Y	<-- -	Competence_X1	0.344	0.376	0.105	3.566	0.000
Job Satisfaction_Y	<-- -	Professionalism_X2	0.365	0.305	0.077	3.969	0.000
Job Satisfaction_Y	<-- -	Work Environment_X3	0.378	0.380	0.091	4.177	0.000
Auditor Peformance_Z	<-- -	Job Satisfaction_Y	0.363	0.366	0.161	2.277	0.023
Auditor Peformance_Z	<-- -	Work Environment_X3	0.233	0.236	0.102	2.301	0.021
Auditor Peformance_Z	<-- -	Competence_X1	0.265	0.291	0.111	2.619	0.009
Auditor Peformance_Z	<-- -	Professionalism_X2	0.202	0.170	0.084	2.024	0.043

Source: Primary Data, 2020 (processed)

The table above shows the direct influence test result that is explained as follows:

H1 : Audit competence directly affects internal auditor performance

The test results for the first research hypothesis revealed that the test of the influence of competence on the performance of internal auditors produced significant p-value of 0.009 or less than 0.05 ($0.009 < 0.05$) and acquisition of a Critical Ratio (CR) value of 2.619, where the figure the value is higher than the cut-off value of 1.96 or ($2.619 > 1.960$). Thus it can be stated that auditor competence directly affects the performance of the internal auditors of PT. BNI In other words the results of this hypothesis test have accepted the conditions of H_a and rejected the conditions of H_o . The results of this test proved to be in harmony with the results of the tests conducted previously by (Hadisantoso, Sudarma, & Yohanis Rura, 2017), which revealed that auditor competence has a significant direct influence on the performance of public sector auditors. This research has also consistent with the studi that has also been conducted by (Groff & Jones, 2003) and (Dali, Armanu, Margono, & Solimun, 2013) (Nuryanto & Afiah, 2013); (St. Ramlah, Syah, & Dara, 2018), (Renyut, Modding, Bima, & Sukmawati, 2017); and (Arifin, 2015). They have proven that there is a positive direction and significant correlation between competence and performance.

H2 : Professionalism directly affects internal auditor performance

The test results for the second research hypothesis showed that the test of the effect of professionalism on internal auditor performance produced a p-value significant 0.043 or less than 0.05 ($0.043 < 0.05$) and the acquisition of a Critical Ratio (CR) value of 2.024,

where the figure the value is higher than the cut-off value of 1.96 or (2.024 <1.96). Thus it can be stated that professionalism has a significant direct effect on on internal auditor performance. In other words, this hypothesis accepts the terms H_a and rejects the terms H_o . The results of this test proved to be in harmony with the results of the tests conducted previously by(Ohiokha & Akhalumeh, 2013); and(Nuryanto & Afiah, 2013), which they found that there was a positive direction and significant effect of auditor competence, information technology and internal control on the quality of financial reporting. Other similar research was also made by(Ningsih & Nadirsyah, 2017) and(Lee, Su, Tsai, Lu, & Dong, 2016).The results of their studies also show that both partially and simultaneously Independence, Auditor Professional Skepticism, Audit of Standards Implementation, and Ethical Audit influence Audit Quality. Furthermore, this research also rejects research conducted by(Hadisantoso et al., 2017)which found that professionalism did not have a significant effect on auditor performance.

H3 : Work environment directly affects internal auditor performance

The test results for the third research hypothesis showed that the effect of work environment on internal auditor performance produced a significant p-value of 0.021 or less than 0.05 (0.021 <0.05) and the acquisition of a Critical Ratio (CR) value of 2.301, where the number This value is higher than the cut-off value of 1.96 or (2.301 <1.96). Thus it can be explained that the environment at work has a significant direct effect on the performance of the Internal Auditor. In other words, this hypothesis accepts the terms H_a and rejects the terms H_o . The results of this test proved to be in harmony with the results of the tests conducted previously by(Munandar, Musnadi, & Sulaiman, 2019); (Dharmanegara, Sitiari, & Wirayudha, 2016); where they found that there is a positive direction and significant correlation between work environment and performance. Research result of(Raziq & Maulabakhsh, 2015)also found that the work environment involved all aspects of acting and reacting to an employee's body and mind. If the work environment is pleasant, the fatigue, monotony and boredom of employees can be minimized so that the performance of these employees can be maximized.

