MODERATION ROLE OF RELIGIOUS CONTROL AND LOCUS OF CONTROL IN THE RELATIONSHIP BETWEEN TIME BUDGET PRESSURE AND AUDIT QUALITY REDUCTION EVIDENCE FROM INDONESIAN AUDITORS

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ABSTRACT

Many accounting scandals occurred all over the world and in Indonesia, particularly, show that there are auditor individuals doing actions which can reduce audit quality. This research was study about the acceptance of audit quality reduction behavior. This research aims to, first, analyze the effect of time budget pressure to the audit quality reduction behavior and second, to analyze the effect of interaction towards religious control and locus of control to the audit quality reduction behavior. This research was conducted by using survey method to the auditors who work in Public Accountant Firm (KAP) all over Indonesia. Unit of analysis in this research was junior auditors, senior auditors/supervisors, managers, and partners. Structural equation model that used in this research was WarpPLS that applied to analyze research data. The research result showed that, significantly, time budget pressure affected positively and significantly to the audit quality reduction behavior. Religious control proven to be significantly moderating the relationship between time budget pressure and audit quality reduction behavior. Locus of control significantly proven to be moderating the relationship between time budget pressure and audit quality reduction behavior. Model that presented in this research still has rich potentials to be modified or developed in a better way both developed by adding variables, adjusting proportion of sample number, changing the model, and replacing the research design with experimental design.

Keywords: Indonesian, Religious Control, Locus of Control, Time Budget Pressure, Audit Quality Reduction Behavior

INTRODUCTION

Audit, basically, categorized as double agency relationship (Herrbach, 2001). First agency relationship related between them who are interested with financial statement and audit firm (Herrbach, 2001). Financial statement users (principal) really depend their expectancy and rely on opinion from audit firm (agent). They completely have no access to the accounting information system from any companies to the
audit performance (Soobaroyen and Chengabroyen, 2006). They only have trusts that the audit firms run their work accurately and report the result honestly (Soobaroyen and Chengabroyen, 2006). That situation results in serious conflict for audit firms such as economic problems, competition, and legal problems (Herrbach, 2001).

Second agency relationship involves audit firms (partner) and its workers or auditors (Herrbach, 2001). This second relationship involves in audit bargaining and audit working in a company, thus it can be stated that partners and auditors have specific role in solving audit relation (Herrbach, 2001). For instance, audit evidence collection works that performed by auditor staffs, most of them separated from audit opinion making where it is partner’s responsibility (Herrbach, 2001). In other words, in the situation of audit job or audit works, partners (principal) will build their opinion based on audit files that made by audit team (agent) without playing role in the file arrangement. This second relationship has potential to create conflict such as information asymmetry and the difference of status between partners and auditors which results any tensions among them (Herrbach, 2001).

In facing those conflicts and tensions, auditor individuals have found themselves involved in many behaviors that can create a threat to the audit quality (Pierce and Sweeney, 2004; Gundry and Liyanarachchi, 2007). Same with other business organizations, audit firms also processing the costs and maximizing the efficiency in order to keep it competitive and it is also highlighted that there is potential of conflict between needs to uphold high professional standard and needs to maintain teh continuity of audit firms (Power, 2003). Conflict between cost and quality of audit deteriorated by difficulties, not only for public, but also for audit firm itself in its effort to assess audit quality (Power, 2003). In facing and overcoming those conflicts, it is not infrequently that auditors involved into many audit quality reduction behaviors (Power, 2003; Pierce and Sweeney, 2004). The researcher predicted that locus of control of auditor individual could affect the strength and relationship direction between time budget pressure to the audit quality reduction behavior. Thus, to cope with the research gap of relationship between time budget pressure and audit quality reduction behavior, the researcher placed locus of control variable as moderation variable.

The purpose of this research was to enlarge the research lines by observing determinant factor of audit quality reduction behavior. This research also tested whether certain characteristic from audit team member moderating the relationship between time budget pressure and audit quality reduction behavior that performed by auditors. Individual characteristics that studied in this research were religious control variable and locus of control variable. In detail, the goal of this research was to: first, analyze the effect of time budget pressure to the audit quality reduction behavior and second, to analyze the effect of interaction towards religious control and locus of control to the audit quality reduction behavior.

