

THE EFFECT OF MENTORING, QUALITY OF SUPERVISOR-AUDITOR RELATIONSHIP, AND PROCEDURAL FAIRNESS ON THE PERFORMANCE OF GOVERNMENT INTERNAL AUDITORS IN INDONESIA

Rispantyo¹, Rahmawati², Payamta³ and Asri L. Riani⁴

Abstract: *In Indonesia, research on how to improve the performance of government internal auditors is an important thing to do. The available data showed that the performance of government internal auditors is still low. This study aims to examine the effect of mentoring function, quality of supervisor-auditor relationship, and procedural fairness on the performance of government internal auditors. The populations in this study are all government internal auditors, while the samples are 90 auditors of Badan Pengawasan Keuangan and Pembangunan-Financial and Development Supervisory Agency (BPKP). This study used questionnaires as the data collection method, while the sampling technique used was purposive sampling. Partial Least Square (PLS) is used to test the hypothesis. The analysis results show that the mentoring function, quality of supervisor-auditor relationship, and procedural fairness have a positive effect on the performance of government internal auditors. This study contribution is providing empirical evidence on factors that affect the performance of government internal auditors, which can be used to formulate policies in enhancing the performance of government internal auditors in the future.*

Keywords: *mentoring function, procedural fairness, the quality of supervisor-auditor relationship, government internal auditors.*

INTRODUCTION

Financial and Development Supervisory Agency (BPKP) is Indonesian government internal auditor (Agoes and Hoesada 2009; PP No. 60/2008). Based on Presidential Instruction No.4/2011 regarding the acceleration of state financial accountability quality improvement, BPKP is instructed to strengthen the quality of state financial accountability. The coverage of BPKP assignment becomes wider. The instruction is followed by repositioning and revitalization by the BPKP. Environmental changes

¹ Economic Faculty of Slamet Riyadi University, Surakarta-Indonesia, E-mail: rispantyo@yahoo.co.id

^{2,3,4} Economic and Bussines Faculty of Sebelas Maret University, Surakarta-Indonesia.

experienced by the BPKP forced its auditor to face a new system. Thus, BPKP auditors are required to have an excellent performance.

Based on the data of mapping results at 2010-2013 on 331 of the Officials of Government Internal Control (APIP) in central as well as local government, showed that, nationally, 93.96 percent still at level 1 (initial), 5.74 percent at level 2 (infrastructure), and only 2 APIP have reached the level 3 (integrated). This data showed that government internal auditors have a poor performance, so it is hard to detect the corruption potential (*www.mediaindonesia.com*). Regarding to this fact, it is necessary to improve the performance of government internal auditor.

According to APIP's code of ethics and auditing standards (*www.pusbijfa.go.id*), to ensure the quality and improve auditor performance, mentoring is needed to be done. This statement is supported by Accounting Education Change Commission's (AECC) statement no. 4/1993, which explained the importance of mentoring on helping auditors to improve their performance. Thus, the correlation of mentoring and auditor performance becomes important to be analyzed.

There are some prior studies used mentoring as the topic. Some of those studies are: mentoring has a positive effect on job satisfaction (Lo and Ramayah, 2011; Cetin *et al.*, 2013). The effect of mentee's trust to mentor on mentoring relationship (Erdem and Aytemur, 2008). The benefits of mentoring (Reinstein *et al.*, 2011). Mentor and mentee relationship associated with mentoring outcome (Dawley *et al.*, 2008; Landry and Vandenberghe, 2009). Mentoring in services organization object about the efficiency of mentoring programs in university (Alonso *et al.*, 2010).

Miller *et al.* (2011) developed a model that is still rarely studied by testing the indirect effect of mentoring and the quality of supervisor-auditor relationship through organization fairness. The model developed by Miller *et al.*, (2011) besides still rarely studied, also had not connected with the performance yet. This study is the development of Miller *et al.* (2011) study by adding auditor performance to the model.

