

The mediating effect of auditor dysfunctional behavior on Machiavellian character and time budget pressure of audit quality

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ABSTRACT

The purpose of this study is to examine the auditor's dysfunctional behavior mediating the influence of Machiavellian characteristic and time budget pressure on audit behavior. This study took a sample of all auditors at the Public Accountant Office (KAP) of the Province of Bali. Determination of the sample was accomplished based on the nonprobability sampling method with saturated sample technique. The research sample was 94 auditors and questionnaires were distributed among them and managed to collect 65 questionnaires. Data analysis was performed using the path analysis model. The results show the auditor's dysfunctional behavior fully mediated the influence of Machiavellian traits on audit quality, while the auditor's dysfunctional behavior mediated the partial effect of time budget pressure on audit quality. The results of this study can be considered for auditors and input for IAPI in improving audit quality by suppressing and avoiding the auditor's dysfunctional behavior due to the influence of Machiavellian characteristic and time budget pressure.

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1. Introduction

The public accountant profession is a profession of public trust, where the public expects a free and impartial assessment of the information presented by company management in financial statements (Mulyadi, 2014; Rastina et al., 2018). In the audit standard, an auditor is required to have sufficient ability, expertise and technical training in conducting an audit and to have a professional code of ethics in carrying out his duties as an auditor. An auditor has the duty to conduct an audit with the aim of seeking information about what is carried out in an entity being examined, comparing results with established criteria, as well as approving or rejecting results by providing recommendations on corrective actions (Marbun, 2015; Khudhair et al., 2019).

In order to obtain competent and sufficient audit evidence, before conducting the audit, the public accounting firm (KAP) first prepares the audit program and audit time budget. The audit program is a collection of audit procedures that must be carried out during the audit process, while the audit time budget is an estimate or estimated time allocated for carrying out each audit procedure (Hastuti, 2013; Arens et al., 2015; Sihombing, 2019). Audit procedures that have been well designed and implemented will give good results, thereby increasing user confidence. The trust of users of audited financial statements in the public accounting profession is very dependent on the quality of audits produced by KAP (Nugraha, 2016).

Audit quality is said as a condition where an auditor will find and report a non-compliance with the principles that occur in the client's accounting report (De Angelo, 1981). Audit procedures that are carried out carefully and thoroughly will help KAP in

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producing quality audit services. Audit quality degradation will occur if an auditor takes dysfunctional actions in carrying out audit procedures.

The auditor's dysfunctional behavior is any action taken by the auditor in the implementation of the audit program that can reduce audit quality directly or indirectly. Actions that can reduce audit quality directly in the audit program are called audit quality reduction behaviors, while those that can reduce audit quality indirectly are called underreporting of time behavior (Anita et al., 2018).

Audit quality reduction behavior is the auditor's actions taken during the implementation of audit procedures that reduce the effectiveness of audit evidence collected. Audit quality reduction behavior can be done with various actions for example; premature termination of audit procedures, shallow review of client documents, does not investigate the appropriateness of the accounting treatment applied by the client, acceptance of inadequate client explanations, reduces audit work than it should do, and does not expand the scope of auditing when a questionable transaction or post is detected (Kelley & Margheim, 1990).

A serious threat to audit quality occurs since audit evidence collected during the implementation of audit procedures is incompetent and sufficient as an adequate basis for the auditor to express an opinion on the fairness of the audited financial statements (Sudirjo, 2018). Unethical behavior by individuals in organizations can be caused by personal characteristics, situational and interactions between these factors. Dysfunctional audit behavior can be categorized as unethical behavior, so the tendency of the auditor to perform such actions can be influenced by the characteristics or personality of the individual auditor (Silaban, 2011; Kristianti, 2017; Aisyah & Sukirman., 2015; Alfitman, 2017; Alkali et al., 2018).