**THEORETICAL BACKGROUND**

**Transactional Process Theory**

For the first time, transactional process theory stated by Lazarus in 1991 (McNamara and Liyanarachchi, 2008; James and Parrewe, 2010). Transactional process theory talks about how the appraisal process and coping process to the event and situation in the works environment are (McNamara and Liyanarachchi, 2008; James and Parrewe, 2010). According to them, an event in the works environment
involves individual cognitive evaluation process which consists of whether the event or situation perceived as a threat for individual welfare or whether those things considered as challenge (DeZort and Lord, 1997, McNamara and Liyanarachchi, 2008).

This transactional process theory related to the how individual interacted with situation and/or environment (Matthieu and Ivanoff, 2006). In the literature of organization behavior and psychological literature, this theory framework can be effectively used in evaluating and responding the overcoming to cope with pressure in the works environment (DeZort and Lord, 1997). The next is appraisal theory. Appraisal or assessment process or evaluation is activity to determine one’s comfort zone related to the event/environment where the individual works (Lazarus, 2006; Matthieu and Ivanoff, 2006). Transactional approach also emphasizes on the importance of individual analysis or subjective assessment from the occurred event in individual environment (Lazarus, 2006).

Appraisal process to the faced condition or situation results in primary appraisal and secondary appraisal (Lazarus, 2006). Individual evaluation to certain event or situation which affect the welfare called by primary appraisal (Lazarus, 2006; Matthieu and Ivanoff, 2006). That appraisal process results in: first, irrelevant, where the individual has no interest to the appraisal result which means that certain situation perceived not to be a threat for themselves (Lazarus, 2006). Second, it brings positive effect (begin positive) where the individual gives appraisal that certain situation, condition or environmental demand has no negative potential on the individual welfare (Lazarus, 2006). Third, individual feels stress (stressful) means that the individual perceives negative effect or disadvantage condition to the individual welfare (Lazarus, 2006).

Secondary appraisal is individual evaluation from the ability to cope with certain event, environmental demand or situation (Lazarus, 2006). Evaluation to the certain situation or condition will lead as threat or not threat for the individual, depends on individual/subjective interpretation, then, it needs primary appraisal. While, whether the individual has internal or external resources to cope with certain situation, condition, or environmental demand then it needs secondary appraisal (Lazarus, 2006). Individual will be focus on one of three perceptions of secondary appraisal, damage or disadvantage, threat, and challenge (Lazarus, 2006). Appraisal which results either threat or challenge needs coping or overcoming, thus the individual will be move from their thought to do action. Whether or not the behavior performed, not only determined by subjective attitude or subjective norms, however, it also depends on individual perception to the control, sources from the their own beliefs. After the appraisal or assessment conducted by individual, then the individual determines the behavior which called as coping.

Coping theory includes behavioral decision to cope with the events (Lazarus, 2006; Matthieu and Ivanoff, 2006). Coping is interaction between individual internal resources with external environmental demand. It is also defined as continual cognitive effort and behavior to manage certain demands which valued as potential of tiring or above one’s resource. Coping includes in the effort to decrease gap between situational demand and personal resources. There are 2 (two) coping strategies which can be performed by individual, problem focus coping and emotion focus coping (Lazarus, 2006). Problem focus coping defined as effort to deliver positive behavior to cope with the situation by collecting information, taking decision, conflict resolution, resource acquisition (for instance., knowledge, skill, and ability) or actions which have
potential on certain situation or task (Lazarus, 2006). It needs mastery and control in working to reach certain goal. Thus, it means that problem focus coping needs functional efforts or attempts which purposed to manage and coping the stressor.

While, emotion focus coping is dysfunctional mechanisms which emphasize on defensive behaviors to the stress. Emotion focus coping occurred when the individual has limited control to the faced condition. It can be realized by individual who performs either audit quality reduction behavior or underreporting of time. Meanwhile, problem focus coping used, mainly, when the individual feels to have large control over the faced condition (Lazarus, 2006). This coping strategy selection depends on control/belief that owned by individual.

