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THE EFFECT OF LOCUS OF CONTROL, PROFESSIONAL SKEPTICISM, AND WORK MOTIVATION ON AUDITOR PERFORMANCE AT PUBLIC ACCOUNTING FIRMS IN BALI PROVINCE

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ABSTRACT

Auditor performance is a critical determinant in ensuring the accountability, credibility, and reliability of corporate financial statements. High-quality auditor performance is essential not only for producing accurate audit outcomes but also for strengthening stakeholder confidence in the fairness of financial reporting. This study aims to empirically examine the effect of locus of control, professional skepticism, and work motivation on auditor performance. The research was conducted at Public Accounting Firms in Bali Province, involving 88 auditors selected through purposive sampling based on predetermined criteria. Primary data were collected using a structured questionnaire and analyzed using multiple linear regression. The regression model is expressed as $Y = 6.101 - 0.035X_1 + 0.218X_2 + 0.214X_3$. The results indicate that locus of control does not significantly affect auditor performance. In contrast, professional skepticism has a positive effect on auditor performance, and work motivation also has a positive effect on auditor performance. These findings suggest that auditor performance is more strongly influenced by professional judgment and motivational factors than by individual control orientation. The study provides practical implications for Public Accounting Firms in enhancing auditor performance by strengthening professional skepticism and maintaining auditors' work motivation.
Keywords: Locus Of Control, Professional Skepticism, Work Motivation, Auditor Performance.

I. INTRODUCTION

Rapid developments in the contemporary business environment have increased the demand for reliable, transparent, and accountable financial reporting. Financial statements serve as a primary source of information for investors, creditors, management, regulators, and other stakeholders in evaluating a company's financial position, performance, and prospects. As a consequence, the role of public accountants and Public Accounting Firms has become increasingly important in providing independent assurance on the fairness of financial statements.

Auditors are responsible for obtaining sufficient and appropriate audit evidence to determine whether financial statements are free from material misstatement, whether caused by error or fraud. In performing this responsibility, auditors are expected to comply with professional standards, maintain independence, exercise professional judgment, and demonstrate high-quality performance. Auditor performance therefore becomes a crucial element in determining the credibility of audit results and the level of public trust in the auditing profession.

In Indonesia, cases of audit failure and violations of professional standards have raised concerns regarding the quality of auditor performance. In Bali Province, the case involving KAP K. Gunarsa and I.B. Djagera, which resulted in a six-month license suspension due to violations of Public Accountant Professional Standards in the audit of Balihai Resort and Spa, illustrates the importance of maintaining auditor competence, objectivity, and professional conduct. Such cases may reduce public confidence in audit reports and emphasize the need to examine factors that influence auditor performance.

Previous studies suggest that auditor performance may be influenced by individual and psychological factors, including locus of control, professional skepticism, and work motivation. Locus of control reflects an individual's belief regarding whether outcomes are determined by personal effort or by external forces. Professional skepticism represents the auditor's critical and questioning attitude in evaluating audit evidence. Work motivation refers to the internal and external drives that encourage auditors to perform their duties effectively. However, empirical findings concerning the influence of these variables on auditor performance remain inconsistent.

Based on these research inconsistencies and the importance of auditor performance in maintaining audit quality, this study aims to examine the effect of locus of control, professional skepticism, and work motivation on auditor performance at Public Accounting Firms in Bali Province. Specifically, this study addresses the following research questions: (1) Does locus of control affect auditor performance? (2) Does professional skepticism affect auditor performance? and (3) Does work motivation affect auditor performance?

II. LITERATURE REVIEW

2.1 Attribution Theory

Attribution Theory explains how individuals interpret the causes of behavior and outcomes by distinguishing between internal and external attributions. Internal attribution refers to factors originating from within the individual, such as ability, effort, personality, and motivation, whereas external attribution refers to environmental conditions, situational pressure, and external constraints. In this study, Attribution Theory is relevant for explaining how locus of control, professional skepticism, and motivation may influence auditors' behavior and performance in carrying out audit assignments.

2.2 Maslow's Hierarchy of Needs Theory

Maslow's Hierarchy of Needs Theory explains that individual motivation is formed through the fulfillment of hierarchical needs, ranging from physiological needs, safety, social belonging, esteem, to self-actualization. In the work context, employees are more likely to demonstrate strong performance when their needs are adequately fulfilled. This theory supports the role of work motivation in encouraging auditors to perform tasks diligently, maintain commitment, and achieve professional objectives.

