

The Effect of Pro-Social Behavior on the Relationship Between Integrity, Task Complexity, and Audit Quality of the Supervisory Board of Rural Credit Institution in Bali

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ABSTRACT : The Covid-19 pandemic has had a significant impact on the economy, including suppressing the existence of custom-based Rural Credit Institution (RCI) in Bali. The failure of governance and the weak supervisory function of the supervisory body is one of the causes of fraud in RCI operations. This study aims to analyze the effect of personal integrity and task complexity on the audit quality of RCI supervisory bodies, with pro-social behavior as a moderating variable. Data were obtained from 96 respondents who are traditional villages as well as heads of RCI supervisory bodies from various regions in Bali. This study uses the moderated regression analysis (MRA) method, with classical assumption test and instrument validity and reliability tests. The results showed that social pro behavior moderates the relationship between self-integrity and audit quality. The higher the social alignment, the stronger the influence of self-integrity on audit quality. However, pro-social behavior does not moderate the relationship between task complexity and audit quality, because the dual role of the supervisory body has now been reduced so that it is more focused on the supervisory function. These findings indicate the importance of strengthening integrity and social awareness in supporting the effectiveness of RCI supervision.

KEYWORDS : *Integrity, Task Complexity, Pro-social Behavior, Audit Quality*

I. INTRODUCTION

The supervisory function in the governance of the Rural Credit Institution (RCI) as a microfinance entity is vital in order to maintain the survival of the RCI to provide maximum benefits to the community in each traditional village in Bali. Suartana (2009:19) states that the RCI internal supervisory body plays an active role in supervising policies, operations, accounting practices, financial reporting, and liaising between managers and external parties if needed. The RCI Supervisory Board (BP RCI) was formed to supervise the management of RCI led by Bendesa adat to create effective and conducive controls based on customary law established by each traditional village.

Lembaga Pembinaan Lembaga Perkreditan Desa (LPLPD) of Bali province functions to provide technical assistance in order to empower RCI in Bali that have competitive and sustainable value. The Chairman of LPRCI, Mr. Nengah Karmayasa, stated that the main obstacle for RCI in Bali is mostly the problem of non-performing loans. The trend of credit volume has increased since the pandemic. The accumulation of RCI problems is generally caused by the lack of prudence of RCI managers and also the lack of involvement of the supervisory body in conducting assessments and recommendations on the ability of its citizens, especially for large-value loans. In addition to adequate collateral value, the risk of bad debts can be minimized by guaranteeing business continuity and the ability of debtors to meet payment obligations. Frequent cases of mismanagement and even fraud that result in disruption of RCI liquidity can cause RCI to experience unhealthy conditions or bankruptcy and trigger conflicts that lead to lawsuits that must be faced by managers, including the RCI supervisory body.

Based on the LPRCIP report on the performance of RCI throughout Bali in July 2022, out of 1436 existing RCI, a total of 525 RCI are categorized as unhealthy to no longer operating. This condition has become a public spotlight and an important issue for the Bali provincial government to identify the main problems that trigger difficulties and threaten the survival of RCI as the driving force of the village economy. In accordance with Regional Regulation of Bali Province Number 3 of 2017 and Bali Governor Regulation number 44 of 2017, there are provisions for RCI governance, including the role of the RCI supervisory body. Regional Regulation number 4 of 2019 concerning customary villages in Bali, also regulates the existence and strengthening of RCI as a community resource for customary villages from a social economic aspect.

The function of the supervisory body in carrying out supervision of RCI governance is expected to maintain the quality of RCI performance information and maintain public trust, of course, requires integrity from the supervisory body. Personal integrity is a quality that tests the highest value order for a profession, including a chairman/member of the RCI supervisory body, to have a personality based on honesty, courage, wisdom and responsibility as a basis for reliable decision making.