Path Goal Theory

Robbin (2003) stated that one of the most respected approach towards leadership is path goal theory which developed by Evans in 1970 and revised by Robert House in 1971. The earliest study was conducted in Ohio and the core of path goal theory is that in order to reach the goal that wanted by organization, certain tasks must be performed. The result is goal, while tasks are path that must be passed or completed. When the appropriate tasks performed then the goal will be reached. Finally, when the goal is reached, reward must follow the individual. Leader responsibility is to make sure that path to the goal clearly understood by subordinates and obstacle can be removed or ignored in order to reach the goal. Two key proportions of path goal theory are: (a) Subordinates will see leader’s behavior as something that can be accepted and satisfying if it either comes from direct source of satisfaction or will bring satisfaction in the future and (b) Leader’s behavior will be effective if they make subordinate satisfaction or needs relied on good performance, while giving guidance, supports, and reward which not come in working situation. Jiambalvo and Pratt (1982) analyzed the role of leadership in audit setting by using path goal theory that earliest stated by Evans in 1970 and revised by House in 1971. This theory has accepted adequate empirical supports and is one of many theories which integrated in a good way from general theory of work satisfaction and motivation, which is expectancy theory. This theory called as Path-Goal because the main attention is how a leader influences subordinate perception to the goal of works, personal goal, and path to reach the goal. The theory shows that leader behavior can motivate or satisfy subordinate level and improve subordinate goal achievement as well as explain paths to reach the goal.

Path goal theory of leadership comes from concepts which developed in the research of expectancy theory. Expectancy theory states that individual attitude or behavior might be based on (1) perception that working behaviors lead to the certain result (expectancy) and (2) valence. Based on this theory, we will expect individual to be satisfied with their performance if they believe that their performances will lead to the rewarded result. Also, people will be motivated to work hard if they see that their effort of performance leads to the rewarded result.

Implication of leadership is that superior can influence subordinate satisfaction and motivation by influencing their expectancy and valence. In the path goal theory, expectancy equal with path to reach the goal, while valence equal with attraction to the goal. Leader can make clearer explanation about path to reach the goal (improving subordinate expectancy) by giving special guidance about how the tasks
performed, work scheduling, and communicated in performance definite standard. Leader can influence subordinate attraction towards goal (improving valence related to the works or performances) by making their works have more attraction. Leader can reach this goal by having friendly personality, treating subordinates as equal, and shows care to what subordinates feel. Simply, path goal theory shows that leader behavior influences subordinate attitude by influencing subordinate expectancy and valence. Therefore, the researcher argued that interaction between task complexity and leader behavior, especially auditors who responsible to what staff assistants feel, would influence auditor staff behavior.

**Value Theory**

Theory that used in this research was value theory, particularly religious value theory. Value theory was relevant to be used due to ethics failure in business. Suggestion to the use of value theory also refers to many statements as follow:

a. ILO (2012) stated that spiritual and religious values can be general base due to it has many advantages to inspire and guide the actions in the future, in the globalization era. Spiritual and religious values become important in the effort to reach fair globalization. Strong spiritual and religious values have important role over the whole work relationship, social justice, and reconciliation.

b. Hartman dan Desjardins (2011) proposed to integrate values in the business after the case of Enron and Woldcom happened.

c. Emerson dan Mckirmy (2010) stated that religious belief is important to create ethical business attitude.

d. *Parliament of the World's Religions* (1993) stated that spiritual strength from religion offers basic of belief, basic meaning or value and high standard.

**Religious Values**

Seen from value explanation, then it is clear that religious values appropriate with the perspective of its importance. However, there is absolute value, which is religious values, while the other values are relative. Religious value, basically, is values that have strongest truth basic compared to the other values, because it sources from God and have larger coverage or universal (Alfan, 2013). There are four philosophy fundamental similarities towards values/ethics of all religions as below (Agoes and Ardana, 2013):

a. All religions admit that humans have the highest goal, despite the goal of life in this world. Hindu called it as *moksa*, Buddha called it *nirvana*, Islam called it as *jannah* or heaven, and Christian called it as heaven.

b. All religions admit the existence of God, unlimited power that rules this universe.

c. Ethics not only necessary to rule life behaviors in this world, but also one absolute requirement to reach the highest final goal of humans, and this is the most important.

d. All religions have moral lessons (ethics) which sources from their own holy book. There are universal and absolute ethical principles in all religion. However there is specific/different value and only included in certain religion.