2.3 Auditor Performance

Auditor performance refers to the extent to which auditors accomplish audit tasks in accordance with assigned responsibilities, professional standards, and organizational expectations. Auditor performance can be reflected in the quality, quantity, timeliness, accuracy, and effectiveness of audit work. Auditors with strong performance are expected to provide reliable audit judgments, identify material misstatements, and contribute to the credibility of financial reporting.

2.4 Locus of Control

Locus of control describes an individual's belief about the extent to which success or failure is determined by internal factors, such as effort and ability, or external factors, such as luck, fate, and environmental conditions. Auditors with an internal locus of control are generally expected to take responsibility for their work outcomes, while those with an external locus of control may attribute outcomes to factors beyond their control. Accordingly, locus of control may influence how auditors respond to audit tasks and professional challenges.

2.5 Professional Skepticism

Professional skepticism is a critical attitude that includes a questioning mind and a careful evaluation of audit evidence. Auditors with high professional skepticism tend to be more alert to potential misstatements, inconsistencies, and fraud risks. Professional skepticism is therefore essential in supporting audit quality and improving auditor performance, particularly in complex audit environments that require careful judgment and evidence evaluation.

2.6 Work Motivation

Work motivation refers to the internal and external forces that encourage individuals to act, persist, and achieve work-related goals. In the auditing profession, motivation can encourage auditors to complete assignments responsibly, maintain work discipline, and improve professional performance. Motivated auditors are more likely to demonstrate commitment, persistence, and accuracy in conducting audit procedures.

This study is grounded in Attribution Theory and Maslow’s Hierarchy of Needs Theory. Attribution Theory explains how individual behavior and performance are influenced by internal and external factors. In the auditing context, internal characteristics such as locus of control and professional skepticism may shape auditors’ behavior, judgment, and work outcomes. Meanwhile, Maslow’s Hierarchy of Needs Theory explains that individual motivation arises from the fulfillment of various levels of needs, ranging from basic needs to self-actualization. This theory is relevant in explaining how work motivation encourages auditors to perform their duties effectively and achieve better performance.

2.7 Locus of Control and Auditor Performance

Locus of control refers to an individual’s belief regarding the extent to which outcomes are determined by personal effort or external factors. Based on Attribution Theory, auditors with a strong internal locus of control tend to believe that their success depends on their own ability, effort, responsibility, and professional commitment. Such auditors are more likely to take initiative, demonstrate accountability, and maintain control over audit tasks. In contrast, auditors with an external locus of control may attribute outcomes to external conditions such as luck, pressure, or organizational circumstances.

In the audit profession, auditors who have a stronger sense of control are expected to perform better because they are more responsible in completing audit procedures, evaluating audit evidence, and producing reliable audit results. Previous studies have examined the relationship between locus of control and auditor performance, although the findings remain inconsistent. Dewi and Suardikha (2019) found that locus of control can influence auditor performance, while Savira (2021) and Brahandayani et al. (2023) reported that locus of control does not significantly affect auditor performance. These inconsistent findings indicate that further empirical examination is still needed, particularly in the context of Public Accounting Firms in Bali Province. Based on Attribution Theory and prior empirical findings, the following hypothesis is proposed:

H1: Locus of control has a positive effect on auditor performance.

2.8 Professional Skepticism and Auditor Performance

Professional skepticism is an essential attitude in auditing, reflecting an auditor's critical mindset, questioning attitude, and careful evaluation of audit evidence. Based on Attribution Theory, professional skepticism can be understood as an internal professional attribute that influences auditors' judgment and behavior in performing audit tasks. Auditors with high professional skepticism are more likely to question the reliability of evidence, identify potential misstatements, and remain alert to the possibility of fraud or error. In practice, professional skepticism is closely related to audit quality and auditor performance. Auditors who apply professional skepticism are expected to be more careful, analytical, and objective in conducting audit procedures. This attitude enables auditors to detect irregularities more effectively and reduce the risk of inappropriate audit conclusions. Therefore, higher professional skepticism is expected to improve auditor performance.

Previous research supports this relationship. Anggriawan (2014) emphasized the importance of professional skepticism in improving auditors' ability to detect fraud. Fatimah et al. (2022) also found that professional skepticism has a positive and significant effect on auditor performance. Similarly, audit literature suggests that skeptical auditors tend to be more thorough in evaluating evidence and more careful in making audit judgments. Based on Attribution Theory and previous research, the following hypothesis is formulated:

H2: Professional skepticism has a positive effect on auditor performance.