On the other hand, as RCI are formed based on adat, the role of the customary bendesa becomes very strategic in controlling RCI operations. However, the dominance of customary understanding in the implementation of traditional ceremonies by the customary bendesa tends to create a complexity of tasks in maintaining the effectiveness of supervision of RCI. The characteristics of the customary bendesa as the head of the supervisory body who has a pro-social attitude towards the indigenous community can lead to supervisory bias. Thus, RCI have the potential to experience the threat of bad governance, even RCI managers have the potential to manage and report only positive RCI performance without being based on the principles of accountability and transparency (pseudo-information).

The RCI supervisory body in carrying out the function of supervision or internal control through examination/audit of financial statements and financial performance of RCI, requires the capacity/capability of the supervisory body that can carry out internal examination/audit optimally. The duality of the role of the customary bendesa as well as the chairman of the RCI supervisory body has the potential to result in the ineffectiveness of supervision of the RCI management in implementing transparent, accountable, responsible, independent, and equitable RCI governance. This is exacerbated by the characteristics of the personal integrity of the supervisory body, which has an excessive pro-social attitude and behavior.

II. LITERATURE REVIEW AND RESEARCH HYPOTHESIS

Attribution Theory by Heider (1958) is a theory that explains how a person's process determines the motives that underlie the person's behavior. A person's behavior is caused by internal factors such as personal control that comes from within a person (due to attributes such as self-capacity, self-condition) and external factors as a result of outside the individual, for example due to environmental conditions, weather, regulation (Robbins, Stephen and Timothy, 2008). Observation of a person's behavior and determining whether the behavior is influenced by internal or external factors can be based on inherent specificity, consensus, and consistency (repetition). Thus, the personal characteristics of an RCI supervisory body are one of the determinants of the quality of supervision, especially the existence of personal integrity, as an internal factor and social environmental conditions as an external factor that encourages its actions in carrying out the duties and functions of RCI supervision.

The X&Y theory proposed by McGregor (1960) states that there are two views on human types, namely X (negative) and Y (positive) theories. Someone mentioned as type X tends to dislike work and avoid responsibility so that they need the threat of punishment in order to achieve a goal. While someone who is type Y, tends to like work, take responsibility, be able to control themselves, be innovative, and goal-oriented (Idris, 2012). A member of the RCI supervisory body including type X when facing complex work pressures will tend to make an inappropriate judgment. This is characterized by not achieving goals as it should and tends to look for safe ways to make their own policies in supervising RCI so that the quality of supervision becomes ineffective. On the other hand, type Y supervisors will be able to take responsibility for their duties and remain professional in carrying out their duties. Type Y supervisors will carry out even complex audit tasks so as to produce good audit quality.

Public trust must be maintained so that auditors must fulfill their professional responsibilities with high integrity. Integrity is the ability of people to realize what has been promised to be a reality (Mulyadi, 2007: 145). Internal auditors in assessing the effectiveness of the implementation of the company's internal control structure must fulfill adherence to professional responsibilities, knowledge, skills, disciplines, human relations and communication, and continuing education (Grefita, 2011). Kresnahadi (2015) states that integrity has a partial effect on audit quality.

Bringham (1991: 277) states that the aspects of pro-social behavior are: (1) friendship, willingness to establish closer relationships with others, (2) cooperation, willingness to work together with others to achieve a goal, (3) helping, willingness to help others who are in trouble, (4) acting honestly, willingness to do things as they are, not cheating, (5) giving charity, willingness to volunteer some of their belongings to people in need. Sarwono (2002) states that pro-social behavior or altruism is the desire to help others without thinking about their own interests. Yoo et al. (2013) pro-social behavior plays an important role in social competence. Thus, as RCI supervisors and examiners, pro-social behavior will be able to influence their integrity in carrying out supervision.

H₁: Pro-social behavior weakens the influence of self-integrity on the quality of supervision of RCI supervisory bodies in Bali.

