LOCUS OF CONTROL, CONSCIENTIOUSNESS, AND PROFESSIONAL SKEPTICISM IN PUBLIC ACCOUNTING FIRM

SKRIPSI

Presented in partial fulfillment of the requirements for
The Bachelor Degree in Accounting

By
REVEN CAROLL WIJAYA
008201500026

FACULTY OF BUSINESS
ACCOUNTING STUDY PROGRAM
PRESIDENT UNIVERSITY
CIKARANG, BEKASI
2019
# PLAGIARISM CHECK RESULT

## DEVELOPMENTAL OF AUDITOR'S PROFESSIONAL SKEPTICISM THROUGH INTERNAL AND EXTERNAL LOCUS OF CONTROL WITH CONSCIENTIOUSNESS IN PUBLIC ACCOUNTING FIRM

### ORIGINALITY REPORT

<table>
<thead>
<tr>
<th>Similarity Index</th>
<th>Internet Sources</th>
<th>Publications</th>
<th>Student Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td>19%</td>
<td>11%</td>
<td>13%</td>
<td>8%</td>
</tr>
</tbody>
</table>

### PRIMARY SOURCES

1. **irep.ntu.ac.uk**
   - Internet Source
   - 3%

2. **Submitted to President University**
   - Student Paper
   - 2%

3. **media.neliti.com**
   - Internet Source
   - 1%

4. **Darwish A. Yousef. "The Islamic work ethic as a mediator of the relationship between of control, role conflict and role ambiguity – A study in an Islamic country setting", Journal of Managerial Psychology, 2000**
   - Publication
   - 1%

5. **eprints.qut.edu.au**
   - Internet Source
   - 1%

6. **bradscholars.brad.ac.uk**
   - Internet Source
   - 1%
<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Mahfud Sholihin, Richard Pike, Musa Mangena, Jing Li. &quot;Goal-setting participation and goal commitment: Examining the mediating roles of procedural fairness and interpersonal trust in a UK financial services organisation&quot;, The British Accounting Review, 2011</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Sholihin, M.. &quot;Goal-setting participation and goal commitment: Examining the mediating roles of procedural fairness and interpersonal trust in a UK financial services organisation&quot;, The British Accounting Review, 2011</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Ana Kurtović, Iva Vuković, Martina Gajić. &quot;The Effect of Locus of Control on University Students' Mental Health: Possible Mediation through Self-Esteem and Coping&quot;, The Journal of Psychology, 2018</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Submitted to HELP UNIVERSITY</td>
<td>Student Paper</td>
</tr>
<tr>
<td>11</td>
<td>researchspace.auckland.ac.nz</td>
<td>Internet Source</td>
</tr>
<tr>
<td>12</td>
<td>cits.tamiu.edu</td>
<td>Internet Source</td>
</tr>
<tr>
<td>13</td>
<td>Oluyinka Ojedokun. &quot;Attitude towards littering&quot;</td>
<td></td>
</tr>
</tbody>
</table>


as a mediator of the relationship between personality attributes and responsible environmental behavior", Waste Management, 2011

Submitted to School of Business and Management ITB
Student Paper

Publication

Yael Aviad-Wilchek. "Locus of control and the meaning of life as a salutogenic model that reduces suicidal tendencies in patients with mental illness", Current Psychology. 2019
Publication

Tsai, Ju-Je, Chien-Hsin Wang, and Hung-Jen Lo. "Locus of control, moral disengagement in
<table>
<thead>
<tr>
<th>Reference</th>
<th>Title</th>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Submitted to Universiti Putra Malaysia</td>
<td>Student Paper</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>21</td>
<td>Submitted to University of Lancaster</td>
<td>Student Paper</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>22</td>
<td>iranarze.ir</td>
<td>Internet Source</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>23</td>
<td><a href="http://www.emeraldinsight.com">www.emeraldinsight.com</a></td>
<td>Internet Source</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>25</td>
<td>Submitted to University of Adelaide</td>
<td>Student Paper</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>26</td>
<td>dspace.siu.ac.th</td>
<td>Internet Source</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>27</td>
<td>Tansu Mutlu, Zafer Balbag, Fatih Cemrek. &quot;The role of self-esteem, locus of control and big five personality traits in predicting</td>
<td></td>
<td>&lt;1%</td>
</tr>
<tr>
<td>No.</td>
<td>Author(s)</td>
<td>Title</td>
<td>Source</td>
</tr>
<tr>
<td>-----</td>
<td>-----------</td>
<td>-------</td>
<td>--------</td>
</tr>
<tr>
<td>28</td>
<td>Amy M. Hageman, Dann G. Fisher</td>
<td>&quot;The Influence of Client Attributes and Organizational Climate on Tax Professionals&quot;</td>
<td>Procedia - Social and Behavioral Sciences, 2010</td>
</tr>
<tr>
<td>29</td>
<td>Chong, Alain Yee-Loong</td>
<td>&quot;Mobile commerce usage activities: The roles of demographic and motivation variables&quot;</td>
<td>Technological Forecasting and Social Change, 2013</td>
</tr>
<tr>
<td>31</td>
<td>Submitted to University of Birmingham</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>epubs.scu.edu.au</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td><a href="http://www.wectproject.org">www.wectproject.org</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>digitalcommons.fiu.edu</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Joanne M Flood. "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Generally Accepted Auditing Standards", Wiley, 2018
DECLARATION OF ORIGINALITY

I hereby declare that the thesis entitled:

LOCUS OF CONTROL, CONSCIENTIOUSNESS, AND PROFESSIONAL SKEPTICISM IN PUBLIC ACCOUNTING FIRM

It is true of my own work or not plagiarism of the work of other. If in the future proved that this scientific work is not my own work or plagiarism of the work of others, then I am willing to accept sanctions in accordance with applicable laws and regulations.

Cikarang, January 30th 2019

Reven Caroll Wijaya
PANEL OF EXAMINERS APPROVAL SHEET

LOCUS OF CONTROL, CONSCIENTIOUSNESS, AND PROFESSIONAL SKEPTICISM IN PUBLIC ACCOUNTING FIRM

submitted by Reven Caroll Wijaya majoring in Accounting Study Program, Faculty of Business was assessed and proved to have passed the Oral Examination on January 2019.