2.9 Work Motivation and Auditor Performance

Work motivation refers to the internal drive that encourages individuals to achieve personal and organizational goals. Based on Maslow's Hierarchy of Needs Theory, individuals are motivated to perform better when their needs are fulfilled, including physiological needs, safety, social relationships, esteem, and self-actualization. In the workplace, motivated auditors tend to show greater enthusiasm, responsibility, discipline, and commitment in completing audit assignments. In the context of Public Accounting Firms, auditor performance is strongly influenced by the willingness and effort of auditors to complete their tasks effectively. Auditors with high work motivation are more likely to demonstrate persistence, accuracy, and productivity in carrying out audit procedures. Motivation encourages auditors to work harder, improve their competence, and produce better audit outcomes. Therefore, work motivation is expected to contribute positively to auditor performance.

Previous studies also support this argument. Dewi and Suardikha (2019) found that work motivation has a positive effect on auditor performance. Rohmawati (2021) also indicated that motivation is an important factor influencing auditor performance. These findings suggest that auditors with higher motivation tend to achieve better performance because they have stronger commitment and greater willingness to complete their work effectively. Based on Maslow's Hierarchy of Needs Theory and prior empirical findings, the following hypothesis is proposed:

H3: Work motivation has a positive effect on auditor performance.

Based on Attribution Theory and Maslow's Hierarchy of Needs Theory, this study develops a conceptual framework to explain the factors influencing auditor performance. Locus of control and professional skepticism are derived from Attribution Theory, as both reflect internal characteristics that shape auditors' behavior and judgment. Meanwhile, work motivation is grounded in Maslow's Hierarchy of Needs Theory, which explains that individuals are encouraged to perform better when their needs and work-related drives are fulfilled. Accordingly, this study proposes that locus of control, professional skepticism, and work motivation directly influence auditor performance.

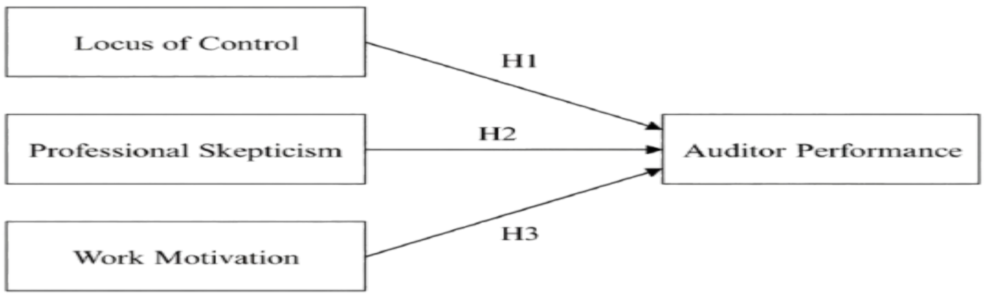

Figure 1.
Research Model

III. RESEARCH METHOD

This study employs a quantitative research approach to test the proposed hypotheses using numerical data and statistical analysis. The research was conducted at Public Accounting Firms in Bali Province registered with the Indonesian Institute of Public Accountants. The population consisted of auditors working at Public Accounting Firms in Bali Province.

The sample was determined using a non-probability sampling method with a purposive sampling technique. The criteria for sample selection were: (1) auditors who had at least one year of work experience in a Public Accounting Firm, and (2) auditors with a minimum educational background of a bachelor's degree. Based on these criteria, 88 auditors were included as respondents.

Primary data were collected through structured questionnaires distributed to the respondents. The dependent variable in this study is auditor performance, while the independent variables are locus of control, professional skepticism, and work motivation. Data analysis was conducted using descriptive statistics, validity and reliability tests, classical assumption tests, multiple linear regression analysis, F-test, t-test, and coefficient of determination test. The regression model used in this study is expressed as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + e$$

where Y represents auditor performance, X1 represents locus of control, X2 represents professional skepticism, X3 represents work motivation, a represents the constant, b represents the regression coefficient, and e represents the error term.

IV. RESULT AND DISCUSSION

4.1 Respondent Characteristics

The study involved 88 auditors from Public Accounting Firms in Bali Province. Most respondents were female (59.1%), while male respondents accounted for 40.9%. In terms of age, the majority were under 25 years old (61.4%), followed by respondents aged 25-35 years (34.1%) and over 35 years (4.5%). Most respondents held a bachelor's degree (90.9%), while 9.1% held a master's degree. Regarding position, 67.0% were junior auditors and 33.0% were senior auditors. In addition, 70.5% had one to three years of work experience, while 29.5% had more than three years of experience

4.2 Descriptive Statistics

Table 1 presents the descriptive statistics of the research variables.