Religiosity is one statement about her/his belief to God that can be seen from piety and religious spirit. The
higher piety and religious spirit, the stronger belief in God, the higher religiosity (Syukri, 2012). Religiosity defined as one faith level in experiencing and doing the religion tenets. According to Mangunwijaya (1999), there is the difference between religious comprehension and religiosity. Religious comprehension refers more to the rule, law, organization, ritual, formality, and social relationship aspect among the adherents. While, religiosity refers more to its essence which becomes source and root of one basic attitude in his/her relationship with God and others, thus it is more personal. It is referred as faith. In the context of national development, Mangunwijaya (1999) explained many characteristics of religious attitudes. Those characteristics of religious attitude as follow:

a. A religious attitude that truly admit about the almighty and absolute sovereignty of God, as well as believe in God’s will in order to make humans, with His bless and facilities that gifted by Him, actively develop themselves in dynamic growth.
b. A religious attitude which sees life and self-development as a noble task and a full of love call.
c. A religious attitude which sees humans who are able to make creation with high creativity.
d. A religious attitude which sees materials as normal things that enable humans to participate in the implementation of work calls.
e. A sensitive religious attitude, respecting small parts which appear as useless.
f. A religious attitude that can give personal responsibility.
g. A religious attitude which admits the difference as value.

**Time Budget Pressure and Audit Quality Reduction Behavior**

Audit quality reduction behavior occurred in the situation where the individuals see themselves have less ability to reach the expected outcome through their self-efforts (Donnelly et al., 2003). When auditors feel that the established time budget is not enough to finish audit works then auditors tend to modify their attitude in adjustment to the condition and cope with the ways such as terminating many audit procedures, even removing procedures which considered as unimportant. Management in time budget processing is an important factor in affecting auditor behavior (Coram et al., 2003). Donnelly et al., 2003 stated that time budget pressure which perceived by auditors is main and significant factor to affect audit team involvement in receiving quality reduction behavior as its coping (Donnelly et al., 2003). Time budget pressure that faced by auditors encourage them to change their mind and action to cope with the situation through behavior which is in opposite to their owned belief before (Lazarus, 2006). That pattern based on coping theory in transactional process theory states that individual will perform coping over inappropriate condition between individual internal resource and situation or environmental demand which include behavioral decision to cope with the event (Lazarus, 2006). Auditor individual can select coping strategy to the situation, either by focusing on problem (problem focus coping) or by focusing on emotion (emotion focus coping) (Lazarus, 2006). The selection of coping strategy depends on the belief that owned by individual (Lazarus, 2006).

Pierce and Sweeney (2004) stated that time budget pressure is potential reason of audit quality reduction behavior. The other research found that time budget pressure affected positively and significantly to the audit quality reduction behavior. It shows that the higher time budget pressure perceived by auditors
will affect to the high acceptance of auditors in performing behavioral practice that can reduce audit quality as coping realization (Coram et al., 2000; 2003, Pierce and Sweeney, 2004; Liyanarachchi, 2007; Yuen, 2013). The existence of inverted U shape also found in the relationship between time budget pressure and audit quality reduction behavior (Sweeney and Pierce, 2004; Soobaroyen and Chengabroyan, 2006; McNamara and Liyanarachchi, 2008), which shows when auditors perceive tim budget pressure along with the process of audit performance then it will encourage auditors to have preference on shortcut, which is by performing audit quality reduction behavior. Then, when time budget becomes unrealistic to be reached, auditor stopped their efforts to finish that time budget and audit quality reduction behavior will not be valuable coping mechanism anymore, thus audit quality reduction behavior, at that time, will decrease.

