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The Strategic Leadership, Commitment, Organizational Culture, Consensus Strategy to Achievements of Development Strategy in Timor Leste

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ABSTRACT

Researchers conceptualize the Consensus Strategy variable as a mediating factor in the pursuit of Timor Leste's long-term development strategy, positing that strategic leadership within top management encompasses both strategic consensus and commitment as its two key dimensions. The sustainability of the Development Strategic Plan (PED) 2011-2030 has been compromised by governmental transitions. This study aims to explore how strategic leadership, organizational commitment, and organizational culture influence the Consensus Strategy in the context of development plans within Timor Leste's government agencies. The analysis focuses on the agencies of the VIII Constitutional Government, utilizing leaders and expert staff from five ministries as the sample. A semantic differential scale was employed for measurement. Findings indicate that variations in the Strategic Leadership variable significantly enhance the Consensus Strategy, while both Organizational Commitment and Organizational Culture also markedly contribute to its improvement. Furthermore, the Consensus Strategy is shown to have a positive impact on the success of the Development Strategy Plan.



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INTRODUCTION

The development strategy plan for Timor Leste was started as an answer to the lofty ideals of independence, namely to achieve a prosperous and prosperous society. As a new country, Timor Leste is carrying out development to achieve the aspirations of the nation and state. the government determines the direction of the next national development by establishing a second long-term development plan known as.

O Plano Estratégico de Desenvolvimento (PED) de Timor-Leste 2011-2030. O Plano Estratégico de Desenvolvimento de Timor-Leste é uma visão a vinte anos que reflecte as aspirações do Povo timorense relativamente à criação de uma Nação forte e próspera. O Plano foi desenvolvido para inspirar mudanças, apoiar acções colectivas ousadas e pensar num future melhor.

This Timor Leste Development Strategic Plan (PED 2011-2030) is a twenty-year vision, to reflect the aspirations of the people of Timor Leste in creating a prosperous and prosperous nation.

Handoko (2009) suggests that there are three reasons showing the importance of strategic planning. First, strategic planning provides the basic framework within which all other forms of planning must

be adopted. Second, an understanding of strategic planning will make it easier to understand other forms of planning. Third, strategic planning is often the starting point for understanding and evaluating the activities of managers and organizations. Strategic planning is also said to have an important role in ensuring that all members of the organization work towards the same goal.

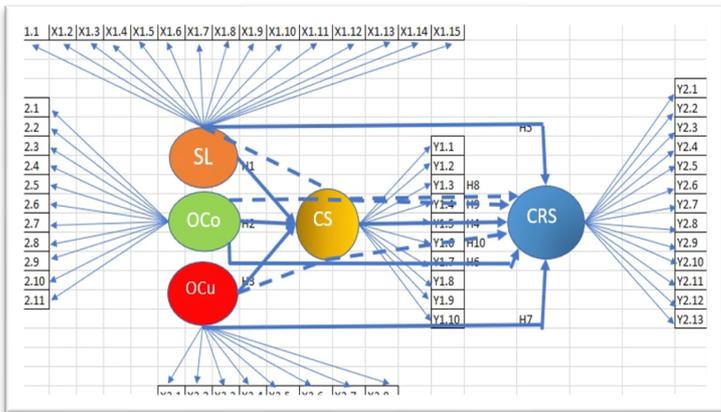
Researchers define the Consensus Strategy variable as a mediating variable in achieving Timor Leste's long-term development strategy plan by assuming that strategic leadership in top management has the role of strategic consensus and strategic commitment as two dimensions of strategic consensus (Amason, 1996; Dess & Origer, 1987; Wooldridge & Floyd, 1989). The description described by Friend & Hickling (2005, 2012) in Planning Under Pressure makes it clearer that planning will be closely related to politics, otherwise the plan will only become a document that will always be different from reality, or at least the planning will be revised many times. and takes longer. This research is to empirically test and prove the research concept conducted by Ateş, Tarakci, Porck, Knippenberg, Groenen, (2020) which states that the correlation between leadership visionary and

strategic consensus are not significant, test and prove empirically the concept of research conducted by Lestari (2017), that the influence of organizational commitment to strategic plans shows a significant and positive correlation, test and prove empirically the concept of research conducted by Wahyudin, (2022), shows that corporate culture has a significant effect on company performance and tests and proves empirically the research concept of Hunitie's research (2018), which states: strategic leadership significantly predicts that strategic planning and strategic thinking

METHOD

In this study there are five variables to be examined, namely the independent variable (X), the mediator variable (Y1), and the dependent variable (Y2). The three classifications of these variables can be explained as follows: Independent variables, namely, Strategic Leadership (X1), Organizational Commitment (X2), and Organization Culture (X3), Intervening variables, namely, Consensus Strategy (Y1) and dependent or dependent variables, namely, Plan Achievements Development Strategy (Y2) in Government Agencies in Timor Leste.