Machiavellianism was taught by a political philosopher named Niccolo Machiavelli in 1469-1527. This understanding explains an antisocial personality that does not pay attention to conventional morality and has a low ideological commitment. Here, a Machiavellian has a tendency to be selfish, manipulative and aggressive. In terms of business this type can be accepted but different from the accounting profession, especially auditors. Auditors are required to have ethical responsibilities that are even more than the responsibilities of other professions. Auditors who have this trait will tend to cause poor audit quality, this is because an auditor will act selfish, manipulative.

Situational factors in this study are budget constraints on audit time. Time budget constraint is a condition where the auditor faces time limitations in the implementation of the audit program. These time limitations arise from the time limit set by the KAP in completing an audit procedure. Time limitation becomes its own obstacle in competing with one another. Intensive competition in the audit market requires KAP to make efficiency through controlling audit costs. To improve efficiency one of the ways that KAP is often adopted is to set a strict audit time budget (McNair-Conolly, 1991) in (Kristanti et al., 2017). Devi and Ramantha's research (2017) found that time budget pressure is the biggest cause of declining audit quality. A tight audit time budget can cause the auditor to feel pressure in carrying out audit procedures due to an imbalance between the time available and the time needed to complete the audit task, and subsequently these conditions can encourage the auditor to take dysfunctional audit actions.

The research of Saryati and Raden (2016) found that Machiavellian characteristic directly had a negative and not significant effect on audit quality. However, these results are different from the research conducted by Sрни (2015), Yulianti (2016) found that Machiavellian characteristic has a positive and not significant effect on audit quality. Research by Ningsih and Yaniartha S (2013) found the results that time budget pressure had a negative effect on audit quality. Kurnia et al. (2014) found the results that time budget pressure had a significant effect on audit quality. In line with research by Ratha and Ramantha (2015), Ariningsih and Mertha (2017), Widiani, Sulindawati, and Herawati (2017) found that time budget pressure had a negative effect on audit quality. However, there are differences in results made by Gundry and Liyanarachchi (2007), Zam and Rahayu (2018), and Utami and Sirajuddin (2016) showing the results that time budget pressure does not significantly influence audit quality. Researchers Devi and Ramantha (2017) found that partially Machiavellian characteristic had a significant positive effect on auditor's dysfunctional behavior. Limanto and Sukartha (2019) found the result that Machiavellian characteristic had a positive effect on auditor's dysfunctional behavior. Research by Suprianto (2009), Sari et al., (2016) found that time budget pressure had a significant positive effect on auditor's dysfunctional behavior. However, in contrast to the results of the study Sрни (2015) found that Machiavellian trait influences but is not significant on auditor's dysfunctional behavior. Research conducted by Devi and Ramantha (2017) found the results that time budget pressure partially had a significant positive effect on auditor's dysfunctional behavior.

Previous research emphasizes more on the influence of time budget pressure on audit quality and there is still little research that discusses the Machiavellian characteristic of audit quality. In this study trying to develop previous research by adding the auditor's dysfunctional behavior variable as a mediating variable. This is considered necessary because there are still public accountants involved in cases that violate the code of ethics of the public accounting profession. The auditor's dysfunctional behavior can affect the quality of the audit produced, which means that the auditor's dysfunctional behavior has a direct and indirect effect on audit quality (Setiawaty, 2013; Rohman, 2018). Kelley and Margheim's (1990) research on the impact of time

budget pressure, personal characteristics and leadership style on auditor's dysfunctional behavior shows that there are several behaviors that can directly reduce audit quality, including: too early to complete audit steps, failing to understand principles accounting, reviewing client documents in depth and accepting weak explanations from clients. Whereas behavior that has no direct effect in reducing audit quality is to report audit time with a total time that is shorter than the actual time or reporting audit time that is less.