Studies on the performance of BPKP auditors have been widely conducted, but there is no research that linking between the aspects of procedural fairness with the performance of BPKP auditors. The previous studies results also showed a new order without the empirical evidence that is by raising the performance of auditors.

This study is motivated by two factors. First, the organization fairness held an important role in describing the organizational phenomenon. Second, study that relates the mentoring function with the quality of supervisor-auditor relationship and auditor performance is still scarce.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Dyadic Approach

This approach stated that there are two parties; superior and subordinate; take a role in performance evaluation process. The dyadic performance acknowledged that the superior may not treats the subordinate with the same treatment (Ikhsan and Ishak, 2005). This approach is suitable to analyze the superior and subordinate relationship, because since it reflected the process that connects both parties in order to evaluate the performance of subordinate. This study based on the idea that states that there is an interaction between superior and subordinate in the form of mentoring programs.

Socialization Theory

Socialization theory in an organization obtained through learning and understanding of 4 components (Miller *et al.*, 2011), they are (1) the existence of assignments and how to solve the problems, (2) learning of how to act when interact with the others, (3) the capability to adapt with the norms and values, and skill of working in group, and (4) the capability to adapt with organization as a whole. Mentoring is individual socialization process to these 4 components. Through this socialization process, the auditors learn to cooperate with their supervisor. The auditors will try to increase their relationship with their supervisor, so that a qualified relationship of supervisor-auditor will be formed.

Organization Fairness Theory

The organization fairness theory is developed based on equity theory that appeared in 1960 (Chapman *et al.*, 2007). This theory stated that the key point of individual dissatisfaction toward their job is the comparison between the job and the environment.

The organization fairness takes an important role in explaining the organizational phenomenon. The organization members naturally will have an interest with the fairness (Tabibnia and Lieberman, 2008). Perception of fairness and unfairness experienced by the organization members will affect their attitudes and behaviours. If they experienced fairness, they will well behave, it will also increase their performance.

The distributive fairness and procedural fairness are two kinds of fairness that appeared at the beginning period of organizational fairness theory development. By the time, the emerge of interactional fairness that considered as the interpersonal aspect. The fairness type used in this study is procedural fairness. Procedural

fairness related to the fairness of rules and mechanism used to allocates resources, such as performance appraisals. In procedural fairness, the organization members will obtain the distribution of expected results when they are sure that the process is running fairly.

Mentoring Function

Mentoring could be divided into formal mentoring and informal mentoring. Formal mentoring is a mentoring that performed by two or more people, structured and managed organizationally. While informal mentoring is an informal mentoring developed spontaneously, so that the organizational sanction also given informally. One of the main differences between formal and informal mentoring is the activeness of supervisor-subordinate relationship. Formal mentoring tends to compar supervisor and subordinate with various criteria, while informal mentoring only improved subordinate performance (United Stated Office of Personel Management, 2008).

The Quality of Supervisor-Auditor Relationship

Mentoring relationship is an educational relationship between two or more people in an organization. Currently, mentoring is one of business strategies in corporation, professional, or in the education (Reinstein *et al.*, 2011). In a mentoring, the supervisor had more experience than the junior. Supervisor will give some advices or instructions to their junior. The interaction between supervisor and junior will form a relationship. If the relationship runs properly, they will have a good relationship.

Auditor Performance

Organization conducts performance appraisals, basically conducts an assessment of human behaviour that perform their task and responsibility in the organization. Performance measurement can be understood from two normative models, that is political performance and services delivery (Cahyasumirat, 2006). Political performance refers to collective choice and fairness that can be used in designing political institution choices. Meanwhile, the second model refers to the effort to improve the level of effectiveness and efficiency. For the internal auditors, the second model is very relevant as the mediation structure in measuring their performance.

Hypothesis Development

Mentoring is useful for the mentor, subordinate, and the organization. The dyadic approach stated that there is a supervisor-subordinate relationship in performance

evaluation process. Previous studies concluded that there is an effect of mentoring on performance (Siegel *et al.*, 2011; Miller *et al.*, 2011). Based on description above the hypothesis can be formulated as follows:

H1: Mentoring function affects auditor performance.