Table 1.
Descriptive Statistics Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Locus of Control	88	11.00	16.00	14.0568	1.37597
Professional Skepticism	88	32.00	45.00	38.0795	3.56297
Work Motivation	88	30.00	40.00	35.3182	2.98096
Auditor Performance	88	15.00	24.00	21.4659	2.25373

Source: data processed (2026)

The descriptive results show that the mean score of auditor performance is 21.4659, indicating that the respondents generally demonstrated relatively high performance. Professional skepticism and work motivation also show high average scores, suggesting that most auditors in the sample possess strong critical attitudes and work motivation. The relatively low standard deviations indicate that the responses are fairly consistent across respondents.

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4.2 Test Results of Research Instruments

a) Validity Test

Table 2.
Validity Test Results

Variable	Item Statement	Pearson Correlation	Remarks
Locus of Control (X1)	X1.1	,724**	Valid
	X1.2	,696**	Valid
	X1.3	,688**	Valid
	X1.4	,607**	Valid
Professional Skepticism (X_2)	X2.1	564**	Valid
	X2.2	,473**	Valid
	X2.3	,533**	Valid
	X2.4	,595**	Valid
	X2.5	,598**	Valid
	X2.6	,406**	Valid
	X2.7	,421**	Valid
	X2.8	,312**	Valid
	X2.9	,632**	Valid
	X2.10	,593**	Valid
	X2.11	.575**	Valid
	X2.12	,638**	Valid
Work Motivation (X_3)	X3.1	,588**	Valid
	X3.2	,533**	Valid
	X3.3	,622**	Valid
	X3.4	,641**	Valid
	X3.5	,682**	Valid
	X3.6	,620**	Valid
	X3.7	.540**	Valid
	X3.8	,554**	Valid
	X3.9	,638**	Valid
	X3.10	,571**	Valid
Performance of the Auditor (Y)	Y.1	,635*	Valid
	Y.2	,600**	Valid
	Y.3	,713**	Valid
	Y.4	,754**	Valid
	Y.5	,751**	Valid
	Y.6	,751**	Valid

Source: Processed data (2026)

Based on the recapitulation of the results of the Pearson Correlation value calculation of each statement item in Table 2, all items show results above 0.30. This indicates that all the items in the questionnaire are considered valid. Therefore, this questionnaire can be declared to be eligible for the necessary requirements.

b) Reliability Test Results

Table 3.
Reliability Test Results

Variable	Cronbach's Alpha	Remarks
Locus of Control	0.611	Reliable
Professional Skepticism	0.739	Reliable
Work Motivation	0.801	Reliable
Auditor Performance	0.795	Reliable

Source: Processed data (2026)

Table 3. shows that all variables have reliability criteria with Cronbach's Alpha value greater than 0.60. This indicates that each statement item used is capable of obtaining consistent or stable data over time.

4.3 F Test

Table 4.
F Test Results
ANOVA

Models		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	144.218	3	48.073	13.565	.000b
	Residual	297.680	84	3.544		
	Total	441.898	87			

Source: Processed data (2026)

The F-test result shows an F-value of 13.565 with a significance value of 0.000. Since the significance value is below 0.05, the regression model is statistically feasible, and locus of control, professional skepticism, and work motivation simultaneously have a significant effect on auditor performance. The adjusted R-square value is 0.302, indicating that 30.2% of the variation in auditor performance can be explained by the three independent variables, while the remaining 69.8% is explained by other factors not included in this model, such as role conflict, organizational culture, role ambiguity, work stress, leadership style, and professional competence.

4.4 Hypothesis Test (t-Test)

Table 5.
t-Test Results
Coefficient

Models		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.101	3.318		1.839	.070
	Locus of Control	-.035	.147	-.021	-.239	.812
	Professional Skepticism	.218	.075	.344	2.917	.005
	Work Motivation	.214	.089	.283	2.396	.019

Source: Processed data (2026)

Based on the t-test results, each independent variable shows different effects on auditor performance. The locus of control variable has a significance value of 0.812, which is higher than the 0.05 significance level. This indicates that locus of control does not have a significant effect on auditor performance. Therefore, the first hypothesis (H1), which states that locus of control has a positive effect on auditor performance, is rejected. Meanwhile, professional skepticism shows a significance value of 0.005, which is lower than 0.05. This result indicates that professional skepticism has a significant effect on auditor performance. Thus, the second hypothesis (H2), which states that professional skepticism has a positive effect on auditor performance, is accepted. This finding implies that auditors with higher professional skepticism tend to demonstrate better performance in carrying out audit assignments. Furthermore, work motivation has a significance value of 0.019, which is also lower than 0.05. This result confirms that work motivation has a significant effect on auditor performance. Therefore, the third hypothesis (H3), which states that work motivation has a positive effect on auditor performance, is accepted. This finding suggests that auditors with stronger work motivation are more likely to achieve higher performance in completing their audit responsibilities.