2. Literature Review and Hypotheses Development

Machiavellian characteristic is a negative trait and has a negative impact on a profession, especially for auditors because it ignores the importance of integrity and honesty in achieving goals. Individuals who have high Machiavellian characteristic try to take advantage of the situation for personal gain and tend not to comply with regulations (Ghosh & Crain, 1996) in (Prawitasaria et al., 2018). In accordance with the dispositional attributions in attribution theory, Machiavellian characteristic is an internal cause that refers to aspects of individual behavior contained in a person. An auditor who has this trait tends to take action to have a manipulative attitude in his life, this means an auditor will perform a dysfunctional behavior in doing his work. Machiavellian characteristic is consistently related to dysfunctional behavior, which is a direct and serious threat to audit quality because Machiavellian characteristic is a condition where the auditor feels his personal interests are more than anything.

The results of Chrismastuti and Purnamasari's (2013), Nurfadilah and Junaid (2019) studies show that the higher a person's tendency to take unethical actions if the Machiavellian characteristic they have is higher. An auditor who has a tendency to be Machiavellian is likely to take actions that violate the rules of professional ethics so as to cause dysfunctional behavior. Saputri and Wirama's research (2015) which states that auditors are increasingly vulnerable to dysfunctional behavior if the auditor's Machiavellian characteristic is high. Devi's research (2016) states that the influence of Machiavellian characteristic has an influence simultaneously and affects the auditor's dysfunctional behavior. Martini's research (2019) supports previous research which states that Machiavellian characteristic will improve auditor's dysfunctional behavior. Research Pradnyanita and Sujana (2019) get empirical evidence that the characteristic of Machiavellian has a positive and significant effect on the auditor's dysfunctional behavior, which means that the Machiavellian characteristic has a negative influence on a quality of organizational performance. It can also be said that the lower the Machiavellian characteristic of the auditor, the better the audit quality will be.

H₁: Auditor's dysfunctional behavior mediates the influence of Machiavellian traits on audit quality.

A tight time budget prevents the auditor from completing all the audit procedures that are supposed to be carried out because the pressure exerted by the supervisor is considered impossible to fulfill by the auditor. This will indicate the auditor's dysfunctional behavior to meet the given time budget (DeZoort & Lord, 1997). When time budget pressure increases, the auditor's dysfunctional behavior will also increase. In addition, risk assessment and sample size are reduced when the auditor is under time pressure (Svanberg & Öhman, 2013).

Attitude change theory and work stress theory that explains how the relationship of nonconformity will motivate someone to eliminate the discrepancy, when someone is under pressure there is a possibility of response from the auditor to behave higher deviations. Time budget pressure is consistently related to dysfunctional behavior, which is a direct and serious threat to audit quality because time budget pressure is a condition where the auditor is required to make efficiency over the time budget that has been prepared or there are time constraints in a very tight and rigid budget. Research by Yuen et al. (2013); Svanström (2016); and Umar et al. (2017) prove that there is a positive influence of time budget pressure on the auditor's dysfunctional behavior. Research by Ningsih and Yaniartha S (2013) shows that time budget pressure has a negative effect on audit quality. Research by Utami and Sirajuddin (2016), Kurniawan et al (2019) shows that time budget pressure does not have a significant effect on audit quality.

H₂: The auditor's dysfunctional behavior mediates the effect of time budget pressure on audit quality.

3. Methods

This research was conducted at a Registered Public Accountant Office in Bali based on the Public Accountant Firm Directory and Public Accountant published by the Indonesian Public Accountants Association (IAPI) in 2020. The time of the study was 2020. The population in this study was KAP auditors in Bali, amounting to 94 person. Sampling in this study using Saturated Samples. Saturated sample which means the entire sample will be selected so that it can reflect the characteristic of the population.

The research hypothesis testing was carried out using the path analysis model and data processing using the SPSS 23 program. The path analysis model was used to analyze patterns of relationships between variables in order to determine the direct or indirect influence of a set of independent variables on the dependent variable.

4. Results and Discussion

4.1 Description of Research Variables

The results of descriptive statistics of variables can be seen in Table 1.