Every organization wants their subordinates to be productive and give contributions to the organization where they work. In the other side, the subordinates want their leader to provide a good job environment that can support the establishment of a harmonious job relationship. In this case, social exchange will take place in the job environment, as declared in the sociology theory. One of these social exchanges is mentoring program. The important aspect in creating the harmonious job relationship is the existence of the sense of fairness. Researchers have been found empirical evidence that mentoring function positively related to the procedural fairness (Siegel *et al.*, 2011; Riani and Rahmawati, 2011). Based on this description, the hypothesis can be formulated as follows:

H2: Mentoring function affects procedural fairness.

In the procedural fairness, the organization members will obtain the distribution of expected results the organization members will obtain the distribution of expected results when they are sure that the process is running fairly (Fortin, 2008). The key point of individual dissatisfaction toward their job is the comparison between the job and the environment (Chapman *et al.*, 2007). The fairness can affect the individual or organizational performance. Some researchers also found some empirical evidences that procedural fairness affects the performance (Lau and Moser 2008; Wang *et al.*, 2010; Tri, 2004; Elamin and Alomaim, 2011; and Phelan *et al.*, 2008). Based on this description, the hypothesis can be formulated as follows:

H3: Procedural fairness affects auditor performance.

The sense of fairness experienced by organization member can affects several factors, such as the quality of supervisor-auditor relationship. In mentoring process, the sense of fairness will greatly determine the quality of supervisor-auditor relationship. If the subordinate has experienced the procedural fairness, the quality of supervisor-auditor relationship will be increased. The organizational fairness theory stated that the sense of fairness will affect subordinate's attitude and behaviour.

Previous studies support the statement that procedural fairness affects the quality of supervisor-auditor relationship (Miller *et al.*, 2011; Choundhary *et al.*, 2012; and Hassan and Chandran, 2005). From this explanation, the hypothesis can be formulated as follows:

H4: Procedural fairness affects the quality of supervisor-auditor relationship.

Mentoring function affects the quality of supervisor-auditor relationship. If the process of supervisor-auditor relationship establishment is running well, the supervisor's skill in mentoring auditor will improve. There is interaction of protégé and supervisor that affects their relationship (Fagenson, 1994). There is empirical evidence that mentoring affects the quality of supervisor-auditor relationship (Siegel *et al.*, 2011). Based on description, the hypothesis can be formulated:

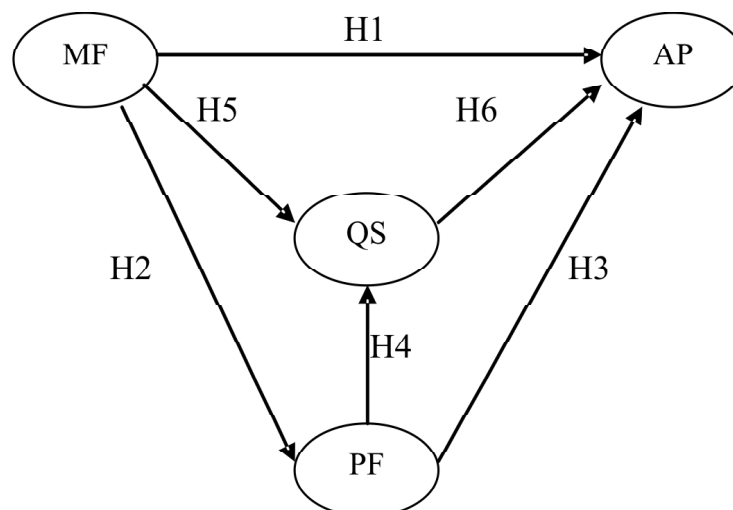
H5: Mentoring function affects the quality of supervisor-auditor relationship.

The supervisor-subordinate interaction will form a relationship. The relationship will help to improve the auditor skill, such as auditing techniques and clarified their own careers (Reinstein *et al.*, 2011; Raabe and Beehr, 2003). If this interaction running properly, the relationship will have a good quality, which in the end will improve the performance.