Panel of Examiner,

Advisor,

(Audi Iina Yustina, M.Sc., CMA)

Examiner 1

Examiner 2

(Dr. Ika Pratiwi Simbolon, S.E., M.M) (Dr. Muhamad Safiq, S.E., M.Si., Ak., CA)

Approved By:

Date: .........................

(Audi Iina Yustina, M.Sc., CMA)

Head of Study Program
ACKNOWLEDGEMENT

All praises and thanks are due to the Almighty Allah for giving me the strength, knowledge, courage, and ability to finish this thesis. Without His blessings, this achievement would not have been possible. In the journey of preparing this thesis, there are many people who have helped me throughout everything. Therefore, I would like to express my appreciation for their support, help and encouragement.

First and foremost, I would like to record my gratitude to my thesis advisor Mrs. Andi Ina Yustina, M.Sc., CMA. She has been there providing her heartfelt support and guidance at all times and has given me invaluable guidance, inspiration and suggestion in my quest for knowledge. Without her able guidance, this thesis would not have been possible and I shall eternally be grateful to her for her assistance.

My special, love, affectionate gratitude and deep indebtedness are due to my parents, the ones who can never ever be thanked enough, for the overwhelming love and care they bestow upon me, and who have supported me financially and morally. Their supports and prayers are what keeps me motivated and always feel blessed.

I am very grateful to have some close friends who always support me. The first appreciation goes to Dayat Squad, Yuhuu Squad and Tongkrongan Squad. You are always a good listener for every problem I faced, especially when I had to revise this thesis and re-start over and over again. Your opinions never stop surprise me and also allow me to see my problem from a different angle.

Finally, I would like to thank everybody who was important to the successful realization of this thesis, as well as expressing my apology that I could not mention personally one by one.

Cikarang, January 30th 2019

Reven Caroll Wijaya
# TABLE OF CONTENTS

COVER PAGE ................................................................................................................................. i  
PLAGIARISM CHECK .................................................................................................................... ii  
DECLARATION OF ORIGINALITY ................................................................................................. viii  
PANEL EXAMINERS APPROVAL SHEET ....................................................................................... ix  
ACKNOWLEDGEMENT .................................................................................................................... xi  
TABLE OF CONTENT .................................................................................................................. xii  
ABSTRACT ........................................................................................................................................ 1  
INTISARI .......................................................................................................................................... 1  

## CHAPTER I - INTRODUCTION ................................................................................................. 2  
  1.1 Research Background ............................................................................................................. 2  
  1.2 Research Questions ............................................................................................................... 5  
  1.3 Research Objectives ............................................................................................................ 5  
  1.4 Research Scope and Limitation ............................................................................................ 7  

## CHAPTER II – LITERATURE REVIEW ....................................................................................... 9  
  2.1 Locus Of Control .................................................................................................................. 9  
  2.2 Conscientiousness .............................................................................................................. 10  
  2.3 Professional Skepticism ...................................................................................................... 11  
  2.4 Hypothesis Development .................................................................................................. 12  
  2.5 Research Model ................................................................................................................ 16  

## CHAPTER III – RESEARCH METHOD .................................................................................... 17  
  3.1 Primary data collecting and processing ............................................................................... 17
3.2 Variables and measurement ............................................................... 18
3.3 Statistical Analysis ........................................................................ 19

CHAPTER IV – RESULT ANALYSIS, DISCUSSION AND IMPLICATION . 20

4.1 Demography Analysis ..................................................................... 21
4.2 Measurement Model Analysis .......................................................... 22
4.3 Structural Model Analysis ................................................................. 27
4.4 Discussions and Implications ............................................................ 30

CHAPTER V – CONCLUSION, LIMITATION, & SUGGESTIONS .............. 33

5.1 Conclusion ...................................................................................... 33
5.2 Limitation and Suggestions ............................................................... 34

REFERENCES .......................................................................................... 35

APPENDICES .......................................................................................... 39
LIST OF FIGURES

Figure 1. Research Model ........................................................................................................... 16
Figure 2. Full PLS Model ........................................................................................................... 29
LIST OF TABLES

Table 1. Demographic Data .................................................................................................. 21
Table 2. Reliability and Convergent Validity ..................................................................... 24
Table 3. Discriminant Validity .......................................................................................... 25
Table 4. Reliability ............................................................................................................ 26
Table 5. PLS results (path coefficient, and R2) ................................................................. 27
Table 6. The Indirect, Direct, and Total Effect .................................................................. 28
ABSTRACT

Nowadays, skepticism is very important for auditors. However, there is a critical threat to the auditor’s that rely on skepticism to do their work and maintain the sustainability of the auditor’s. This study aims to carry out empirical evidence of the influence of internal and external locus of control on auditor’s professional skepticism. The samples used in this study are 217 respondents collected from Auditors in Indonesia. The data was analyzed using Sequential Equation Model-Partial Least Squares (SEM-PLS) analysis. The result shows that demonstrating resilience and dedication, risk orientation and career goal, and measuring up to internal and external locus of control’s standards are directly associated with professional skepticism and they indirectly influence professional skepticism through effect on affective conscientiousness.

Keywords: External locus of control, internal locus of control, conscientiousness, and professional skepticism.
INTISARI


Kata kunci: Pusat kendali eksternal, pusat kendali internal, sifat berhati-hati, dan skeptisisme profesional
CHAPTER I
INTRODUCTION

1.1 Research Background

Nowadays, skepticism is very important for auditors. It is because professional skepticism is required for auditor based on ([AICPA] 1997b American Institute of Certified Public Accountants) which is SAS No.1, stating “Due professional care requires the auditor to exercise professional skepticism”. One of the important elements in the audit profession is Professional Skepticism. This is recognized as a basic principle in the auditing profession (Hurtt, 2010). It will help auditors to fulfill their responsibilities because IAASB (2012) stated that professional skepticism contributes to audit quality. Psychology research suggests that skepticism reduces confirmation biases, and therefore auditors who use professional skepticism in evaluating audit evidence are expected to demonstrate superior logical reasoning about evidence selection in hypothesis-testing tasks based on Gilovich (1991).