Table 1
Variable Descriptive Statistics Results

Variable	N	Min	Max	Mean	Std. Deviation
Machiavellian Characteristic (X1)	65	55	90	72,66	9,322
Time Budget Pressure (X2)	65	17	28	22,58	2,75
Auditor Dysfunctional Behavior (X3)	65	15	60	37,11	10,23
Audit Quality (Y)	65	18	44	32,22	7,63

Primary Data, 2020

Machiavellian characteristic has the lowest value of 55, the highest value of 90, an average value of 72.66 and a standard deviation of 9.32. The average value of 72.66 indicates the average response of respondents is at a moderate level that is in the range > 69-76. This means that respondents or auditors is Machiavellian at a moderate level.

The time budget pressure has the lowest value of 17, the highest value of 28, an average value of 22.58 and a standard deviation of 2.75. The average value of 22.58 indicates that the average respondent's answer is at a moderate level in the range > 21.4-23.6 (appendix 3). This means that respondents or auditors have time budget pressure at a moderate level.

The auditor's dysfunctional behavior has the lowest value of 15, the highest value of 60, an average value of 37.11 and a standard deviation of 10.23. The average value of 37.11 indicates the average response of respondents is at a moderate level that is in the range > 33-42. This means that respondents or auditors have auditor dysfunctional behavior at a moderate level.

Audit quality has the lowest value of 18, the highest value of 44, an average value of 32.22 and a standard deviation of 7.63. The average value of 32.22 indicates the average response of respondents is at a moderate level that is in the range > 28.4-33.6. This means that the respondent or auditor has a fairly good audit quality.

4.2 Evaluation of Fulfillment of Assumption Path Analysis

In the path analysis model, the relationship between variables is linear and additive. Linearity test uses curve fit and applies the parsimony principle, which is when all models are linear. Based on the processed data as shown in Table 5.10 it can be seen that all the relationships between studies show a linear relationship. Therefore, the analysis model created is feasible to be applied.

Table 2
Summary of Linear Models

Relationship	R ²	F	df1	df2	P Value	Description
X ₁ → X ₃ (b ₁)	0,414	44,519	1	63	0,000	Significant
X ₂ → X ₃ (b ₂)	0,366	36,443	1	63	0,000	Significant
X ₁ → Y (b ₃)	0,342	32,705	1	63	0,000	Significant
X ₂ → Y (b ₄)	0,390	40,290	1	63	0,000	Significant
X ₃ → Y (b ₅)	0,505	64,145	1	63	0,000	Significant

Information:

X₁ → X₃ = Effect of Machiavellian characteristic on auditor's dysfunctional behavior

X₂ → X₃ = Effect of time budget pressure on auditor's dysfunctional behavior

X₁ → Y = Effect of Machiavellian characteristic on audit quality

X₂ → Y = Effect of time budget pressure on audit quality

X₃ → Y = Effect of auditor's dysfunctional behavior on audit quality

4.3 Evaluation of Model Validity

Test the validity of the model in path analysis, using formula number 3 which checks the validity of a model error. the calculation results can be seen as follows.

Standard Error Calculation Results

$$P_{e1} = \sqrt{1 - R^2}$$

$$P_{e1} = \sqrt{1 - 0,526}$$

$$= 0,688$$

$$P_{e2} = \sqrt{1 - R^2}$$

$$P_{e2} = \sqrt{1 - 0,581}$$

$$= 0,647$$

Calculation of the Total Determination Coefficient

$$R_m^2 = 1 - P_{e1}^2 P_{e2}^2$$

$$R_m^2 = 1 - (0,688)^2 (0,647)^2$$

$$R_m^2 = 0,785$$

P_{ei} is the standard error of estimate from the regression model. P_{e1} is 0.688 and P_{e2} is 0.647. The coefficient of determination of the total structural equation of the research model in accordance with the calculations obtained the value of $R_m^2 = 0.785$. The coefficient of total determination of 0.785 means that 78.5 percent of the information contained can be explained by the model formed, while the remaining 21.5 percent is explained by other variables outside the model formed.