H4 : Audit competence directly affects internal auditor job satisfaction

The test results for the fourth research hypothesis revealed that the effect of competence on internal auditor job satisfaction produces a significant p-value of 0.000 or less than 0.05 (0.000 <0.05) and the acquisition of a Critical Ratio (CR) value of 3.566, where the number This value is higher than the cut-off value of 1.96 or (3.566 <1.96). Thus it can be stated that auditor competence has a significant direct effect on satisfaction of internal auditors at work. In other words, this hypothesis accepts the terms H_a and rejects the terms H_o . The results of this test proved to be in harmony with the results of the tests conducted previously by(Pitaloka & Sofia, 2015);(Ko, 2012)which revealed that competence and professionalism significantly affect employee job satisfaction. The results of the current study are also in line with research that has been done by(Dharmanegara et al., 2016)who found that an employee's competence will affect one's satisfaction. On the contrary, the results of this study argued the research that has been done by (Arifin, 2015)where the findings stated that the variable competence positively influences but not significantly the

employee satisfaction variable.

H5 : Professionalism directly affects internal auditor job satisfaction

The test results for the fifth research hypothesis showed that the influence of professionalism on internal auditor job satisfaction produces a significant p-value of 0,000 or less than 0.05 ($0,000 < 0.05$) and the acquisition of a Critical Ratio (CR) value of 3,969, where the number This value is higher than the cut-off value of 1.96 or ($3.969 > 1.96$). Thus it can be stated that professionalism has a significant direct effect on job satisfaction of Internal Auditors. In other words, this hypothesis accepts the terms H_a and rejects the terms H_o . The results of this test proved to be in harmony with the results of the tests conducted previously by (K. Sejjaaka & K. Kaawaase, 2014) which illustrated that professionalism affects employee job satisfaction. (Fanggidae, Suryana, Efendi, & Hilmiana, 2016) from the results of his research also stated, to meet the needs of job satisfaction it is necessary to create a work environment that is conducive to the achievement of work professionalism. (Dali et al., 2013) with the results of his research also revealed that good professionalism of auditors can increase employee job satisfaction.

H6 : Work environment directly affects internal auditor job satisfaction

The test results for the sixth research hypothesis showed that the influence of the work environment on internal auditor job satisfaction produces a significant p-value of 0,000 or less than 0.05 ($0,000 < 0.05$) and the acquisition of a Critical Ratio (CR) value of 4.177, where this figure is higher than the cut-off value of 1.96 or ($4.177 > 1.96$). Thus it can be stated that the work environment has a significant direct effect on the work satisfaction of internal auditors. In other words, this hypothesis accepts the terms H_a and rejects the terms H_o . The results of this test proved to be in harmony with the results of the tests conducted previously by (Munandar et al., 2019) which explained that the environment at work has a positive and significant effect on employee job satisfaction. Support from several other studies also found in research (Fanggidae et al., 2016) also found that to meet the needs of employee job satisfaction, it is very necessary to create a conducive work environment for the achievement of work professionalism; (Dharmanegara et al., 2016); (Pitaloka & Sofia, 2015) who found that there is a positive direction and significant effect of a work environment on work satisfaction felt by employees, when the work environment is safe and comfortable then they will feel their own satisfaction at work.

H7 : Internal auditor job satisfaction directly affects internal auditor performance

The test results for the seventh research hypothesis revealed that the effect of internal auditor job satisfaction on internal auditor performance produced a significant p-value of 0.023 or less than 0.05 ($0.023 < 0.05$) and the acquisition of a Critical Ratio (CR) value of 2.277, where the number This value is higher than the cut-off value of 1.96 or ($2.277 > 1.96$). Thus it can be stated that internal auditor satisfaction at work has a significant direct effect on internal auditors performance. In other words, this hypothesis accepts the terms H_a and rejects the terms H_o . The results of this test proved to be in harmony with the results of tests that had been done previously by (Luthans, 2012); (Risambessy, Swasto, Thoyib, & Astuti, 2012) which stated that employee job satisfaction is the main predictor

that affects employee performance, and also the research conducted by (Arifin, 2015); (Dharmanegara et al., 2016); (Renyut et al., 2017); (Sony & Mekoth, 2016); (Dali et al., 2013); and (Munandar et al., 2019) which stated that the variable employee satisfaction has a significant effect on the performance variable.

Indirect Influence

H8 : Audit competence indirectly affects internal auditor performance through internal auditor job satisfaction

The test results for the eighth research hypothesis namely auditor competence indirectly suspected to affect the performance of internal auditors through job satisfaction, can be described as follows.