Conscientiousness is a spectrum of constructs that describe individual differences in the tendency to control themselves, responsible to others, work hard, orderly, and obey the rules based on Roberts, Jackson, Fayard, Edmonds, & Meints, 2009. According to Schmidt and Hunter (1998); Salgado, 2003, Conscientiousness is one of the Big Five personality traits, and research has shown that it is the most powerful personality trait associated with various individual performance outcomes, because that’s theory, this study uses conscientiousness as the mediator.
Previously, the research from Farag and Elias (2016) analyzed the connection between conscientiousness, openness to experience and professional skepticism. The research provide evidence of the existence of conscientiousness, openness to experiences in individuals can give certain effects to professional skepticism. This study use the existence of conscientiousness, and openness to experience in individuals as independent variables that tend to affect the professional skepticism. However, Farag and Elias (2016) mentioned that other variable can be counted for, such as locus of control that can be taken into future research.

Especially locus of control is important because it will affect the individual behavior in deciding whether to increase conscientiousness (Spector, 1982). He mentioned that each individual has two components of locus of control (internal and external). Individuals with strong internal locus of control believe that events in their lives are obtained from their own behavior, for example: when receiving test results, people with internal locus of control tend to praise or blame themselves and their abilities. People with a strong external locus of control are likely to praise or blame external factors such as the teacher or the exam (Carlson, N.R., et al., 2007). According to Miceli & Near (1992), people with external locus of control would not demonstrate conscientiously while someone with internal locus of control might increase conscientiousness. They explain events that potentially under their control, perhaps the motivation of individual who has internal locus of control has intention to increase conscientiousness. That is why the researcher would like to extend the
previous research, to find out the new factors or conditions especially those which can affect the professional skepticism.

Basically, professional skepticism is very influential on the performance of workers, often professional skeptics are present because of the encouragement of related factors. One of the factors that can affect the professional skepticism is the locus of control, which can come from internal or external. According to Miceli & Near (1992), people with external locus of control would not demonstrate conscientiously while someone with internal locus of control might increase conscientiousness. They explain events that potentially under their control, perhaps the motivation of individual who has internal locus of control has intention to increase conscientiousness. Therefore in this study the researcher chose the locus of control as a new variable to see its effect on professional skepticism, also by using mediating variable which namely is conscientiousness.

1.2 Research Problem

Basically professional skepticism is very influential on the performance of workers, often professional skeptics are present because of the encouragement of related factors. One of the factors that can affect the professional skepticism is the locus of control, which can come from internal or external. According to Miceli & Near (1992), people with external locus of control would not demonstrate conscientiously while someone with internal locus of control might increase conscientiousness. They explain events that potentially under their control, perhaps
the motivation of individual who has internal locus of control has intention to increase conscientiousness. Therefore in this study the researcher chose the locus control as a new variable to see its effect on professional skeptics, also by using mediating variable which namely is conscientiousness.

1.3 Research Questions

Based on the research background stated above, the research questions are formulated as follows:

1. Does locus of control internal will positively affect conscientiousness of auditor in Public Accounting Firm?
2. Does locus of control external will positively affect conscientiousness of auditor in Public Accounting Firm?
3. Does conscientiousness mediates the influence of locus of control internal to professional skepticism of auditor in Public Accounting Firm?
4. Does conscientiousness mediates the influence of locus of control external to professional skepticism of auditor in Public Accounting Firm?

1.4 Research Objectives

The objectives of this study are as follows:

1. To empirically analysis influence conscientiousness of auditor in Public Accounting Firm
2. To empirically analysis the influence conscientiousness of auditor in Public Accounting Firm.

3. To empirically analysis the influence professional skepticism of auditor in Public Accounting Firm.

4. To empirically analysis influence professional skepticism of auditor in Public Accounting Firm.

5. To empirically analysis influence the influence of locus of control external to professional skepticism of auditor in Public Accounting Firm.

6. To empirically analysis influence the influence of locus of control internal to professional skepticism of auditor in Public Accounting Firm.

1.5 Significance of the Study

1. For public accounting firm

Researcher hopes this research can be considered for public accounting firm in minimizing bad quality audit since it will be useful for them because their employee will provide service and reflect their office performance.

2. For future research

This research could be beneficial for future researchers as a reference to extend the research on what factors that make bad quality audit is decreased. Research that involving both lower and higher level of professional in public accounting firm and their bad quality relatively rare. Therefore, this study is expected to provide
additional related literature of the behavior of professional’s skepticism that related to mentor relationship in Indonesia

3. For reader

The researcher hope the research will be useful for the readers to deepen their knowledge on factors and variables that decreasing auditor’s bad quality result.

1.6 Scope and Limitation

The research background contains the phenomenon and the background of the problem which is about the job performance of their professional of public accounting firm in Indonesia. The main theory used, is locus of control theory and conscientiousness theory and professional skepticism theory which provides the relevant support for us to propose and believe that locus of control (internal and external) influence professional skepticism, both directly and indirectly through conscientiousness. In this study, researcher used questionnaire as the instrument to collect the data, then analyzed it using Warp PLS software (Version 3.0).

CHAPTER I - INTRODUCTION

This chapter contains the background of the research. The research background explains the phenomenon and the background of the problem which is about the professional skepticism of their professional of public accounting firm in Indonesia. Further, this chapter discussed about the formulation of the problem, research objectives, significance of the study and thesis organization.
CHAPTER II – LITERATURE REVIEW

This chapter contains a relevant theory from previous researches that is used to discuss the variables used in the study. The main theory used, is the Professional Skepticism theory and Conscientiousness theory which provides the relevant explanation for how we believe that Locus of Control (Internal and External) influence Professional Skepticism, both directly and indirectly, through their effect on Conscientiousness. This chapter then describes the relationship between each independent variable with the dependent variable and formulates them into 10 different hypotheses.

CHAPTER III – METHODOLOGY

This chapter explains the method that is used in the study and discussed more detail about the research design, samples and instruments, and most importantly the data analysis and variable measurements. In this study, researcher used questionnaire as the instrument to collect the data, then analyzed it using Warp PLS software (Version 3.0).

CHAPTER IV – RESULT & DISCUSSION

This chapter contains the results of the study. The result is explained by four different tests which consist of data quality test, classical assumption test, multiple regression, and hypothesis test. This chapter then discussed about the interpretation of the results.