Regression Analysis Results

Based on the results of processed regression data, the path coefficient can be summarized as shown in Table 3.

Table 3
Path Analysis

Regression	Coefficient Error	Coefficient Standard	Standard Error	t _{value}	P Value	Description
$X_1 \rightarrow X_3$ (b_1)	0,502	0,457	0,110	4,565	0,000	Significant
$X_2 \rightarrow X_3$ (b_2)	1,425	0,383	0,373	3,823	0,000	Significant
$X_1 \rightarrow Y$ (b_3)	-0,140 a_1	-0,171	0,090 sa_1	-1,558	0,124	Not. Sig
$X_2 \rightarrow Y$ (b_4)	-0,779 a_2	-0,281	0,293 sa_2	-2,662	0,010	Significant
$X_3 \rightarrow Y$ (b_5)	-0,321 b	-0,430	0,090 sb	-3,575	0,001	Significant

Primary Data, 2020

Based on Table 3 it can be explained that the Machiavellian characteristic and time budget pressure have a positive and significant effect on the auditor's dysfunctional behavior. In other equations, Machiavellian characteristic does not affect audit quality. While the time budget pressure and auditor's dysfunctional behavior have a negative and significant effect on audit quality.

The structural equation for the model is:

$$\text{Model 1: } X_3 = 0,457 X_1 + 0,383 X_2 + e_1$$

$$\text{Model 2: } Y = -0,171 X_1 - 0,281 X_2 - 0,430 X_3 + e_2$$

Table 4
Coefficients of Direct, Indirect, and Total Variables

Variable	X1			X2			X3		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
X3	0,457	-	0,457	0,383	-	0,383	-	-	-
Y	-0,171	-0,368	-0,539	-0,281	-0,446	-0,727	-0,430	-	-0,430

Primary Data, 2020

Based on Table 4 it can be explained that the direct influence of the variable Machiavellian characteristic on the auditor's dysfunctional behavior is 0.457. There is no indirect effect between these variables so that the total effect remains at 0.457. While the direct influence of time budget pressure on the auditor's dysfunctional behavior is 0.383. There is no indirect effect of these variables, so the total effect remains at 0.383.

The direct effect of Machiavellian characteristic on audit quality is -0.171. The indirect effect of Machiavellian characteristic on audit quality through the auditor's dysfunctional behavior was obtained from ($b_1 \times b_5$) namely $(0.457 \times -0.430) = -0.197$. So that the total influence of the quality of audit quality Machiavellian $(-0,171 + (-0,197)) = -0,368$.

The direct effect of time budget pressure on audit quality is -0.281. The indirect effect of time budget pressure on audit quality through the auditor's dysfunctional behavior is obtained from $(b_2 \times b_5)$ namely $(0.383 \times -0.430) = -0.165$. So that the total influence of budget pressure on audit quality time $(-0,281 + (- 0,165)) = - 0,446$.

The direct effect of the auditor's dysfunctional behavior on audit quality is -0.430. There is no indirect effect of these variables, so the total effect remains at -0.430.

Table 5

Summary of Indirect Effects

Relationship	Mediate	Coefficient	Std. Error	t statistic	p value	Description
$X_1 \rightarrow Y$	X_3	-0,368	0,057	2,810	0,0049	Significant
$X_2 \rightarrow Y$	X_3	-0,446	0,175	2,607	0,0091	Significant

Primary Data, 2020

Based on Table 5 it can be explained that the Machiavellian Characteristic and time budget pressure on audit quality through the auditor's dysfunctional behavior has a negative and significant effect.