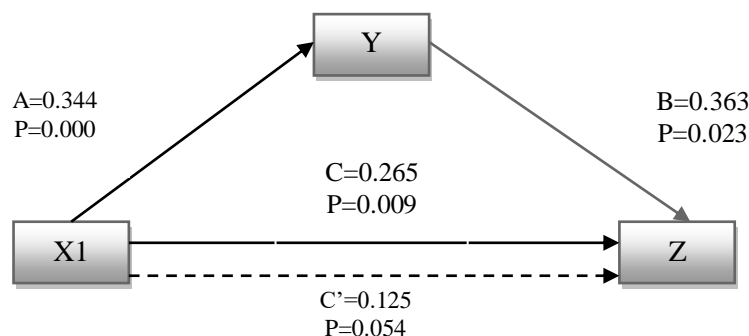


Figure 3 . Mediation Test Result of Competence-Job Satisfaction-Internal Auditor Performance

Information:

- X1 = Competence (Exogenous Variables)
- Y = Job Satisfaction (Mediation Variable)
- Z = Internal Auditor Performance (Exogenous Variables)
- A = coefficient of influence X1 to Y
- B = Effect Coefficient of Y to Z
- P = Probability or significant value

The figure above can be explained that audit competence has a significant direct effect on internal auditor job satisfaction, audit competence has a significant direct effect on internal auditor performance, and internal auditor job satisfaction has a significant direct effect on internal auditor performance, while mediation test results (path-C ') are not significant because it shows a significant value of 0.054 which is higher than 0.050. According to opinion (Baron & Kenny, 1986) if the third equation (path c ') is not significant (zero), then it is called Full mediation. The results of this test also explain that the job satisfaction variable does not significantly mediate the effect of audit competence on internal auditor performance. In other words this hypothesis accepts Ho and rejects Ha. The results of this test reject the test that was done by (Dharmanegara et al., 2016) and (Renyut et al., 2017) which produced that competence has direct and indirect influence through job

satisfaction in improving performance.

H9 : Professionalism indirectly affects internal auditor performance through internal auditor job satisfaction

The test results for the ninth research hypothesis, namely the effect of professionalism indirectly on internal auditor performance through internal auditor job satisfaction can be described as follows.

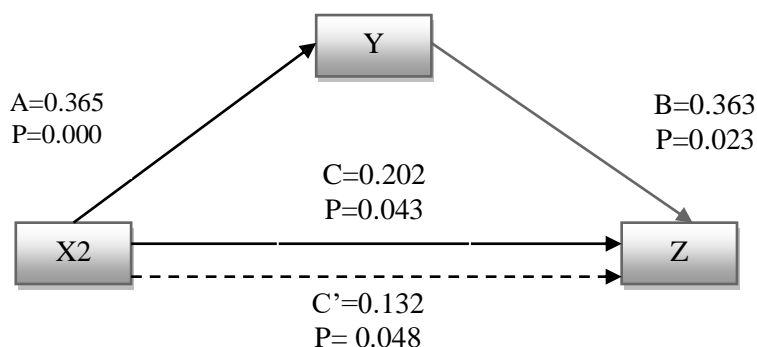


Figure 4. Mediation Test Result of Professionalism-Job Satisfaction-Internal Auditor Performance

Information:

- X2 = Professionalism (Exogenous Variables)
- Y = Job Satisfaction (Mediation Variable)
- Z = Internal Auditor Performance (Exogenous Variables)
- A = coefficient of influence X2 to Y
- B = Effect Coefficient of Y to Z
- P = Probability or significant value

The figure above can be explained that professionalism has a significant direct effect on internal auditor job satisfaction, internal auditor job satisfaction has a significant direct effect on internal auditor performance, professionalism has a significant direct effect on internal auditor performance, and the result of mediation testing (path-C ') that are also significant because it shows a significant value of 0.048 less than 0.050. According to opinion (Baron & Kenny, 1986) if the third equation (path c ') is significant, it is called Partial mediation. The results of this study stated that internal auditor satisfaction at work significantly mediated the effect of professionalism on internal auditor performance. In other words, this hypothesis accepts the terms H_a and rejects the terms H_o . The test results in this study in line with the research that ever made by (Ko, 2012) which stated that competence and professionalism significantly affect job satisfaction. Other than that, (Ningsih & Nadirsyah, 2017) found that both partially and simultaneously Independence, Professional Auditor Skepticism, Audit of Implementation of Standards, and Ethics Audit influence Audit Quality. The results of the study by (Dali et al., 2013) also

revealed that good auditor professionalism could increase auditor satisfaction at work and subsequently high auditor job satisfaction could significantly improve auditor performance.