CHAPTER V – CONCLUSIONS, LIMITATIONS, & RECOMMENDATIONS
This chapter concludes briefly about the results of the study, the implication, limitations, and recommendation for future research.
CHAPTER II
LITERATURE REVIEW

2.1 Locus of Control

According to Leftron (1994), locus of control is how people view the world and how they identify the causes or failures in their lives. In social learning theory, Rotter (1966) divides individuals into those with an internal locus and those with an external locus based on their beliefs and daily behaviors. Locus of control (LOC) is an aspect of self-esteem that relates to the amount of control an individual perceives they have in their life (Rotter, 1954).

According to Lee (1990) The internal locus of control is a person’s belief that in himself there is a great potential for determine his own destiny, no matter whether the environment will support or not support. Individuals with external locus of control tend to consider their lives to be more determined by strengths from outside themselves, such as fate, destiny, and luck. A person’s “locus” is conceptualized as either internal or external (Rotter, 1966). Previous studies have claimed that employees with higher internal locus of control tend to have higher levels of job satisfaction and performance (Bradley, and Roberts, 2004).
2.2 Conscientiousness

Conscientiousness is one dimension of big 5 personality. According to Sutherland, Bruin, and Crous (2007) conscientious individuals are individuals who have goals in acting, strong desires in behavior, have determination, and detail oriented. Conscientiousness refers to the tendency toward being dependable, purposeful, organized and achievement-oriented based on Goodstein and Lanyon (1999). According to Schmidt and Hunter (1998); Salgado (2003) Conscientiousness is one of the Big Five personality traits, and research has shown that it is the most powerful personality trait associated with various individual performance outcomes. Conscientiousness refers to the tendency toward being dependable, purposeful, organized and achievement-oriented based on Goodstein and Lanyon (1999).

Conscientiousness is the degree to which employees are dependable, organized, and goal-oriented based on Costa, and McCrae (1992). For over a decade, conscientiousness has been an important construct in empirical investigations of job performance outcomes (Barrick, and Mount, 1991). Highly conscientious employees are more likely to persevere in any situation due to self-discipline than are less conscientious employees (Colquitt, and Simmering, 1998), and less conscientious employees are disorganized and may lack the tenacity to persevere in most situations. Organizations would prefer to recruit, hire, train, and retain employees who are high in conscientiousness; however, labor market factors may preclude the organization’s ability to do so.
2.3 Professional Skepticism

According to Nelson (2009) Professional skepticism is “an attitude that includes a questioning mind and a critical assessment of audit evidence”. Psychological research suggests that skepticism reduces confirmation biases, and therefore auditors who use professional skepticism in evaluating audit evidence are expected to show superior logical reasons for selecting evidence in the task of testing hypotheses based on Gilovich (1991).

Skeptical auditors will be willing to wait to make judgments until there is the right level of evidence to draw conclusions. Characteristics of cutting judgment are important aspects of professional skepticism (Hurtt, 2010). For example, SAS No. 1 (AICPA 1997b) discusses making some references by gathering sufficient evidence and waiting for persuasive evidence before making a judgment. Then, AU 230.9 states that the auditor must be satisfied only with persuasive evidence. The obligation to collect and evaluate objective evidence throughout the audit in both standards supports the concept that the assessment must be postponed until sufficient evidence is obtained. In addition, opinions on the client's financial statements are carried out by the audit team. Each auditor individually conducts tests, evaluating evidence, and making judgments to support audit opinions which will be another reason why suspension of judgment is an important aspect of professional skepticism.
2.4 Hypothesis Development

Locus of Control (Internal) and Conscientiousness

According to Lee (1990) defines locus of control internal is a person's belief that in himself there is a great potential for determine his own destiny, no matter whether the environment will support or not support. Meanwhile, Conscientiousness refers to the tendency toward being dependable, purposeful, organized and achievement-oriented based on Goodstein and Lanyon (1999).

One indicator of Locus of Control (Internal) "Most people are capable of doing their jobs well if they make the effort" and Conscientiousness "Get chores done right away".

According to these indicators, it is clear that the relationship between Internal Locus of Control and Conscientiousness is positive / direct proportional, because if someone has a high responsibility / discipline for the work they are doing, it will get satisfying results / good so that it is easily trusted by people.

H1 : “Locus of Control Internal positively influence towards Conscientiousness”

Locus of Control (External) and Conscientiousness

According to Lee (1990) Locus of Control External is tend to consider their lives to be more determined by strengths from outside themselves, such as fate, destiny, and luck. Conscientiousness refers to the tendency toward being dependable,
purposeful, organized and achievement-oriented based on Goodstein and Lanyon (1999).

*Indicator of Locus of Control (External)* "In order to get a really good job you need to have family members or friends in high places." *And Conscientiousness.* "Make a mess of things."

According to these indicators illustrate that there is an influence of External Locus of Control on Conscientiousness, so that the results given are directly proportional, because "outside" factors (other people) play an important role in the results.

**H2**: “Locus of Control External positively influence towards Conscientiousness.”

**Conscientiousness and Professional Skepticism**

Conscientiousness refers to the tendency toward being dependable, purposeful, organized and achievement-oriented based on Goodstein and Lanyon (1999), while According to Nelson (2009) Professional Skepticism is an attitude that includes thoughts that always question and do critical evaluation of audit evidence.

*One indicator of Conscientiousness *"Like order" and Professional Skepticism "I like to ensure that I've been considered most available information before making a decision.”
In according with these indicators it is clear that the relationship between Conscientiousness and Professional Skepticism is positive. This is positive because people who are critical minded will always be careful and disciplined in doing their jobs to get maximum results.

H3: “Conscientiousness positively influence towards Professional Skepticism”

Mediating role of cons toward LOC (Internal and External) to Professional Skepticism

According to Lee (1990) defines locus of control internal is a person's belief that in himself there is a great potential for determine his own destiny, no matter whether the environment will support or not support. Meanwhile, Conscientiousness refers to the tendency toward being dependable, purposeful, organized and achievement-oriented based on Goodstein and Lanyon (1999).

One indicator of Locus of Control (Internal) "Most people are capable of doing their jobs well if they make the effort" and Conscientiousness "Get chores done right away".

According to these indicators, it is clear that the relationship between Internal Locus of Control and Conscientiousness is positive / direct proportional, because if someone has a high responsibility / discipline for the work they are doing, it will get satisfying results / good so that it is easily trusted by people.
According to Lee (1990) Locus of Control External is tend to consider their lives to be more determined by strengths from outside themselves, such as fate, destiny, and luck. Conscientiousness refers to the tendency toward being dependable, purposeful, organized and achievement-oriented based on Goodstein and Lanyon (1999).