Hypothesis Testing 1

The auditor's dysfunctional behavior mediates the influence of Machiavellian traits on audit quality. Based on the results of mediation testing in Appendix 11, it shows that the z-count of 2.81 is greater than 1.96 or the p-value of 0.0049 is smaller than 0.05. Hypothesis one is accepted, which means the auditor's dysfunctional behavior mediates the influence of Machiavellian Characteristic on audit quality. Therefore, Machiavellian Characteristic (X_1) does not directly have a significant effect on audit quality (Y), while indirectly there is an influence of Machiavellian Characteristic (X_1) on audit quality (Y) through the auditor's dysfunctional behavior variable (X_3). Then the auditor's dysfunctional behavior variable is classified as "full mediation" which means that the Machiavellian Characteristic is not able to significantly influence audit quality without going through the auditor's dysfunctional behavior.

Hypothesis Testing 2

The auditor's dysfunctional behavior mediates the effect of time budget pressure on audit quality. Based on the results of mediation testing in Appendix 11, it shows that the z-count of 2.60 is greater than 1.96 or a p-value of 0.0091 is smaller than 0.05. This second hypothesis is accepted, which means that dysfunctional behavior mediates the effect of time budget pressure on audit quality. Because time budget pressure (X_2) directly has a significant effect on audit quality (Y), while indirectly there is an influence of time budget pressure (X_2) on audit quality (Y) through the auditor's dysfunctional behavior variable (X_3). Then the auditor's dysfunctional behavior is classified as "partial mediation" which means that time budget pressure is able to directly influence audit quality without going through the auditor's dysfunctional behavior.

Effect of Machiavellian Characteristic on Audit Quality through Auditor's Dysfunctional Behavior

Machiavellian Characteristic is an individual personality that justifies any means in achieving something he wants. An auditor who has this nature or the presence of Machiavellian Characteristic in the auditor makes the auditor more susceptible to dysfunctional behavior or taking unethical actions in which an auditor will try to exploit the situation for personal gain or achieve the desired targets and tend to not comply with the rules.

This research supports attribution theory that explains how individuals behave when they are caused by dispositional or internal factors. Dispositional or internal factors, namely the behavior of a person in research is an auditor who comes from the person concerned caused by psychological factors that precede his behavior (Turangan, 2016; Palulu et al., 2018). In this case the Machiavellian Characteristic is a dispositional factor that influences a person's behavior in acting. The results of this study stated that if the auditor has a high Machiavellian Characteristic will indicate an increase in auditor dysfunctional behavior. Conversely, if the level of Machiavellian Characteristic of an auditor is low, the auditor's dysfunctional behavior will also decrease. The cluster of Machiavellian Characteristic in this study is at a sufficient level with a range of values > 69-76. Seeing this, it means that an auditor has enough Machiavellian Characteristic in him that will trigger dysfunctional behavior. Machiavellian Characteristic is consistently related to dysfunctional behavior, which is a direct and serious threat to audit quality. Auditors who have high Machiavellian Characteristic then low ethical behavior that causes the auditor to conduct audit dysfunctional behavior which in turn will reduce the quality of audit results or the resulting audit results are low. Conversely, if the Machiavellian Characteristic is low then high ethical behavior, low dysfunctional audit behavior and high audit quality.

The results of this study are in line with research by Purnamasari (2006), Saputri and Wirama (2015), Winanda (2017), and Pranyanita and Sujana (2019) which state that Machiavellian traits have a positive effect on dysfunctional audit behavior. In the research of Bulutoding and Paramitasari (2017) found that individuals with high Machiavellian traits tended to be more lying,

less moral, and more manipulative. In this study the dysfunctional behavior variable is able to mediate fully in audit quality, this is because auditors who have Machiavellian Characteristic will behave dysfunctional in carrying out their work or duties so as to affect the quality of the resulting audit which means a decline in audit quality.