Figure 1: Research Concept Framework



The unit of analysis in this study is the Government Agencies at VIII Governo Constitucional and the samples in this study are leaders and expert staff at state government agencies at five ministries in Timor Leste. The measurement scale used is the semantic differential scale, as said by Riduwan (2013): Very Good/Very Strong/Very Important (7), Good/Strong/Important (6), Good Enough, Strong Enough/Important Enough (5), Moderate/ Normal (4), Fairly Bad/Moderately Weak/Less Important (3), Bad/Weak/Not Important (2), Very Bad/Very Weak/Very Unimportant (1). The measurement model is used to test validity and reliability, while the structural model is used to test causality (testing hypotheses with predictive models). Research data analysis using Smart PLS 4 statistical analysis includes three calculations including algorithms, bootstrapping, and blindfolding. Where is exogenous variable to endogenous variable with direct effect test, indirect effect test and total effect. R Square and R Square Adjusted analyzes were also carried out to find out what percentage of exogenous variables were able to influence endogenous variables.

RESULTS AND DISCUSSION

The validity test used in this study is convergent validity using the outer loading parameter (reliability indicator) and Average Variance Extracted (AVE), and discriminant validity using the Fornell-Larcker Criterion parameter. The ideal outer loading respectively

The required item is > 0.708. Table 1 shows that the outer loading variables for Strategic Leadership, Organizational Commitment, Organizational Culture, Consensus Strategy and Achievements of the Development Strategy Plan > 0.708. Convergent validity, AVE value > 0.5 (Hair et al., 2017). Based on Table 1, the AVE value for the Strategic Leadership variable is 0.633, the Organizational Commitment variable is 0.702, the Organizational Culture variable is 0.757, the Consensus Strategy variable is 0.734 and the Development Strategy Plan Achievement is 0.729. All variables meet the parameter value of AVE > 0.5. It can be stated that the variables Strategic Leadership, Organizational Commitment, Organizational Culture, Consensus Strategy and Achievements of the Development Strategy Plan have good convergent validity.

Table 1. Validity and Reliability Test using Outer Loading, AVE and Composite Reliability

Composite Reliability Testing

Reliability testing in this study uses composite reliability. According to Hair et al. (2017), the composite reliability parameter for each variable is > 0.7. Table 4.4.2a shows that the composite

Table 1. Validity and Reliability Test using Outer Loading, AVE and Composite Reliability

Variabel	Indikator Item	Outer Loading	Average Variance Extracted (AVE)	Composite Reliability
Strategic Leadership SL (X1)	X1.1	0.777	0.633	0.963
	X1.2	0.848		
	X1.3	0.855		
	X1.4	0.807		
	X1.5	0.749		
	X1.6	0.772		
	X1.7	0.720		
	X1.8	0.761		
	X1.9	0.758		
	X1.10	0.811		
	X1.11	0.751		
	X1.12	0.826		
	X1.13	0.819		
	X1.14	0.835		
	X1.15	0.828		

Source: Primary Data Processing, 2023

reliability value for the Strategic Leadership variable is 0.963, the Organizational Commitment variable is 0.963, the Organizational Culture variable is 0.961, the Consensus Strategy variable is 0.965 and the Development Strategy Plan Achievement is 0.972. The five variables in this study have fulfilled the parameters of outer loading (loading indicator) and composite reliability. Thus, the variables of Strategic Leadership, Organizational Commitment, Organizational Culture, Consensus Strategy and Achievements of the Development Strategy Plan can be said to be reliable.

The necessity for audits in the government sector is not different from the business sector because in general the audit needs of the government sector are actually based on the demands of public accountability on government entities by the community. Independent audits can help reduce misappropriation of public funds when examining public administrations, legislatures and the public have reasonable confidence that financial waste, inefficiency or misappropriation can be exposed in relation to the management of government finances. Audit quality is the probability that an auditor finds and reports about a violation in his client's accounting system. De Angelo (1981) in Kusharyanti (2003:25). This quality auditing is important because with high quality audit, reliable financial reports will be produced as a basis for decision making, in addition to concerns that financial scandals will spread can erode public confidence in audited financial statements and the public accounting profession (Elfarini, 2007). In this regard, another factor in influencing quality auditing is the experience of the auditor, experience is a combined accumulation of all that is obtained through dealing and interacting repeatedly with others, objects, nature, circumstances, ideas and sensing, an inexperienced auditor will do this attribution of errors that is

greater than an experienced auditor, a professional auditor must have sufficient experience about his duties and responsibilities, the experience of the auditor will be a good consideration in making decisions in his duties, experience is one of the important elements in auditing assignments in addition to knowledge, so it is not surprising that the way of viewing and responding to information obtained during the examination between experienced and less experienced auditors will be different as well as making decisions on their duties (Elfarini, 2007). Inexperienced auditors will make greater mistakes than experienced auditors, this concludes that experience has a direct influence on quality auditing, the length of time a person works as an auditor becomes an important part that affects quality auditing, with increasing auditor working time it will gain new experiences (Hardianingsih, 2002 and Adi, 2005).