*Indicator of Locus of Control (External) "In order to get a really good job you need to have family members or friends in high places." And Conscientiousness "Make a mess of things."*

According to these indicators illustrate that there is an influence of External Locus of Control on Conscientiousness, so that the results given are directly proportional, because "outside" factors (other people) play an important role in the results.

Conscientiousness refers to the tendency toward being dependable, purposeful, organized and achievement-oriented based on Goodstein and Lanyon (1999), while According to Nelson (2009) Professional Skepticism is an attitude that includes thoughts that always question and do critical evaluation of audit evidence.

*One indicator of Conscientiousness "Like order" and Professional Skepticism "I like to ensure that I've been considered most available information before making a decision."*

In according with these indicators it is clear that the relationship between Conscientiousness and Professional Skepticism is positive. This is positive because
people who are critical minded will always be careful and disciplined in doing their jobs to get maximum results.

Based on the explanation above, we can know that there is a relationship between Locus of Control Internal and Conscientiousness, and Conscientiousness with Professional Skepticism, besides Locus of Control External with Conscientiousness, and Conscientiousness with Professional Skepticism. Therefore, we put forward a hypothesis in the form of:

**H4a**: Conscientiousness will mediate the relationship between Locus of Control Internal and Professional Skepticism.

**H4b**: Conscientiousness will mediate the relationship between Locus of Control External and Professional Skepticism.

### 2.5 Research Model

The researcher constructed this research model based on the literature review and hypothesis development above. Research model was constructed to help the readers figure out the relationship between Locus of Control, Conscientiousness, and Professional Skepticism. The research model for this research is presented in Figure 2.1.
Figure 1. Research Model
3.1 Sample and Procedure

Since the researcher used three measurements of variables that have been adopted from international journal research (Spector, 1988; Kathy, 2010; Brent, 2006), the researchers translated all the statements stated in questionnaires. The statements needed to be translated since this research conducted in Indonesia and the sample use Bahasa Indonesia as their mother language. Before the statements that have been translated being distributed to the sample, the researcher reversed and mixed the several statements in the questionnaires in order to avoid bias in filling the questionnaires. After being translated, mixed, and reversed, the researcher conducted pilot to twenty four students that have been internship in Public Accounting Firms as auditor in President University. The pilot test was expected to ensure that the statements presented were easy to understand since the researcher got several feedbacks after conducting the pilot test. The feedbacks received in the pilot test were used by the researcher to revise the translation of the question so the sample can understand more while filling the questionnaire. After conducted pilot test, the researcher continued determining the sample size of this research.

Before distributing the questionnaires, the researcher determined the sample size using method from Hair et al., (2010). In his book, to determine the sample size, the researcher should collect five respondents to answer one question in the
questionnaire. Since the total of questions in this research excluding demographic questions was twenty five (25), so the researchers need to collect minimum one hundred and twenty five (125) respondents. After determined the sample size, the researcher continued distributing the questionnaires. The reason why the researcher utilize questionnaire over the other method, is because questionnaires are an efficient data collection mechanism and the application is less expensive and time consuming (Sekaran & Bougie, 2013).

As for the sample determination, the researcher uses purposive sampling method. Purposive sampling method is the technique to collect the data that has a certain criterion. In this study, the criterion is auditor in public accounting firms that have been at least staff in the public accounting firms. In this case, the auditor will feel the influence of locus of control (internal/external) to their personality and also it makes them comprehensive respondents regarding their professional skeptics.

3.2 Measures

This study use Locus of Control that consists of Internal Locus of Control and External Locus of Control as independent variables. In order to measure Locus of Control a-sixteen items (Internal = 8-items, External = 8-items) from Spector (1988) was adopted. One of item include was “If employees are unhappy with a decision made by their boss, they should do something about it”. Five items Likert scale were used in this research ranging from 1 = strongly disagree to 5 = strongly agree.
The mediating variable for this research was conscientiousness. Four statements used to measure the conscientiousness adopted from Brent, 2006. One example of statement that used in the questionnaire was “Get chores done right away”. Five items Likert scale were used in this research ranging from 1 = strongly disagree to 5 = strongly agree.

To measure professional skepticism, the researcher used five items which adapted from Kathy, (2010). “I take my time when making decisions” was one of the items. In measuring this variable, the researcher also used five items Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

3.3 Statistical Analysis

The researcher used Structural Equation Modeling (SEM) with Partial Least Squares (PLS) in running the data. The researcher chose to use SEM since according to Hair et al., (2013), using SEM-PLS as statistical tools is quite significant. SEM can handle complex constructs and it can be used even with a small sample size (Sarstedt et al., 2014). Since this research conducted only with small sample size, the researcher used SEM-PLS to run the data. The software used in this research to run the data was Warp PLS software (Version 3.0).
CHAPTER IV
RESULT ANALYSIS, DISCUSSION AND IMPLICATION

4.1 Demographic Analysis

More than 400 questionnaires distributed to professional in public accounting firms from Indonesia to fill-in web-based survey. The respond rate of this research is 54.0 percent. 216 professionals who filled-in the questionnaires came from various public accounting firms in Indonesia. Among 216 respondents, 37.50% are professional came from big 4 public accounting firms, and 62.50% came from non-big 4 public accounting firms.