The supervisor-auditor relationship can help both supervisor and auditor to develop their skill. A qualified supervisor-auditor relationship will bring will bring the probabilities of its consequence (Erdem and Aytemur, 2008). Likewise the existence of audit supervision, which is in accordance with a code of ethics and auditing standards, can improve the quality of audit assigning (pusbinjfa BPKP, 2008). Based on this explanation, the hypothesis can be formulated:

H6: The quality of supervisor-auditor relationship affects auditor performance

The model used in this study (figure 1) is the development of prior study from Miller *et al.*, (2011). The development is based on dyadic approach, socialization



Picture 1: Research Model

Source: Miller *et al.*, (2011) developed

theory, and organizational fairness theory. The theories are used to explain the effect of mentoring function, quality of supervisor-auditor relationship, and procedural fairness on auditor performance.

RESEARCH METHOD

This study population is government internal auditor in Indonesia. The sampling technique used is purposive sampling, while the sampling criteria is the auditors who are following education and training at the Education and Training Center (PUSDIKLAT) BPKP Ciawi, Bogor, Indonesia and has had a functional auditor position. When this research was conducted, a total of 90 auditors were obtained as the sample.

Data Collection Method

The responds of the respondents are collected through questionnaires, which are delivered directly to PUSDIKLAT Ciawi, Bogor, Indonesia after obtaining a study permit from Central BPKP. The responds are measured with 5 likert scales, consisting of options: strongly agree, agree, neutral, disagree, and strongly disagree.

Operational Definition of Research Variables

Here are presented the operational definitions of variables used in this study, Mentoring Function (MF), Quality of Supervisor-Auditor Relationship (QS), Procedural Fairness (PF), and Auditor Performance (AP). Mentoring Function is defined as the management effort of auditing team to ensure and convince that the audit assigning (from the preparation stage to the audit completion stage) can reach the intended purpose. The questionnaires are developed according to the Minister Regulation-*Peraturan Menteri PAN* No. PER/7/M.PAN/2008. The indicator of this variable is the control of: formulation of goals, objectives, and audit scope; formulation of Potential Audit Objectives (PAO), formulation of Audit Work Program-*Program Kerja Audit* (PKA), implementation of preliminary survey, evaluation of Management Control System-*Sistem Pengendalian Manajemen* (SPM), advanced audit/development of findings, preparation of Audit Working Papers-*Kertas Kerja Audit* (KKA), formulation of audit results hypothesis, discussion of audit results hypothesis with the audited party, preparation of audit reports process, and monitoring of follow-up process.

The quality of supervisor-auditor relationship defined as the quality of relationship between supervisors who can apply the mentoring function to the auditor. This variable measured with the questionnaires that developed from Miller *et al.* (2011) questionnaires. The indicators of this variable are: supervisor can solve

the disagreements that arise, supervisor's behaviour can be used as the role model, the capability to reach the stated goals, supervisor's willingness to express their suggestion to auditor, and communicate management decisions to the auditor.

Procedural fairness defined as the fairness toward the policies and mechanism used in allocating resources. This variable is measured with the questionnaires developed by Colquitt (2001), which is then modified by Tjahjono (2007). The indicators of this variable are the expression of auditor's views and feelings, the involvement of auditor in the compensation procedures, the application of procedures consistently, free of bias procedure, procedure based on accurate information, the possibility for auditor to provide suggestions and corrections, and the compliance with ethics and moral standards.

Auditor performance in this study defined as the compliance in auditing standards and code of ethics that will ensure that the auditor has the ability to perform every audit assignment which become their responsibility. This variable is measured using indicators which developed from APIP's code of ethics and audit standard by Coaching Center-*Pusat Pembinaan JFA BPKP* (2008). The indicators of this variable are: independence, audit technical expertise, professional accuracy, audit planning, evidence gathering and testing, documentation, the ability of preparing audit reports, the ability of audit follow-up, integrity, objectivity, confidentiality, and competence.