Study that conducted by Coram et al., (2004) showed negative relationship between time budget pressure to the audit quality reduction behavior. They found that, under pressure, time budget and misrepresentation risk will be in high level which will be related to the low audit quality reduction behavior. Margheim and Kelley (2005) showed that the increase of time pressure will lead to the increase of stress perception, both senior auditors and staffs. Their research result showed that time budget pressure has positive effect to the audit quality reduction behavior. Noor (2009) explained evidence that time budget pressure could have disadvantage effect to the auditor behavior which lead to affect audit quality, although that result was not significantly affected to the auditor tendency to be involved in audit quality reduction behavior. Paine and Smith (2011) showed, managers, partners, senior and junior auditors tend to perform audit quality reduction behavior when they are under the effect of high time budget pressure. Ismail and Hui (2011) showed that time budget pressure has low correlation to the audit quality reduction behavior.

Although the opposite result obtained about the right relationship between time budget pressure to the audit quality reduction behavior, what was seen in the previous study was that time budget pressure would encourage auditors to have preference in performing audit quality reduction behavior in the effort to realize aspiration and to cope with time budget pressure. Therefore, hypothesis related to time budget pressure would be framed in line with the literature as positive and linear relationship. Based on the explanation above, hypothesis that proposed in this research was:

\[ H1: \text{Time budget pressure affected positively to the audit quality reduction behavior.} \]

**Locus Of Control as Moderation Variable**

Locus of Control (LC) have used in behavioral research to explain about human behavior in managing organization and LC is one variable that differs one behavior to another in perceiving situation and pressure (Donnelly, 2011). Measurement scale that commonly used is internal and external locus of control. Individual with internal locus of control will try harder to look for information, allocate more in cognitive efforts, present high work motivation, achievement and better leadership quality (Ng et al., 2006). Therefore, auditor individual with internal locus of control will be more positive in perceiving situation, pressure or stress, even tend to assess and give perception to the stress as challenge, which in turn, will improve motivation to work better and harder. They, precisely, are perceiving stress as a condition which has no threat on their welfare.

In contrast, individual with external locus of control has more contextual personality in determining
process and result and further, their actions caused or determined more by external factors, more precisely, it is an “coincidental” (Boone and Hendriks, 2009). Personality with external locus of control tends to assess and percept stress as obstacle, even as a threat, and viewing the happened events have no relation with the next events. Thus, individual with external locus of control, in coping with situation, has more possibility to do manipulation in order to reach the goal (Donnelly, 2011). It is caused by auditor individuals with external LC (locus of control) assess and percept that the perceived stress will be threatening their welfare (Matthieu and Ivanoff, 2006). Bernardi (2003) stated that one’s control (locus of control) affects level of perceived stress.

From the explanation above, individuals with internal locus of control have lower stress level in facing situation and pressure of stress trigger, compared to the individuals with external locus of control who positively tend to be related with stress in life, generally, and work stress, particularly. Individuals with internal locus of control tend to use problem focus coping (solution oriented coping). While, individuals with external locus of control tend to use emotion focus coping (emotional oriented coping).

In this research, the relationship between time budget pressure (TBP), leadership style, and task complexity to the audit quality reduction behavior that moderated by external locus of control based on work stress literature and transactional process theory. In transactional process theory, the owned stress and behavior selection as coping to the faced situation are interaction result between external/situational factors (stressor) and internal factors or individual characteristic factors (Lazarus, 2006). Therefore, time budget pressure, leadership style, and task complexity are situation which stimulate stress that owned by auditor individuals and how auditor individuals percept and assess work environmental situation as well as how they will act to cope with those situations during audit program implementation, thus it heavily affected by individual personality factor, which is locus of control. In other words, whether auditor individuals perceive those stimulus factors as threat or challenge in audit performance then it will be affected by auditor individual locus of control.

In the literature of organization behavior, it is stated that individuals with external locus of control have more possibility to own higher work stress level than individuals with internal locus of control (Kreitner and Kinicki, 2000). Treven (1993) also stated that individuals with external locus of control, if they are faced by stress stimulus factors (stressor), then they tend to have passive and defensive attitude rather than doing something to cope with the stress. Thus, according to him, individuals with external locus of control have more possibility to be suffered by pressure or stress. Shapeero (2003) stated that individuals with external locus of control have more possibility in performing premature sign off behavior. Donnelly (2003) argued that auditors with external locus of control tend to accept audit quality reduction behavior.