The genders of the respondents were 56.94% of male and 43.06% was female. Professionals who aged between 22-26 years old were the majority of the respondents. Among these respondents, 10.19% of respondents had working experience more than seven years, 10.19% had four to seven years working experience, 37.50% had two to four years, 0.46% had 3 month to 1 year and 41.67% had less than one year working experience. Demographics details of the respondents are presented in table 1 below.
Table 1. Demographic Data

<table>
<thead>
<tr>
<th></th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>56.94%</td>
</tr>
<tr>
<td>Female</td>
<td>43.06%</td>
</tr>
<tr>
<td><strong>Groups of Age</strong></td>
<td></td>
</tr>
<tr>
<td>21-26 years</td>
<td>72.69%</td>
</tr>
<tr>
<td>26-31 years</td>
<td>19.44%</td>
</tr>
<tr>
<td>31-36 years</td>
<td>5.56%</td>
</tr>
<tr>
<td>&gt;37</td>
<td>2.31%</td>
</tr>
<tr>
<td><strong>Public accounting firm</strong></td>
<td></td>
</tr>
<tr>
<td>Big 4</td>
<td>37.50%</td>
</tr>
<tr>
<td>Non Big 4</td>
<td>62.50%</td>
</tr>
<tr>
<td><strong>Working Experience</strong></td>
<td></td>
</tr>
<tr>
<td>3 month - 1 year</td>
<td>41.67%</td>
</tr>
<tr>
<td>1 - 2 years</td>
<td>0.46%</td>
</tr>
<tr>
<td>2 - 4 years</td>
<td>37.50%</td>
</tr>
<tr>
<td>4 - 7 years</td>
<td>10.19%</td>
</tr>
<tr>
<td>&gt;7 years</td>
<td>10.19%</td>
</tr>
</tbody>
</table>

4.2 Measurement Model Analysis

A partial least squares (PLS) approach of structural equation modeling (SEM) is used to test the hypotheses; we used this approach because this approach can process simultaneously for multiple dependent and independent variables. Furthermore, PLS can handle problem related to multicollinearity among independent variables and also relatively small sample sizes. We used a software names WARP-PLS version 03. We use PLS approach in our structural model to maximize the
variance described by variables in our model with R-square as the goodness-of-fit measure (Chin and Newsted, 1999).

PLS become a model technique with a component-based which can examine simultaneously for the measurement and structural models. In the measurement model, we can know the relationship between the indicators (measures) with the construct (latent variables) that they represent. The model of measurement identifies the validity and reliability of measures (indicators) related to specific constructs. The structural model assesses the relationships between constructs. So, PLS is able to access the validity of full model constructs (Chenhall, 2005). But, even though the structural and measurement models can be assessed together, they should be interpreted independently (Hulland, 1999).

Validity and Reliability Test

As previously stated that by assessing the validity and reliability of measures (indicators) relating to specific constructs, measurement model is used to assess the relationship among measures and constructs. In order to evaluate the validity of the model, the researchers had the convergent and discriminant tested. To test convergent validity, we used Average Variance Extracted (AVE), and a construct should have an AVE measure of 0.50 or more (Hulland, 1999) in order to be considered as having adequate convergent validity. As stated by Hair et al., (2013) that validity of convergent can be supported if each indicator has loading with value more than 0.70 and significant p-value less than 0.05. If loading of the indicator less than 0.40, they
suggested dropping the indicators out from the constructs. Addition, loading of indicator with at least 0.60 is important since the measure is representing at least 60 percents of the variance of latent variable (Chin, 1998a, 1998b). In other side, if the indicator’s loading is valued on 0.40 to 0.70 and can increase the average variance extracted (AVE) if we drop it; the researcher can also drop the indicators out from the constructs. The researcher did drop several indicators that AVE valued less than 0.40.

All the data presented in Table 2 are the data that has AVE more than 0.50 and the AVE in Table 2 ranging from the smallest which is 0.508 to the highest 0.655 means that it becomes evidence of adequate convergent validity. In addition, the composite reliability coefficients for the constructs are all above the accepted level of 0.70 (Nunnaly, 1967). The researcher concluded that all the data presented in Table 2 has been qualified with their validity and reliability test.
Table 2. Reliability and Convergent Validity

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Mean</th>
<th>S.D</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Locus of Control -Internal (Composite Reliability = 0.867; AVE = 0.522)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A job is what you make of it</td>
<td>4.15</td>
<td>0.80</td>
<td>0.759</td>
</tr>
<tr>
<td>People who perform their jobs well generally get rewarded for it</td>
<td>4.19</td>
<td>0.82</td>
<td>0.737</td>
</tr>
<tr>
<td>Promotions are given to employees who perform well on the job</td>
<td>4.31</td>
<td>0.81</td>
<td>0.724</td>
</tr>
<tr>
<td>Most people are capable of doing their jobs well if they make the effort</td>
<td>4.39</td>
<td>0.68</td>
<td>0.719</td>
</tr>
<tr>
<td>On most jobs, people can pretty much accomplish whatever they set out to accomplish</td>
<td>3.92</td>
<td>0.89</td>
<td>0.655</td>
</tr>
<tr>
<td>If you know what you want out of a job, you can find a job that gives it to you</td>
<td>4.00</td>
<td>0.82</td>
<td>0.737</td>
</tr>
<tr>
<td><strong>Locus of Control -External (Composite Reliability = 0.904; AVE = 0.576)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In order to get a really good job you need to have family members or friends in high places</td>
<td>2.85</td>
<td>1.32</td>
<td>0.576</td>
</tr>
<tr>
<td>Making money is primarily a matter of good fortune</td>
<td>2.81</td>
<td>1.23</td>
<td>0.793</td>
</tr>
<tr>
<td>Promotions are usually a matter of good fortune</td>
<td>2.65</td>
<td>1.11</td>
<td>0.827</td>
</tr>
<tr>
<td>The main difference between people who make a lot of money and people who make a little money is luck</td>
<td>2.50</td>
<td>1.06</td>
<td>0.802</td>
</tr>
<tr>
<td>It takes a lot of luck to be an outstanding employee on most jobs.</td>
<td>2.50</td>
<td>1.09</td>
<td>0.827</td>
</tr>
<tr>
<td>When it comes to landing a really good job, who you know is more important than what you know</td>
<td>2.82</td>
<td>1.19</td>
<td>0.707</td>
</tr>
<tr>
<td>Getting the job you want is mostly a matter of luck</td>
<td>3.17</td>
<td>1.18</td>
<td>0.747</td>
</tr>
<tr>
<td><strong>Conscientiousness (Composite Reliability = 1.000; AVE = 1.000)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Get chores done right away</td>
<td>4.02</td>
<td>0.78</td>
<td>1.000</td>
</tr>
<tr>
<td><strong>Professional Skepticism (Composite Reliability = 0.831; AVE = 0.573)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I don’t like to decide until I’ve looked at all of the readily available information</td>
<td>4.36</td>
<td>0.79</td>
<td>0.790</td>
</tr>
<tr>
<td>I dislike having to make decisions quickly</td>
<td>3.40</td>
<td>1.01</td>
<td>0.593</td>
</tr>
<tr>
<td>I like to ensure that I’ve considered most available information before making a decision.</td>
<td>4.35</td>
<td>0.69</td>
<td>0.791</td>
</tr>
<tr>
<td>I wait to decide on issues until I can get more information</td>
<td>4.09</td>
<td>0.78</td>
<td>0.783</td>
</tr>
</tbody>
</table>