Task complexity is caused by limited capabilities, and the memory and ability to integrate problems possessed by a decision maker (Susmiyanti and Rahmawati, 2016). Mardisar and Sari (2007) state that low task

complexity has a more positive influence on the quality of the examination / audit than high task complexity. In other words, it means that the higher the task complexity received by the auditor, the more negative the impact on audit quality. Low task complexity will result in good audit quality, because auditors will find it easier to work on it in accordance with audit procedures. Yuliyanti (2018) states that audit complexity has a negative effect on audit quality. Based on the description above, the audit quality of the RCI examining body is influenced by the complexity of the tasks carried out by the examining body but depends on its pro-social behavior. Thus, the hypothesis that can be formulated is as follows:

H₂: Pro-social behavior strengthens the effect of task complexity on the quality of supervision of RCI supervisory bodies in Bali.

III. METHOD

This research uses a quantitative associative approach. The population in this study is the chairman and/or members of the RCI supervisory board in all regions of Bali Province. The sample in this study was selected through purposive sampling technique with the category of chairman and / or member of the RCI internal supervisory body who also functions as a customary bendesa in the village, with a minimum service period of 1 year so that the respondents obtained have an understanding of the quality of the supervisory function, and RCI governance. This study uses primary data obtained through the distribution of questionnaires. Measurement of variables in the questionnaire uses a Likert scale of 1 to 4 to obtain a clearer and more assertive view of the respondents regarding the statements/questions presented, while avoiding central tendency bias.

This study uses a questionnaire for data collection so that before hypothesis test, instrument test is needed in the form of Validity Test and Instrument Reliability Test. Furthermore, the Classical Assumption Test will be carried out as a condition in test causality (regression). The analysis method used is the Moderated Regression Analysis method assisted by the SPSS for Windows Program application. This method is one way of calculating statistical regression coefficients that is unbiased, efficient and consistent in revealing the role of pro-social behavior that affects the relationship between integrity, task complexity, and audit quality of RCI supervisory bodies.

IV. RESULT

Instrument test in this study includes 2 tests, namely the validity test to test whether a questionnaire is valid or not if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire and the reliability test is used to determine the consistency of the measuring instrument, reliable and, consistent when repeated measurements are made (Sugiyono, 2017: 190). The Validity Test in this study uses Pearson Correlation. If the correlation of the factor score with the total score is positive with a value of more than 0.30, the factor is a strong construct and has good construction validity. The results of test the validity of this research instrument show a score greater than 0.30. This means that the research instrument is valid. The reliability test uses the Cronbach Alpha (α) statistical test with a Cronbach Alpha value > 0.70 to indicate that the research variables are reliable (Ghozali, 2016: 48). The Cronbach Alpha (α) value in the instrument reliability test in this study shows a score greater than 0.70 so that it is declared adequate reliability.

Table 1. Descriptive Statistic Test Results

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
Integrity	96	24.00	38.00	28.8750	2.62478
Task Complexity	96	10.00	23.00	15.7917	3.04326
Pro-social Behavior	96	33.00	48.00	38.2083	3.77503
Audit Quality	96	17.00	38.00	25.6146	4.72033

Source: Primary Data, 2025

Table 1 shows the minimum value of the audit quality variable is 17 and the maximum value is 38. The average value of the audit quality variable is 25.6146 which is quite low. This shows that the supervisory body's perception of the ability to maintain the quality of RCI audits is still not maximized. The standard deviation value of 4.72033 is lower than the average value of the variable which indicates that most respondents have a similar view of the low quality of audits conducted.

The minimum value of integrity is 24 and the maximum value is 38. The average value of integrity is 28.8750, reflecting relatively high self-integrity. The standard deviation value of the integrity variable is 2.62478, which is lower than the average value, indicating that most supervisory bodies have a relatively consistent level of self-integrity in carrying out supervisory duties towards RCI.

The minimum value of task complexity is 10 and the maximum value is 23. The average value of task complexity is relatively low at 15.7917. The standard deviation value of the variable is 3.04326, lower than the average value which indicates that most respondents feel the burden or challenge of supervisory tasks at relatively the same level and are not too complex.