The explanation above gives prediction that auditor individual locus of control can be functioned in assessing and perceiving time budget pressure, leadership style, and task complexity, about whether it results in threat or challenge, and the result will affect their strategy to cope with those situations. Then, it can be concluded that external locus of control of auditor individual predicted to affect strength and relationship direction between time budget pressure, leadership style, and task complexity to the auditor behavior in reducing audit quality. Therefore, this explanation formulated research hypothesis as follows:

H2: External locus of control moderating relationship between time budget pressure to the audit quality
Religious Control in Moderating Time Budget Pressure and Audit Quality Reduction Behavior

Agoes and Ardana (2013) stated that all religions aim to realize highest value of human living, which is eternal life in the hereafter. Worldly living values are not final goal, but it is only intermediate, as media to reach the final goal, which is eternal life in the hereafter.

The existence of heaven and hell has been tested to be affected in improving meaning of life and mood by Hick and King (2008). Then, Hick and King (2008) stated that religious commitment moderating positive effect relationship to the meaning of life. Besides that, religious commitment also moderating mood relationship to the meaning of life. That religious commitment moderation, which makes relationship among variables becomes stronger, caused by heaven, and which makes it weaker, caused by hell.

Kay et al., (2010) stated that God as external control source and religious belief functioned as external control which can replace manipulation when personal control has reduced. In line with the statement, then it can be related between time budget pressure and religious control. The relationship between external locus of control with religious control can be seen from belief aspect which shows appropriateness, which has similarity in locating external strength in determining fate or fortune. Thus, religious control will decrease pressure, especially belief to God or religion as external strength. Therefore, individuals with religious control have much possibilities to always comply the religion rules and avoid audit quality reduction. Over that prediction, it was arranged by research hypothesis as follows:

H3: Religious control moderating time budget pressure which affects to the dysfunctional audit behavior reduction

FIGURE 1. Research framework
METHODOLOGY
Research Population and Sample

Analysis unit in this research was individual. Population in this research was auditors who work in Public Accountant Firm (KAP-Kantor Akuntan Publik) that directorated by Indonesian Institute of Certified Public Accountants (IAPI) with position of junior and senior auditors. This research used survey method by delivering questionnaire through post service and by direct delivery to all research population for 355 Public Accountant Firm which listed at Indonesian Institute of Certified Public Accountants directory in 2015. A number of sample criteria in this research was auditors who involved in the implementation of audit program over general audit of company financial statement who have work experience for 2 years minimally in the Public Accountant Firm that given by responsibility to perform audit program (Pierce and Sweeney, 2004; Noor et al., 2009). In this research, a number of demographic variables used to describe sample characteristic such as gender, education level, position or occupation, age, and work experience (Donnelly, 2012 ; Paino et al., 2012 ; Kasigwa et al., 2013).

Data Analysis Technique

Data analysis technique in this research was structural equation model with variance approach or component based (variance based / component based structural equation modeling) or it is known as Partial Least Square (PLS). One of component program based SEM or variance based SEM (PLS-SEM) which can be used to analyze data is WarpPLS. This research used WarpPLS version 4.0 to analyze structural equation model. Steps in the WarpPLS makes the researcher has to arrange a path diagram. After drew path diagram, then model was ready to be estimated and evaluated as the whole result. Model evaluation in PLS-SEM which uses WarpPLS program can be conducted by assessing the result of model measurement. To test latent construct validity and reliability then it was used by confirmatory factor analysis for variables with reflective indicators and significance value of t-statistics for variables with formative indicators. Then it was followed by significance test to test the effect among constructs or variables and $R^2$ value (Latan & Ghozali, 2012).

RESULTS

Sample for 386 respondents considered to be adequate in this research due to it was appropriate to the needed sample number with maximum likelihood estimation range of 200-400 (Ghozali, 2011) and it was above minimum sample number that required for the research with data analysis of structural equation model, which was fivefold of research indicator number (Hair Jr et al., 2010).

From 386 respondents, there were 278 respondents or 72% who work in national scale of Public Accountant Firm, which means there was a tendency that questionnaire in this research was guaranteed in quality, the remaining was 108 respondents or 28% work in affiliated or international scale Public Accountant Firm, thus it would be strengthening content quality of this questionnaire.