In addition to auditor experience influencing quality auditing, public accountants must of course comply with the auditor's professional code of ethics which regulates the behavior of public accountants in carrying out their professional practices both with fellow members and with the general public, this code of ethics regulates professional responsibility, competence and professional prudence, confidentiality, professional behavior and technical standards for an auditor in executing his profession (Bartens, 2000). Often in the implementation of auditing activities, an auditor is in an audit conflict, a conflict in an audit will develop when the auditor discloses information but the information does not want to be published by the client, this conflict will become an ethical dilemma when the auditor is required to make decisions concerning independence and its integrity with the possible economic rewards on the other hand, ethical/moral awareness and development plays a key role in all areas of the accounting profession (Nichols and Price, 1976). The most difficult ethical problems are client requests to change financial statements of professional problems, and commit fraud, stating that the ability to be able to identify ethical and unethical behavior is very useful for all professions including auditors (Nugrahiningsih, 2005). Based on the background and phenomena described above, the researchers are interested in conducting research on, from the description of this background, the researchers are interested in conducting research with the title "The Effect of Auditor Experience and Auditor Professional Ethics on Quality Auditing at the General Inspection of State (*Inspecção Geral do Estado (IGE)*) Timor Leste."

Rahayu, Suhayati (2010:1) (American Accounting Association (AAA) mentioned "auditing is a systematic process of objectivity obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between those assertions and established criteria and communicating the results to interested users", while Agoes (2004:1) quoted from Konrath, is: "A systematic process to objectively obtain and evaluate evidence regarding assertions about economic activities and events to ensure the degree of interrelationship between assertions and the established criteria and communicate the results to interested parties".

Experienced auditors are people who have expertise in the field of auditing who always learn from past events and in conducting audits both in terms of the length of time, as well as the number of assignments that have been implemented. Experience According to Ashton (1991:218): "Auditor experience is the ability of the auditor or examiner accountant to learn from past events related to the intricacies of an audit or examination" Mulyadi (2002:24) defines that: "Auditor's experience is an accumulation of a combination of all that is gained through interaction", while the American Accounting Association (AAA) in M. Guy (2002:18):

"Requires certain experience, usually one/two years of practical experience, practical experience as work experience with a public accounting firm", and furthermore Agoes (2004:33) that experienced auditors are: "Auditors who have a better understanding. They are also better able to provide reasonable explanations for errors in financial statements and can classify errors based on audit objectives and the structure of the underlying accounting system.

Professional ethics is an ethical attitude that is owned by a professional as an integral part of the attitude of life in developing their duties and applying general ethical norms in special fields (profession) in human life. Professional Ethics Messier, M. Glover and F. Prawitt (2005:374) which is translated by Hinduan states that "Ethics refers to a system or code of behaviour based on moral obligations that shows how an individual should behave in society". While Sukanto, 1991 in Suraida, (2005:118) professional ethics are: "Ethics are generally defined as behavioural values or rules of behaviour that are accepted and used by a particular group or individual". The professional ethics referred to in this study is the current Code of Ethics for Accountants in our country of Timor-Leste, furthermore A. Arens, J. Elder, S. Beasley (2011: 120) which was translated by the DeJacarta Team stated that Professional Ethics are as follows: "Professional ethics are general standards of ideal behaviour and become specific rules of behaviour that must be carried out".

Quality audit is a characteristic or description of audit practices and results based on auditing standards and quality control standards which are the measure of the implementation of the duties and responsibilities of the auditor profession. In the Indonesian Big Dictionary (2000:533) Quality is: "The level (quality) or the level of good or bad of something". According to SPAP (2001:110) quality audit is: "Stating that the audit conducted by the auditor is said to be of quality, if it meets auditing standards and quality control standards". Quality Audit according to the AAA Financial Accounting Committee (2000) in Christiawan (2002) states that: "quality audit is determined by 2 things, namely competence (expertise) and independence. Both of these things directly influence the quality of the audit. Furthermore, the perception of users of financial statements on audit quality is a function of their perception of the independence and expertise of the auditor. According to De Angelo (2004:336) in the Indonesian Journal of Accounting Research defines quality audit as follows: "The probability that the auditor will find and report violations in the client's accounting system. The findings of budgeting depend on the auditor's encouragement to disclose the violation. This encouragement will depend on the independence of the auditor.

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