According to Sholihin & Ratmono (2013), the data can be considered as valid data when the square roots of AVE of it construct has value that higher than to the other construct. This is in line with Fornell & Larcker (1981) which stated that if square root of AVE has greater value than correlation among variable and located in
the same column, then the research considered have discriminant validity. The researcher did compare the square roots of AVE of each variable with the correlations and it presented in Table 3 as the evidence. As presented in Table 3, all the diagonal elements has greater value than the correlation between each variable. In sum, the researchers conclude that the discriminant validity of this data was accepted.

Table 3. Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>LI</th>
<th>LE</th>
<th>P</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locus of Control - Internal</td>
<td>(0.723)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locus of Control –External</td>
<td>-0.003</td>
<td>(0.759)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>0.473</td>
<td>0.081</td>
<td>(1.000)</td>
<td></td>
</tr>
<tr>
<td>Professional Skepticism</td>
<td>0.454</td>
<td>0.159</td>
<td>0.310</td>
<td>(0.744)</td>
</tr>
</tbody>
</table>

Diagonal element : square root of AVE; off-diagonal : correlation between constructs
All significant at p <0.01

Table 3 also describes positive significant correlations between Internal Locus of Control with Conscientiousness (r = 0.473; p <0.01) suggesting that Internal Locus of Control is an important variable in increasing Conscientiousness. In addition, the table shows that Professional Skepticism is positively correlated with Conscientiousness (r = 0.310; p < 0.01) suggesting that Professional Skepticism can be influenced by increasing Conscientiousness.

After determined the validity of the data, the researchers determined the reliability of the constructs. According to Fornell & Larcker (1981), to see if the constructs are reliable, the Cronbach’s alpha should be equal or higher than 0.70, and an even more relaxed version sets this threshold at 0.6 (Nunnally & Bernstein, 1994). As stated in Table 4, the Cronbach’s alpha for each variable has values at least 0.60. The researchers sum that the composite reliability is good.
4.3 Structural Model Analysis

To test the result of the hypothesize statements we used structural model analysis, particularly to examine whether the effect of Locus of Control (Internal/External) on Conscientiousness is direct and the effect of Locus of Control (Internal/External) on Professional Skepticism is indirect (i.e., mediated by Conscientiousness).

Based on Hartmann and Slapnicar (2009), we used an approach named step-wise in performing analysis of our structural model (see also Luft & Shields, 2003; Baron & Kenny, 1986). Firstly, we tested whether Internal Locus of Control, and External Locus of Control affect Conscientiousness directly to test hypotheses H1-H3.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Path to R²</th>
<th>S</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>LI</td>
<td>0.510***</td>
<td>0.260</td>
<td>0.180**</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td></td>
<td>0.213</td>
</tr>
</tbody>
</table>

**Panel B. Mediating effect of affective commitment**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Path to P</th>
<th>Path to S</th>
</tr>
</thead>
<tbody>
<tr>
<td>LI</td>
<td>0.517***</td>
<td>0.434***</td>
</tr>
<tr>
<td>R²</td>
<td>0.268</td>
<td>0.272</td>
</tr>
<tr>
<td>LE</td>
<td>0.283*</td>
<td>0.130**</td>
</tr>
<tr>
<td>R²</td>
<td>0.080</td>
<td>0.160</td>
</tr>
<tr>
<td>P</td>
<td>0.133*</td>
<td>0.361***</td>
</tr>
<tr>
<td>R²</td>
<td>0.272</td>
<td>0.160</td>
</tr>
</tbody>
</table>

**Panel C. Full Model**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Path to P</th>
<th>Path to S</th>
</tr>
</thead>
<tbody>
<tr>
<td>LI</td>
<td>0.501***</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.330</td>
<td></td>
</tr>
<tr>
<td>LE</td>
<td>0.250*</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.330</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td></td>
<td>0.379***</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0.143</td>
</tr>
</tbody>
</table>

*significant at p < 0.1
**significant at p < 0.05
*** significant at p < 0.01
Table 6. The Indirect, Direct, and Total Effect

<table>
<thead>
<tr>
<th></th>
<th>Indirect effect (LI-P-S)</th>
<th>Direct effect (LI-S)</th>
<th>Total effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.517x0.133</td>
<td>0.510</td>
<td>0.579</td>
</tr>
<tr>
<td>VAF for LI-P-S</td>
<td>0.069/0.579</td>
<td></td>
<td>0.119</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.283x0.130</td>
<td>0.180</td>
<td>0.217</td>
</tr>
<tr>
<td>VAF for LE-P-S</td>
<td>0.037/0.217</td>
<td></td>
<td>0.171</td>
</tr>
</tbody>
</table>

The results (see Table 5, panel C) show that the internal locus of control positively influence toward Conscientiousness (path coefficient: 0.501; p <0.01, R²=0.330). Therefore, hypothesis H1 which states that the internal locus of control positively influence toward conscientiousness is supported.

We also did the same procedure to test H2 which the result (see Table 5, panel C) show that the external locus of control positively influence toward conscientiousness (path coefficient: 0.250; p <0.1, R²=0.330). Therefore, hypothesis H2 which states the external locus of control positively influence toward conscientiousness is supported.

Next, we can know that conscientiousness positively influences toward professional skepticism (path coefficient: 0.379; p <0.01, R²=0.143). Therefore, hypothesis H3 which states conscientiousness positively influence toward professional skepticism is supported.

As the beginning part to test the mediating relationship that we proposed between internal locus of control (internal/external) and professional skepticism
through conscientiousness, we need to test the direct relationship between internal locus of control (internal/external) and professional skepticism, and, we ran PLS by introducing conscientiousness as the mediating variable, as portrayed in Figure. 2.1 to test the hypothesis.