Data Analysis Technique

The data in this study is analyzed using descriptive analysis and hypothesis testing instrument. The instrument used to test hypothesis in this study is Structural Equation Modelling (SEM) analysis with alternative method, namely Partial Least Square (PLS).

RESULTS AND DISCUSSION

Descriptive Statistics

Mentoring function and auditor performance were perceived relatively good. This is showed by mentoring function and auditor performance mean value that is higher then its median value. While the quality of supervisor-auditor relationship and procedural fairness is perceived average by the respondents. This is showed by the quality of supervisor-auditor relationship and procedural fairness mean value that is relatively equals with its median value. The descriptive statistics analysis results for all variable used in this study are presented in Table 1.

Table 1
Descriptive Statistic

<i>Variables</i>	<i>N</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>Median</i>
Mentoring Function (MF)	90	27.00	55.00	44.62	44.00
Procedural Fairness (PF)	90	9.00	35.00	22.22	22.00
Auditor performance (AP)	90	36.00	60.00	49.73	48.00
Quality of Supervisor-Auditor Relations (QS)	90	11.00	25.00	17.91	18.00

Source: Processed primary data.

Data Analysis Result

The model in this study was analyzed using PSL software. Based on the result of model measurement evaluation, obtained the result that showed that the overall loading score of construct indicator is more than 0.50. The structural model evaluation based on the R² value is 44.20 percent (table 2). This result shows that the research model can explain the free construct in the amount of 44.20 percent, and the other 55.80 percent explained by other constructs outside the research model.

Table 2
The Result of Validity and Reliability Test

<i>Variables</i>	<i>Validity Test</i>		<i>Reliability Test</i>		
	<i>AVE</i>	<i>Communality</i>	<i>Composite Reliability</i>	<i>Cronbachs Alpha</i>	<i>R Square</i>
Auditor performance (AP)	0.571	0.572	0.940	0.931	0.442
Mentoring Fuction (MF)	0.502	0.502	0.916	0.898	
Procedural Fairness (PF)	0.710	0.710	0.945	0.932	
Quality of Supervisor-Auditor Relationships (QS)	0.574	0.574	0.870	0.813	

Source: Primary data processed by SMARTPLS.

Validity and Reliability Test Result

The validity test contains of two parts, namely Convergent Validity and Discriminant Validity. The result of validity testing shows that all indicators of construct have met the Convergent Validity test. It is showed by the AVE value and communality above 0.5 (table 2). Discriminant validity can be seen from the cross loading. The correlation value between the indicators to its construction must be greater than the correlation value between the indicators and other constructs. All the correlation loading value among each variable is bigger than the loading correlation with the other variables (table 3). This result shows that latent construct can predict a criterion in its area better than the criterion in another area. It means

that mentoring function, auditor performance, procedural fairness, and the quality of supervisor-auditor relationship have good discriminant validity.

Table 3
Cross Loading

	<i>AP</i>	<i>MF</i>	<i>PF</i>	<i>QS</i>
AP01	0.783	0.141	0.541	0.495
AP02	0.780	0.186	0.406	0.425
AP03	0.837	0.283	0.396	0.402
AP04	0.726	0.209	0.334	0.334
AP05	0.797	0.277	0.350	0.374
AP06	0.784	0.251	0.413	0.560
AP07	0.772	0.275	0.370	0.508
AP08	0.608	0.286	0.429	0.421
AP09	0.733	0.314	0.358	0.364
AP10	0.709	0.218	0.291	0.331
AP11	0.824	0.368	0.485	0.512
AP12	0.693	0.494	0.437	0.468
MF01	0.307	0.658	0.245	0.234
MF02	0.288	0.683	0.158	0.104
MF03	0.315	0.840	0.292	0.229
MF04	0.235	0.621	0.185	0.164
MF05	0.287	0.822	0.234	0.322
MF06	0.267	0.829	0.278	0.320
MF07	0.150	0.521	0.019	0.147
MF08	0.187	0.719	0.145	0.289
MF09	0.277	0.774	0.116	0.312
MF10	0.269	0.672	0.179	0.336
MF11	0.266	0.579	0.165	0.219
PF01	0.450	0.183	0.789	0.506
PF02	0.502	0.223	0.888	0.456
PF03	0.409	0.137	0.864	0.380
PF04	0.447	0.213	0.858	0.371
PF05	0.487	0.223	0.850	0.467
PF06	0.451	0.342	0.834	0.485
PF07	0.434	0.368	0.808	0.443
QS01	0.424	0.154	0.379	0.685
QS02	0.501	0.489	0.439	0.839
QS03	0.520	0.275	0.437	0.852
QS04	0.315	0.166	0.276	0.670
QS05	0.424	0.187	0.388	0.724