The minimum value of the pro-social behavior variable is 33 and the maximum value is 48. The average value of the pro-social variable is 38.2083, indicating that in general the RCI supervisory body has a fairly high tendency of pro-social behavior. The standard deviation value of the pro-social variable is 3.77503, which is lower than the average value of the variable. This indicates that the data distribution is relatively low, so that respondents' perceptions of the level of pro-social behavior of RCI supervisory bodies tend to be consistent.

This study has met the classical assumptions through two types of tests, namely normality test and heteroscedasticity test. Normality test in this study used the Kolmogorov-Smirnov test. The Kolmogorov-Smirnov significance value in the regression model is 0.230, which is greater than 0.05 so it can be concluded that the normality assumption in the research model has been met. To detect the presence or absence of heteroscedasticity, the Glejser model is used. The test results show that the significance value between the independent variable and the absolute residual 0.187 is greater than 0.05, so it can be concluded that the research model does not have heteroscedasticity problems.

Table. 6 Moderated Regression Analysis Results

R-square	0,697				
Adjusted R-square	0,570				
F _{hitung}	2,149				
F _{sig}	0,047				
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6,305	9,685		0,776	0,440
Integrity	0,436	0,954	0,242	0,223	0,124
Task Complexity	-0,835	0,813	-0,538	-0,461	0,046
Pro-social Behavior	-0,644	0,537	-0,515	-0,419	0,076
Integrity*Pro-social Behavior	0,021	0,051	0,730	0,413	0,041
Task Complexity*Pro-social Behavior	0,011	0,048	0,325	0,228	0,120

Source: Primary Data, 2025

The MRA test results show the following causality equation: $Y = 6.305 + 0.436 \text{ InD} - 0.835 \text{ KTg} - 0.644 \text{ PPs} + 0.021 \text{ InD} * \text{PPs} + 0.011 \text{ KTg} * \text{PPs} + e$. The constant value of 6.305 means that if the variables of self-integrity, task complexity, and prosocial behavior and their interactions are considered constant (zero), then the audit quality is still positive, indicating that the supervisory body function has the perception to continue to carry out RCI supervision properly. The coefficient β of integrity is 0.436, meaning that an increase in the self-integrity of the supervisory body can lead to an increase in audit quality with the assumption that other independent variables are considered constant. The β coefficient of task complexity is -0.835, reflecting that if there is an increase in the task complexity of the supervisory body, it will result in a decrease in the audit quality of the supervisory body, assuming other independent variables are considered constant. The β coefficient of pro-social behavior is -0.644, where if the pro-social behavior factor increases, it can lead to a decrease in the audit quality of the supervisory body, assuming other independent variables are considered constant. The β coefficient of the interaction of integrity and pro-social behavior is 0.021, meaning that there is an effect of pro-social behavior on the relationship between self-integrity and audit quality of supervisory bodies, where other independent variables are considered constant. The β coefficient of the interaction of task complexity and pro-social behavior is 0.011, meaning that there is a weakening effect of task complexity on the audit quality of the supervisory body due to an increase in the pro-social behavior of the RCI supervisory body, where the other independent variables are held constant.

Based on the results of the analysis in Table 2, test the coefficient of determination shows the Adjusted R-Square value is 0.570, which means that the variability of self-integrity and task complexity, along with prosocial behavior, is able to explain the variability of the audit quality of the supervisory body by 57%, while 43% is explained by other factors not included in this test model.

Regression test with the F-test coefficient shows that this model is feasible (fit), by assessing the significance level $\alpha = 0.05$ resulting in a Sig. F value of 0.047 < 0.05 and the calculated F value of 2.149. The test results show that the regression model is feasible to use in this study.