Figure 2. Full PLS Model

The result (see Table 5, panel A) show the direct relationship between locus of control (internal and external) and professional skepticism. Conducting further analysis by introducing conscientiousness as mediating variables (see Table 5, panel B), we used a VAF test (Variance Accounted For). This test is more powerful than Sobel’s test (Hair et al. 2013). Hair et al. (2013) stated that full mediation is only exist if the VAF value is more than 80 percent, but the mediation role is partial if it is between 20 percent - 80 percent. However, there is no mediating effect if the value is
less than 20 percent. Based on Baron and Kenny (1986), he stated that a full mediation exists if the direct effect between independent variable and dependent variable which is significant, but after mediating variable has been controlled to the relationship, the effect become insignificant. A partial mediation exists if a significant direct effect between independent variable and dependent variable still significant after controlling for the effects of mediating variable. Table 6 demonstrates that conscientiousness as the mediating variable, whether between locus of control (internal and external) and professional skepticism is 0.119 or 11.9 percent (internal locus of control), and 0.092 or 9.2 percent (external locus of control). We can conclude that there are no mediation effect of conscientiousness between both internal and external locus of control to professional skepticism, and our mediating tests result to not support of our hypotheses H4a, H4b.

Overall, the results indicate that both internal and external locus of control are positively influence to conscientiousness, and conscientiousness positively influence to professional skepticism, but conscientiousness is not a mediation variable to the relationship between the both internal and external locus of control and professional skepticism.

4.4 Discussions and Implication

The motivation of this research conducted to propose and examine the relation between internal and external locus of control and professional skepticism. Not only that, this research also examined the mediating effect of conscientiousness in the
relation of internal and external locus of control and professional skepticism. Locus of control in many public accounting firms (both internal and external) may provide a way to increase professional skepticism. In many professional public accounting firms, conscientiousness is already implemented as a standard in their place. Locus of control may increase professional skepticism of the professionals in public accounting firms and understanding how this occurrence can happen is very rare. We explore how Locus of control can increase professional skepticism. We found that Locus of control (internal and external) have each own different relationship to conscientiousness and also toward professional skepticism.

Based on the results, it shows that both internal and external locus of control positively influence toward conscientiousness. Positive relationship of internal locus of control toward conscientiousness indicates that when professional in public accounting firm (auditor, consultant, etc) feel more on a chance to control their work by themselves and they believe there is a great potential for determine his own destiny, no matter whether the environment will support or not support, and if professional in public accounting firm (auditor, consultant, etc) feel more on a chance to control their work by themselves they will consider their lives to be more determined by strengths from outside themselves, such as fate, destiny, and luck. Professional in public accounting firm that have internal or external locus of control will have goals in acting, strong desires in behavior, have determination, and detail oriented.
Conscientiousness positively influences toward professional skepticism. This positive influence can happen because Conscientiousness through knowledge can be in the form of explicit and implicit knowledge. Explicit knowledge is easy to understand and memorable, context-free, and objective, but implicit knowledge is individual, difficult to explain with formulas, words and figures and the nature normally is non context-free (Koriat, 2014). Based on (Choi and Lee, 2013) Collaborative behaviors become one of the mechanisms used to make implicit knowledge become visible, add the value of organization, facilitate creativity and innovation, and improve professional skepticism.

This research also proved that conscientiousness not mediates the relationship between locus of control (internal and external) and professional skepticism, and it means that professional in public accounting firm (auditor, consultant) with conscientiousness after imposed by internal/external locus of control will not increase their professional skepticism. It can happen because according to Sutherland, Bruin, and Crous (2007) conscientiousness is only a personality which the individual have goals in acting, strong desires in behavior, have determination, and detail oriented, but locus of control is how people view the world and how they identify the causes or failures in their lives based on Leftron (1994). So, conscientiousness is a part of locus of control itself, not as a mediator.
CHAPTER V
CONCLUSION, LIMITATION, AND SUGGESTIONS

5.1 Conclusions

The researcher conducted this study to test the effect of locus of control (internal and external) toward professional skepticism, and the mediating roles of conscientiousness among locus of control (internal and external) and professional skepticism. 216 data were collected from Indonesian professional in public accounting firm over web-based survey. This research used SEM-PLS as the statistical analysis tools to test seven hypotheses.

The results show that locus of control (internal and external) affect professional skepticism. Furthermore, conscientiousness did not mediate to the relation between locus of control (internal and external) and professional skepticism. The results of this study demonstrate that locus of control have an important role in an attitude that includes a questioning mind and a critical assessment of audit evidence. Thus, it is important to the organizations and individual to have locus of control program that specifically breakdown into 2 kinds. As explained previously, even though locus of control have positive influence to conscientiousness, conscientiousness have positive relationship to professional skepticism, but conscientiousness can’t mediate the relationship between locus of control and professional skepticism.
5.2 Limitation and Suggestions

Locus of Control has benefits than researchers consider and it is not a new concept. Managers in public accounting firms can use our results to more and well maintained locus of control program, which means that the supervisor can use our information to plan specific activities for the professional in public accounting firm to enchance their locus of control. We can have plenty choices about supporting activity needed by improving our understanding of how locus of control are worked in our organization and conscientiousness to increase professional skepticism of the employee.

In conducting this research, the researcher has several limitation and recommendation that should be highlighted. First, due to limitation of time, the researcher only collected 216 data from professional in accounting firms. Hence, for the future researcher could examine this theory in bigger sample size for all regions in Indonesia. Thus, it is important to get more generalize and reliable data in future research. Second, conscientiousness is only the one of dimension in personality that we used in this research, and there are also another personality such as extraversion that may mediate the relationship between locus of control and professional skepticism Thus, it will be desirable to include the other dimensions of personality for future research. Finally, we think that in this era technology is more advanced and we want to know how technology can be used to develop locus of control. Research on
on how technology can moderate or mediate locus of control to influence professional skepticism may become a fruitful topic.
REFERENCES


Hung-Wen Lee, (2013),"Locus of control, socialization, and organizational identification", Management Decision, 51 (5), 1047 - 1055


APPENDICES

A. Appendix 1. Full Model (PLS Result)

B. Appendix 2. Direct Model of LI - S (PLS Result)

C. Appendix 3. Indirect Model of LI – P - S (PLS Result)
D. **Appendix 4.** Direct Model of LE - S (PLS Result)

E. **Appendix 5.** Indirect Model of LE – P - S (PLS Result)