4.5 Coefficient Determination (R^2 Square)

Table 6.
Determination Coefficient Test Results (R2)

Model Summary

Models	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.571a	.326	.302	1.88250

Source: Data processed 2024

Table above shows a determination coefficient value of 0.302, this means that 30.2% of the auditor's performance value variables are determined by variations in *locus of control values*, professional skepticism, and work motivation. Meanwhile, the remaining 69.8% of auditors' performance is influenced by other variables such as role conflicts, organizational culture, role ambiguity, work stress, and others

4.6 Discussions

The Effect of Locus of Control on Auditor Performance

The results show that locus of control has no significant effect on auditor performance, as indicated by a significance value of 0.812, which is greater than 0.05. Therefore, H1 is rejected. This finding implies that differences in auditors' control orientation do not directly determine their performance in Public Accounting Firms in Bali Province. Although locus of control theoretically reflects how individuals perceive control over work outcomes, auditor performance may be more strongly influenced by professional standards, audit procedures, supervision, training, experience, and organizational support. This result is consistent with Savira (2021) and Brahandayani et al. (2023), who found that locus of control does not significantly affect auditor performance. In the auditing context, auditors are required to follow standardized procedures and professional requirements regardless of their personal control orientation. As a result, both auditors with internal and external locus of control may still demonstrate similar levels of performance when operating within structured audit environments.

The Effect of Professional Skepticism on Auditor Performance

The results indicate that professional skepticism has a positive and significant effect on auditor performance, with a significance value of 0.005. Therefore, H2 is accepted. This finding suggests that auditors with higher professional skepticism tend to perform better because they are more critical, cautious, and thorough in evaluating audit evidence. Professional skepticism enables auditors to maintain a questioning mind, identify potential misstatements, and assess audit evidence objectively. In practice, skeptical auditors are less likely to accept client explanations without sufficient evidence and are more capable of detecting irregularities. This finding supports Fatimah et al. (2022), who stated that professional skepticism positively influences auditor performance. Thus, strengthening professional skepticism is essential for improving the quality and reliability of audit work.

The Effect of Work Motivation on Auditor Performance

The results show that work motivation has a positive and significant effect on auditor performance, with a significance value of 0.019. Therefore, H3 is accepted. This finding indicates that auditors with higher motivation tend to demonstrate better performance in carrying out audit assignments. Motivated auditors are more likely to show commitment, persistence, responsibility, and enthusiasm in completing their work. In the auditing profession, motivation is important because audit tasks often require accuracy, discipline, professional judgment, and the ability to work under time pressure. This finding is consistent with Dewi et al. (2019), who found that work motivation has a positive effect on auditor performance. Therefore, Public Accounting Firms should maintain auditors' motivation through fair compensation, career development, recognition, supportive leadership, and a conducive work environment.

V. CONCLUSION AND RECOMMENDATION

This study examines the effect of locus of control, professional skepticism, and work motivation on auditor performance at Public Accounting Firms in Bali Province. Based on the results of the analysis, three main conclusions can be drawn. First, locus of control does not significantly affect auditor performance. This indicates that auditors' control orientation is not the primary determinant of performance in the context of Public Accounting Firms in Bali Province. Second, professional skepticism has a positive and significant effect on auditor performance. Auditors with higher skepticism are more critical and careful in evaluating audit evidence, which improves their work performance. Third, work motivation has a positive and significant effect on auditor performance. Higher motivation encourages auditors to work more effectively, responsibly, and professionally.

Public Accounting Firms in Bali Province are encouraged to strengthen auditor performance by developing professional skepticism and maintaining work motivation. This can be achieved through continuous professional training, audit case discussions, mentoring programs, performance feedback, and motivation-based human resource policies. Although locus of control is not found to have a significant effect, firms should still support auditors in developing self-awareness, adaptability, and professional responsibility.

Future studies are recommended to include additional variables that may explain auditor performance more comprehensively, such as role conflict, role ambiguity, work stress, leadership style, organizational culture, auditor competence, independence, and ethical sensitivity. Future research may also expand the sample to other regions or use alternative analytical methods such as Structural Equation Modeling to obtain deeper insights into the determinants of auditor performance.

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