Source: Primary data processed by SMARTPLS.

The reliability testing consists of two parts, composite reliability and cronbachs alpha (table 2). Constructs used in this study have met the reliability test, both composite reliability and cronbachs alpha. It is indicated by both reliability testing result values that is more than 0.60.

Hypothesis Testing

Hypothesis testing of the effect of independent latent variables on dependent latent variables can be done by observing the level of significance and path parameter between the latent variables as shown in Table 4. The hypothesis testing is done by comparing T-statistics value with T-table value. If T-statistics value is bigger than T-table value, the hypothesis is supported by the data. Vice versa, if the T-statistics value is less than T-table value, the hypothesis is not supported by the data.

Table 4
Line Coefficient

	<i>Original Sample</i>	<i>Sample Mean</i>	<i>Standard Deviation</i>	<i>T Statistic</i>
MF AP	0.371	0.397	0.076	4.914
MF PF	0.274	0.292	0.089	3.085
MF QS	0.356	0.387	0.094	3.778
PF AP	0.475	0.477	0.067	7.137
PF QS	0.450	0.460	0.094	4.788
QS AF	0.373	0.376	0.068	5.506

Source: Primary data processed by SMARTPLS.

The testing result of H1 can be seen from T value in Table 4. The T value is 4.914, greater than 1.96, this result indicated a significant result. It means that Mentoring Function significantly affect Auditor Performance, thus H1 is supported by the data. The coefficient parameters of the effect of Mentoring Function on Auditor Performance have a positive value in the amount of 0.371. It means that the effective mentoring can improve the auditor performance.

H1 testing result shows that the audit team management through the mentoring program has attempted to give full assurance and confidence that the audit assignment (from the preparation stage until the audit completion stage) can reach stated goals. The auditor can experience the benefit from mentoring program so they can increase their capacity and competence, which in the end will increase their performance. This result is consistent with the research result of Siegel *et al.*, (2011) and Miller *et al.*, (2011). They found the empirical evidence of the effect of mentoring on performance.

The H2 testing result can be seen from the T-value in Table 4. The T-value is 3.085, greater than 1.96, this result shows a significant result. It means that Mentoring Function significantly affect the Procedural Fairness, thus H2 is supported by the data. The coefficient parameter of the effect of Mentoring Function on Procedural Fairness has positive value in the amount of 0.274. It means that the effective mentoring function can increase procedural fairness.

Mentoring is the activity of supervising, controlling, or directing which is done by a mentor or supervisor to their subordinate. The implementation of this activity will involve the feelings and behaviour between supervisor and subordinate. One of those feelings is fairness. Fairness is not only affected by the results received, but also by the procedure or how the decision is taken. A mentoring that running properly, will increase the procedural fairness. This result is consistent with Siegel *et al.*, (2011), and Riani and Rahmawati (2011), who stated that mentoring function affects procedural fairness.

The result of H3 testing can be seen from T value in Table 4. The T value is 7.317, greater than 1.96, this result shows a significant result. It means that Procedural Fairness significantly affect Auditor Performance, thus H3 is supported by the data. The coefficient parameter of the effect of Procedural Fairness on Auditor Performance has positive value in the amount of 0.475. It means that if the procedural fairness is fulfilled, it can improve the auditor performance.