The test results on the interaction coefficient between self-integrity and pro-social behavior show a value of 0.021, positive and significant at the sig level. 0.041 which is smaller than α 0.05. This means that there is an effect of pro-social behavior on the relationship between self-integrity and audit quality of the RCI supervisory body. High pro-social behavior has an impact on the audit quality of the supervisory body based on the self-integrity of the supervisory body. As stated by Sihombing (2018) and Kresnahadi (2015) that the audit quality that an examiner or supervisor is able to produce depends on his integrity. The more integrity a person has, especially in his function as an auditor or supervisor, the more capable he is of maintaining the quality of the audit performed.

On the other hand, Grefita (2011) states that an internal auditor in assessing the effectiveness of the implementation of an entity's internal control structure, must fulfill adherence to professional responsibilities, knowledge, skills, disciplines, human relations and communication, and continuing education. This study proves that there are relationship and communication factors that can affect the integrity of a supervisory body (internal auditor) of RCI. In line with Bringham's statement (1991: 277) that aspects of pro-social behavior that prioritize relationships and cooperation to help and give alms can affect the integrity of an internal auditor / supervisory body. Likewise, Sarwono (2002) states that pro-social behavior or altruism is the desire to help others without thinking about their own interests. Yoo et al. (2013) pro-social behavior plays an important role in social competence. Thus, as supervisors and examiners of RCI, pro-social behavior can affect their integrity in carrying out supervision. Thus, Hypothesis 1 can be accepted.

The coefficient value of the interaction between pro-social behavior and task complexity shows a value of 0.011, which is positive but not significant at the sig level. 0.120, which is greater than α 0.05. This means that there is an effect of pro-social behavior that weakens the relationship between the task complexity variable and the audit quality of the RCI supervisory body. The more complex the task of internal auditors, the lower the resulting audit quality, especially those concerned have high pro-social behavior. Likewise, Sari and Mardisar (2007) state that low task complexity has a positive influence on the quality of the examination/audit because auditors will find it easier to work on it in accordance with audit procedures so as to produce good audit quality. Thus, Hypothesis 2 cannot be accepted.

The results of this study indicate that the audit quality of the RCI supervisory body is influenced by the complexity of the tasks carried out by the supervisory body in its function of supervising the RCI while representing the function as a customary prajuru in the village. The duality of duties as supervisors and representatives of traditional villages further indicates the complexity of the duties of the supervisory body, especially those concerned have a high sense and pro-social behavior. The results of the analysis do not significantly support the hypothesis but have a consistent direction, where task complexity further reduces audit quality, especially when an examiner has high pro-social behavior. This can be caused by the membership of the RCI supervisory body which does not solely come from the village's customary prajuru, as stated in Bali Governor Regulation Number 44 of 2017 article 44 which regulates the function of the supervisory body/panureksan membership does not include customary prajuru.

V. CONCLUSION AND SUGGESTION

Based on the results of the analysis, it is found that the pro-social behavior of RCI supervisory bodies is proven to influence the relationship between personal integrity and audit quality of RCI supervisory bodies. Meanwhile, the pro-social behavior of RCI supervisory bodies was not significant enough to influence the relationship between task complexity and audit quality of RCI supervisory bodies.

This study has various limitations, especially in paying attention to differences in fundamental factors, such as the size of RCI and geographical locations that have the potential to differentiate the complexity of RCI governance. Based on the limitations in this study, future research should be able to pay attention to the role of technology in RCI supervision applied by the supervisory body/panureksan.

Further suggestions that can be considered related to the role and function of the RCI supervisory body as stipulated in the Regional Regulation of Bali Province Number 3 of 2017 and Bali Province Governor Regulation Number 44 of 2017 should continue to be optimized because it has a positive impact on RCI governance. The personal integrity of the supervisory body is important to maintain and develop, which can be traced from the educational background, experience, and professional track record of a panureksan. To reduce the complexity of the task, it is recommended that there be a firmer separation between the supervisory and customary functions in the membership of the supervisory body. This is so that supervisory performance is more focused on the governance aspects of the RCI, although it must still pay attention to the socio-cultural context of the village community which can lead to challenges such as pro-social behavior or ewuh-pakewuh.

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