Analysis of Model Measurement & Confirmatory Factors

Before it was conducted by structural model analysis, the researcher performed model measurement to
test validity and reliability of indicators that formed latent constructs by conducting confirmatory factor analysis. From the result of confirmatory factor analysis test, it was obtained the result as below. From the whole variable indicators that used in this research, all indicators could be used due to all loading factor was above 0.6.

The following is the result of confirmatory factor analysis test:

Table 1.

<table>
<thead>
<tr>
<th>Code Indicator</th>
<th>Loading Factor</th>
<th>Type</th>
<th>SE</th>
<th>P value</th>
</tr>
</thead>
<tbody>
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<td>&lt;0.001</td>
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<td>Reflect</td>
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<td>0.044</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>RC13</td>
<td>0.612</td>
<td>Reflect</td>
<td>0.044</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>LC1</td>
<td>0.782</td>
<td>Reflect</td>
<td>0.044</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>LC2</td>
<td>0.669</td>
<td>Reflect</td>
<td>0.044</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>LC3</td>
<td>0.678</td>
<td>Reflect</td>
<td>0.044</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>
After it was conducted by confirmatory factor analysis, then it was followed by test of convergent validity, discriminant, and reliability. The result showed that indicators for all constructs in this research had high correlation. It appeared in Average Variance Extracted value above 0.50. The result of reliability test also showed that accuracy, consistency, and instrument precisely in assessing each construct also proven. It appeared in Cronbach’s Alpha and Composite Reliability value above 0.70.

The following is the result of validity and reliability test for each structural equation model:

Table 2.

<table>
<thead>
<tr>
<th>Examination</th>
<th>Parameter</th>
<th>Value</th>
<th>Rule of thumb</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Model</td>
<td>Aver</td>
<td>0.524</td>
<td>&gt;0.50</td>
<td>Valid</td>
</tr>
<tr>
<td>Validitas</td>
<td>age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vari</td>
<td>0.571</td>
<td>&gt;0.50</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>ance</td>
<td>0.588</td>
<td>&gt;0.50</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>s</td>
<td>0.540</td>
<td>&gt;0.50</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Extracted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>d</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TBP</td>
<td>0.524</td>
<td>&gt;0.50</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>RAQB</td>
<td>0.571</td>
<td>&gt;0.50</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>RC</td>
<td>0.588</td>
<td>&gt;0.50</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>LC</td>
<td>0.540</td>
<td>&gt;0.50</td>
<td>Valid</td>
</tr>
<tr>
<td>Reliabilitas</td>
<td>Cron</td>
<td>0.818</td>
<td>&gt;0.70</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>nba</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ch’s</td>
<td>0.888</td>
<td>&gt;0.70</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>Alp</td>
<td>0.910</td>
<td>&gt;0.70</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>ha</td>
<td>0.814</td>
<td>&gt;0.70</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

Source: Data Processing Result of WarpPLS (2016)
Examination | Parameter | Value | Rule of thumb | Conclusion
--- | --- | --- | --- | ---
Compositive Reliability | TBP | 0.868 | >0.70 | Reliable
RAQB | 0.912 | >0.70 | Reliable
RC | 0.924 | >0.70 | Reliable
LC | 0.860 | >0.70 | Reliable

Source: Data Processing Result of WarpPLS (2016)

In fact, from the assessment result to the model, it showed that, overall, the model presented feasibility as a model. Average Path Coefficient, Average R-squared, and Average Adjusted R-squared value showed significance value less than 0.05, then it could be concluded that this research model was feasible to be used. Next, Average Block VIF and Average Full Collinearity VIF showed value less than 3.3 which means that this research model was also feasible. Then, Tenenhaus GoF value showed value less than 0.1 which means that this research model was still feasible. The result of Symson’s paradox ratio, R-squared contribution ratio and Statistical suppression ratio also indicated that this research model was feasible. It can be seen in Table 4 as follows:

Table 3.
Model Measurement

<table>
<thead>
<tr>
<th>Test / Parameter</th>
<th>Value</th>
<th>Limitation</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Path Coefficient (APC)</td>
<td>Full Model</td>
<td>0.290 (p&lt;0.001)</td>
<td>P&lt;0.05</td>
</tr>
<tr>
<td>Average R-squared (ARS)</td>
<td>Full Model</td>
<td>0.630 (p=0.001)</td>
<td>P&lt;0.05</td>
</tr>
<tr>
<td>Average adjusted R-squared (AARS)</td>
<td>Full Model</td>
<td>0.628 (p=0.001)</td>
<td>P&lt;0.05</td>
</tr>
</tbody>
</table>
From Figure 2 and Table 4, which is the output of WarpPLS, it was obtained that Time Budget Pressure affected positively and significantly to the Audit Quality Reduction Behavior with coefficient estimation of 0.757 and significance level of p<0.001. Then, Religious Control affected negatively to the relationship between Time Budget Pressure and Audit Quality Reduction Behavior with coefficient estimation of -0.030 and significance level of p=0.020. Next, Locus of Control affected negatively and significantly to the relationship between Time Budget Pressure and Audit Quality Reduction Behavior with coefficient estimation of -0.084 and significance level of p=0.030.
Over inferential statistics data analysis that performed by using WarpPLS, hypothesis could be tested and the result of statistics test presented as below. Summary of coefficient estimation from the output of WarpPLS as presented in Table 4.

**Table 4. Equation Coefficient Estimation**

<table>
<thead>
<tr>
<th>Influence</th>
<th>Coefficients</th>
<th>Significance</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBP □ RAQB</td>
<td>0.757</td>
<td>P&lt;0.001</td>
<td>Didukung</td>
</tr>
<tr>
<td>RC*TBP □ RAQB</td>
<td>-0.030</td>
<td>0.020 P&lt;0.05</td>
<td>Didukung</td>
</tr>
<tr>
<td>LC*TBP □ RAQB</td>
<td>-0.084</td>
<td>0.030 P&lt;0.05</td>
<td>Didukung</td>
</tr>
</tbody>
</table>

*Rule of Thumb p-value <0.05*

**Source:** Data Processing Result of WarpPLS (2016)

**DISCUSSION**

This research studied about the relationship between Time Budget Pressure and Audit Quality Reduction Behavior with Religious Control and Locus of Control as Moderation Variable. Analysis result proved that time budget pressure affected positively and significantly to the audit quality reduction behavior, in which higher time budget pressure then the higher audit quality reduction behavior. This research findings in line and consistent with the previous researches that time budget pressure was potential cause for audit quality reduction behavior (Pierce and Sweeney, 2004). The other research found that time budget pressure affected positively and significantly to the audit quality reduction behavior. It showed that the
higher time budget pressure that perceived by auditors would affect to the high acceptance of auditors in performing behavioral practices which could reduce audit quality as the coping (Coram et al., 2000; 2003, Pierce and Sweeney, 2004; Liyanarachchi, 2007; Yuen, 2013).

Analysis result proved that locus of control moderating negatively and significantly to the relationship between time budget pressure and audit quality reduction behavior. The result means that locus of control could decrease audit quality reduction behavior. It could be explained that auditors with internal locus of control could control themselves not to perform audit quality reduction behavior due to they have preventing control not to perform that deviant behavior. In which, individuals with internal locus of control have lower stress level if they are faced with situation and pressure of stress trigger (stressor) than individuals with external locus of control that positively tend to be related with stress in general life and particularly, with work stress. Individuals with internal locus of control tend to use problem focus coping (solution oriented coping). While, individuals with external locus of control tend to use emotion focus coping (emotional oriented coping).

Then, analysis result in this research proven that religious control moderating negatively and significantly to the relationship between time budget pressure and audit quality reduction behavior. It could be proven that religious control moderating negatively and significantly, which means that religious control could decrease audit quality reduction behavior. It could be explained that work ethics are identical with the implementation of religious values, then the explanation showed that religious values affected audit quality reduction behavior. Therefore, individuals who have religious control will always be loyal and avoiding audit quality reduction behavior which can deprave the organization. Thus, audit quality reduction behavior can deprave audit quality and finally affected to the depraved organization of Public Accountant Firm, then religious control can decrease that bad effect.

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