Auditor will evaluate procedural fairness to decide the reward for their performance. When the auditor obtains reward that is not proportional with their performance, they will evaluate more thoroughly to ensure that the procedure for granting reward has been conducted fairly. Like what have stated in the organizational fairness theory, the sense of fairness will affect individual or organizational performance. The procedural fairness experienced by the auditor will improve their performance. This study result is consistent with empirical evidences found by Lau and Moser (2008), Wang *et al.* (2010), Tri (2004), Elamin and Alomaim (2011), and Phelan *et al.* (2008).

The result of H4 testing can be seen from T-value in the Table 4. The T-value is 4.788, greater than 1.96, this result showed a significant result. It means that Procedural Fairness significantly affect the Quality of Supervisor-Auditor Relationship, thus H4 is supported by the data. The coefficient parameter of the effect of Procedural Fairness on the Quality of Supervisor-Auditor Relationship has positive value in the amount of 0.475. It means that the procedural fairness is fulfilled; it can improve the quality of supervisor-auditor relationship.

The supervisor-auditor relationship needs more attention. The relationship must be conducted by keep maintaining good relationship and conducted carefully

to create a conducive working environment. The effort to create a conducive working environment can be done by developing the procedural fairness. The procedural fairness experienced by the auditor will affect their behaviour when they engaged in mentoring program; it can develop a great supervisor-auditor relationship. This result is consistent with empirical evidence found by Miller *et al.* (2011), Choundhary *et al.* (2012), and Hassan and Chandran (2005).

The result of H5 testing can be seen from T value in Table 5. The T value is 3.776, greater than 1.96, this result indicated a significant result. It means that Mentoring Function significantly affect the Quality of Supervisor-Auditor Relationship, thus H5 is supported by the data. The coefficient parameter of the effect of Mentoring Function on the Quality of Supervisor-Auditor Relationship has positive value in the amount of 0.356. It means that the effective mentoring can increase the quality of supervisor-auditor relationship.

The result of H5 testing indicates that the supervisor is perceived can develop an interpersonal relationship, beside a good managerial skill which they already have. This condition will lead to the establishment of a good relationship between supervisor and auditor, which in turn can decrease the conflict probability between supervisor and auditor. The establishment of good relationship between supervisor-auditor will create a qualified relationship between supervisor-auditor. This study result is consistent with Fagenson (1994) who found the evidence that the interaction between protégé and supervisor affect their relationship. Siegel *et al.*, (2011) found the evidence that mentoring affect the quality of supervisor-auditor relationship.

The result of H6 testing can be seen from T value in Table 5. The T value is 5.506, greater than 1.96, this result indicates a significant result. It means that the Quality of Supervisor-Auditor Relationship affects Auditor Performance, thus H6 is supported by the data. The coefficient parameter of the effect of the Quality of Supervisor-Auditor Relationship on Auditor Performance has positive value in the amount of 0.373. It means that if there is an increase in the quality of supervisor-auditor relationship, then auditor performance will increase as well.

This result perceived that a good supervisor-auditor relationship has already developed. A qualified supervisor-auditor relationship will be advantageous in increasing auditor's skill and clarifying their careers. Thus, a qualified supervisor-auditor relationship will increase auditor performance. This study result is consistent with Reinstein *et al.*, (2011), and Raabe and Beehr (2003) who stated that the quality of supervisor-auditor relationship can help both supervisor and auditor to develop their capability. The same empirical evidence also stated by Erdem and Aytemur (2008).

CONCLUSION

This study has succeed in proofing the hypotheses formulated, that is: (1) mentoring function positively affect auditor performance, (2) mentoring function positively affect procedural fairness, (3) procedural fairness positively affect auditor performance, (4) procedural fairness positively affect the quality of supervisor-auditor relationship, (5) mentoring function positively affect the quality of supervisor-auditor relationship, and (6) the quality of supervisor-auditor relationship positively affect auditor performance.

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