Effects of Time Budget Pressure on Audit Quality through the Auditor's Dysfunctional Behavior

In conducting an audit program, time budget pressure is a condition felt by the auditor when the auditor is under pressure to be able to complete the audit assignment with an agreed time budget that affects the auditor's behavior (Said and Munandar, 2018). Research conducted by Silaban (2011) says that if the auditor feels there is time budget pressure in the audit program, then the auditor may act as if he did not conduct the audit procedures as they should, but the auditor claims that they have performed the audit procedures properly so that the auditor's dysfunctional behavior occurs. Based on previous studies such as those conducted by Otley & Pierce (1996), Pierce & Sweeney (2004), Silaban (2011), and Yuen et al. (2013), Lendi and Sopian (2017) which prove that auditors respond to time budget constraints by taking dysfunctional actions in audits.

Auditors who experience time budget pressure with high intensity will increase the auditor's dysfunctional behavior, conversely if the level of time budget pressure experienced by the auditor is low, the auditor's dysfunctional behavior will decrease. The time budget pressure cluster in this study is at a sufficient level with a range of values > 21.4-23.6. Seeing this, it means that an auditor feels enough time budget pressure in carrying out audit tasks. This will certainly lead to dysfunctional behavior in conducting audits. The results of research by Broberg et al., (2016), Nor et al., (2017) found that audit time budget pressure negatively affects audit quality. Svanström (2016), Lendi and Sopian (2017), Devi and Ramantha (2017); Mangiwa et al., (2017); Siregar (2018) which proves that there is a positive influence of time budget pressure on the auditor's dysfunctional behavior. High time budget pressure will make the auditor depressed and the auditor tends to do anything without exception doing deviant behavior to achieve his goals. This research supports the attribution theory which is shown by the higher time budget pressure, the higher the auditor's opportunity to perform dysfunctional audit behavior and supports work stress theory and attitude change theory in which time budget pressure causes individual stress arising from unbalanced tasks and tight time available and influence professional ethics through the attitudes, values, attention, and behavior of auditors.

Research by Fatimah (2012), Setiawaty (2013), and Kustinah (2013), Trishapsari and Anisykurlillah (2016), Ida Perwati and Sutapa (2016), Purwaningsih and Suputra (2018) which prove that auditor dysfunctional behavior negatively affects audit quality. Fatimah (2012) states that the auditor's dysfunctional behavior will provide a direct threat to the reliability of an audit process and will have an adverse impact in the future, such as audit reduction behavior in future audits so that increasing dysfunctional behavior will reduce the quality of results an audit. Time budget pressure is a potential cause of the decline in audit quality behavior, which means that with a high time budget pressure can cause a decrease in the level of audit quality, because with a limited time budget causes the auditor to tighten the programs implemented to be able to adjust to the limited time, so that the audit cannot be done more thoroughly and carefully because of the budgeted time limits (Primastuti & Suryandari, 2014).

Dysfunctional auditors mediate time budget pressure on audit quality, because time budget pressure is consistently related to dysfunctional behavior, which is a direct and serious threat to audit quality because time budget pressure is a condition where the auditor is required to make efficiency over the time budget that has been prepared or there are time restrictions in a very tight and rigid budget. This study shows that the higher the time budget pressure, the auditor tends to behave dysfunctional so that the lower the audit quality. Conversely, if the time budget pressure is low, the auditor tends not to behave dysfunctional so that it will increase or improve audit quality.

5. Conclusion

Based on the results of the analysis and discussion of the results of this study conclusions can be drawn as follows:

- 1) The auditor's dysfunctional behavior mediates the effect of Machiavellian traits on audit quality. If an auditor has a high Machiavellian nature, the auditor will behave dysfunctional in conducting his audit thereby reducing audit quality.
- 2) The auditor's dysfunctional behavior mediates the effect of time budget pressure on audit quality. If the auditor in carrying out his duties feels the pressure of the time budget, the auditor will perform dysfunctional behavior in conducting the audit which results in a decrease in audit quality.

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