H10 : Work environment indirectly affects internal auditor performance through internal auditor job satisfaction

Test results for the tenth research hypothesis namely the influence of the work environment indirectly on internal auditor performance through their satisfaction in working can be described as follows.

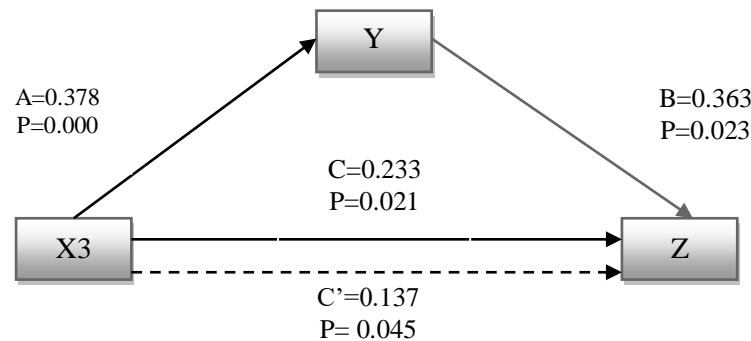


Figure 5 . Mediation Test Result of Work Environment-Job Satisfaction-Internal Auditor Performance

Information:

- X3 = Work Environment (Exogenous Variables)
- Y = Job Satisfaction (Mediation Variable)
- Z = Internal Auditor Performance (Exogenous Variables)
- A = coefficient of influence X3 to Y
- B = Effect Coefficient of Y to Z
- P = Probability (significant value)

The figure above can be explained that the environment in a job has a significant direct effect on internal auditors job satisfaction, internal auditors job satisfaction has a significant direct effect on internal auditors performance, work environment has a significant direct effect on internal auditors performance, and the result of mediation testing (C-path ') that are also significant because it shows a significant value of 0.045 smaller than 0.050. According to opinion (Baron & Kenny, 1986) if the third equation (path c ') is significant, it is called Partial mediation. The results of this study stated that the variable satisfaction in work mediated significantly the effect of the work environment on the performance of internal auditors. In other words, this hypothesis accepts the terms Ha and rejects the terms Ho. The test results of this study are consistent with the research result made by (Munandar et al., 2019) where they found that job satisfaction mediates the influence of the work environment on employee performance. (Fanggidae et al., 2016) also stated that the work environment has an effect on job satisfaction. To meet the needs of job satisfaction, it is very necessary to create a conducive work environment for the achievement of work professionalism. Job satisfaction has an impact on employee performance. (Sony & Mekoth, 2016); and (Dharmanegara et al., 2016) made it clear with their research which stated

that the work environment and employee competencies affect the performance improvement both directly and indirectly through employee satisfaction at work.

4. CONCLUSION

The results of tests conducted at PT. BNI found that directly, audit competence affects internal auditor performance, professionalism affects internal auditor performance, the work environment affects internal auditor performance, audit competence affects internal auditor job satisfaction, professionalism affects internal auditor job satisfaction, work environment affects internal auditor job satisfaction, internal auditor job satisfaction affects internal auditor performance. Whereas through the results of testing the mediation model, it was found that internal auditor job satisfaction could not mediate the effect of audit competence on internal auditor performance, while professionalism and work environment are indirectly able to influence the internal auditor performance through their job satisfaction.

To improve the performance of internal auditors of PT. BNI then that must be considered is to increase the competence and professionalism of internal auditors as well as to create good working environment conditions so as to foster employee satisfaction at work and ultimately will affect performance improvement. Internal auditor competencies can be enhanced by training, education, fostering confidence and upholding company values, work experience, good personality characteristics, work motivation and implementation of good organizational culture. Professionalism can be increased by fostering social service, completing every obligation, being independent at work, confident of professional regulations and building good relationships with fellow auditors. The work environment can be improved by supporting facilities that are well fulfilled and the relationship of superiors with harmonious mutual support will make employees more satisfied at work and will ultimately improve their performance.

For future studies, it is better to complete this research by including moderation variables in the models it builds. The application of the pure moderation model especially for work experience, regional areas of work between districts or provinces, gender (male vs. male auditors), the level of education in the multigroup moderation model will give a more complete picture not only to complete references in developing auditor performance, but also can provide deeper insights as input for management in identifying competencies and understanding human resources to make PT. BNI as one of the leading companies in the Republic of Indonesia.

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