



The Effect Of Understanding Of Local Government Accounting Systems And Human Resources Competence On The Performance Of Financial Managers With Welfare Benefits As A Moderation Variable

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ABSTRACT

This study aims to determine the effect of understanding the local government accounting system and human resource competence on the performance of financial managers with welfare benefits as a moderating variable at BPKAD (Regional Financial and Asset Management Agency) in Bekasi City. This research is a quantitative study. Data analysis was carried out using the Partial Least Square-Structural EM model through SmartPLS 3.0 software. With a causal research approach Primary data collection was carried out by distributing questionnaires to all employees at BPKAD in Bekasi City. The analysis of this research explain that (1) Understanding of local government accounting systems does not affect the performance of financial managers; (2) Human resource competence has a positive effect on the performance of financial managers; (3) Welfare allowances do not moderate the influence of the relationship between the understanding of the local government accounting system and the performance of financial managers; (4) Welfare allowances do not moderate the effect on the relationship of human resource competence on the performance of financial managers.

Keywords: Influence of Understanding Local Government Accounting System, Human Resource Competence, Financial Manager Performance, Welfare Allowance.

INTRODUCTION

The performance of the local government is currently in the public spotlight, the public feels that the performance of the local government is deemed unable to show good results (Ferry & Ahrens, 2022). Performance is the result or achievement of a person in managing or carrying out tasks according to the functions with the responsibilities given to him. The performance of regional financial management can be seen from several indicators (Dzigbede, Gehl & Willoughby, 2020). Submission of local government financial reports (LKPD) can be timely and the quality of the opinion of the Supreme Audit Agency (BPK) is a major factor. A good BPK opinion can be the main indicator for the realization of good financial management performance (Utomo, 2012). In managing regional finances, the state has created government apparatus engaged in regional financial management activities. Therefore it is necessary to realign government financial management by applying the principles of good and correct government in accordance with the government's environment (PP No. 66 of 2008). If implemented correctly and properly, SPIP will guarantee that all state administrators, from leaders to employees of government agencies, will carry out their duties honestly and comply with regulations, as a result there will be no fraud that can cause state losses. This can be proven by the government's financial reports that are reliable and get the WTP (Unqualified) rating. SPIP will guarantee that all state administrators, from leaders to employees of government agencies, will carry out their duties honestly and comply with regulations, as a result there will be no fraud that can cause state losses (Owens, 2022). This can be proven by the government's financial reports that are reliable and get the WTP (Unqualified) rating. SPIP will guarantee that all state administrators, from leaders to employees of government agencies, will carry out their duties honestly and comply with regulations, as a result there will be no fraud that can cause state losses (Yuniar & Yamin,





2021). This can be proven by the government's financial reports that are reliable and get the WTP (Unqualified) rating (Dewi, Azam & Yusoff, 2019).

There are several main factors that can affect the performance of regional financial management, namely understanding the accounting system, quality of financial reports, competence of human resources, administration, budgeting. Understanding of accounting is a person who is smart and understands correctly about accounting. (Nitri Mirosea et al 2019). According to Wilkinson (2000: 4) in Hastoni (2008) there are several elements of accounting information systems, including: 1) Human resources and tools. Humans are elements of accounting information systems that play a role in making decisions and controlling the running of computer systems. 2) Data. Records are the basis of an accurate control concept that provides checks on the use of information. 3) Information. Information systems produce useful information for internal and external users in making decisions. Information can be in the form of computer printouts or monitor displays. Robbins (2001: 37) defines competence as ability, namely the capacity of an individual to perform various tasks in a job. Individual abilities are formed from two sets of factors, namely intellectual ability factors and physical ability factors. Welfare allowance as a moderating variable. In accordance with Government Regulation.

LITERATURE STUDY

The Influence of Understanding of Regional Accounting Systems on the Performance of Financial Managers

Understanding the local government accounting system is important for the performance of financial managers because it can provide benefits and convenience in managing data on all regional financial transactions into information that can be presented to the public and as a basis for decision making in the framework of planning, implementing and reporting local government accountability. This research is strengthened based on the research of Boolaky, et al (2019) which states that understanding the local government accounting system has a positive effect on the performance of financial managers. On this basis, the hypothesis can be formulated:

H1: Understanding of Local Government Accounting Systems Has a Positive Influence on Financial Manager Performance Accountability

The Effect of Competence on the Performance of Financial Managers

Competence can deepen work ability. Someone who often does the same job will be more fluent and skilled in completing a job. A person's wider work experience, makes a person more skilled at doing work and has a pattern of thinking, an attitude of action that is increasingly perfect to achieve the goals that have been set. The higher or lower the competency, the higher or lower the performance of regional financial managers. This research is strengthened based on the research of Indrawati (2017) stating that competence has a positive and significant effect on the performance of financial managers. In accordance with research conducted by Ronal at el (2018) which shows that competence has a positive and significant effect on the performance of financial managers. On this basis, the hypothesis can be formulated:

H2: Competence has a positive effect on the performance of financial managers

The Effect of Welfare Allowances in Moderating Understanding of Local Government Accounting Systems on the Performance of Financial Managers

An understanding of a good and quality accounting system requires welfare benefits based on the workload carried out by employees in order to demonstrate good performance in managing finances. This research is strengthened based on the research of Sherli Adinita (2017) which states that welfare benefits are able to moderate the relationship between understanding the local government accounting system and welfare benefits have a positive effect on understanding the accounting system. On this basis, the hypothesis can be formulated:

H3: Welfare Allowances Strengthen the Influence of Understanding of Local Government Accounting Systems on the Performance of Financial Managers



The Effect of Welfare Allowances in Moderating the Competence of Local Government Human Resources on the Performance of Financial Managers

Welfare allowance is part of the compensation given to human resources or competent employees, every month based on the employee's performance. This research is strengthened based on research by Sherly Adinita (2017) which states that welfare benefits are able to moderate local government competencies and welfare benefits have a positive effect on competence. On this basis, the hypothesis can be formulated:

H4: Welfare Allowances Strengthen the Effect of Local Government Human Resource Competence on the Performance of Financial Managers

METHOD

Data Analysis

The method used in this research is quantitative research. The method that will be used in testing the research hypothesis is structural equation modeling. Structural Equation Modeling (SEM) is a statistical model that is useful for explaining the relationship between several variables.

Variable Operationalization

The independent variable consists of understanding the regional accounting system (X1) and human resource competence (X2). The dependent variable is financial management performance (Y) and the moderating variable is welfare benefits (Z).

Population and Sample

The population in this study were employees who worked in the accounting department at the Regional Archives and Financial Management Agency (BPKAD), namely 110 people. In this study, the authors used nonprobability sampling technique with incidental sampling method to determine the research sample. The use of samples is needed in quantitative research because it will take a lot of time, effort and money if researchers have to examine all individuals in a population. To determine what sample size is used as the basis for determining the sample taken using the Slovin formula:

$$n = \frac{N}{1 + \alpha^2}$$

n = minimum number of samples

N = total population

α = estimated margin of error or significance level and 10% (0.1)

$$n = \frac{175}{1 + 175 \times (0.1)^2} = 64 \text{ Staff}$$

RESULTS AND DISCUSSION

Measurement Model Results (Outer Model)

Convergent Validity Results

Based on the results of the Outer Loading Factor BPKAD (Regional Financial and Asset Management Agency) of Bekasi City above, there are no indicators that have a Loading Factor value of less than 0.7.

Composite Reliability Results

In general, the composite reliability value that can be used is at least 0.6 or more with the results of





the Cronbachs alpha test score of 0.7, it can be concluded that the reliability of this instrument is statistically reliable.

Measurement Model Test Results (Inner Model)

Testing of the inner model or structural model is carried out to see the relationship between constructs, significance value, and R-square of a research model. The structural model was evaluated using the R-square for the t-test dependent construct and the significance of the structural path parameter coefficients.

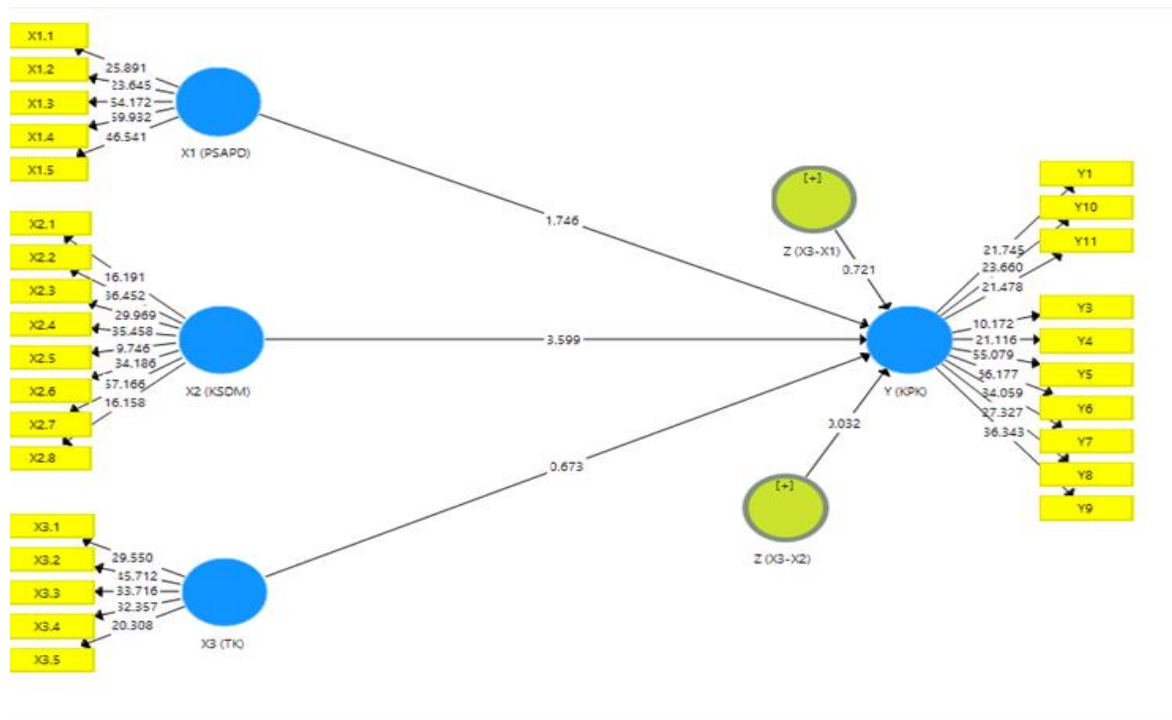


Figure 1. Measurement Model

In assessing the structural model or inner model using PLS, you can start by looking at the R-square for each dependent latent variable. Table 1 is the result of R-sqaure estimation using smart PLS Professional Editions. Here are the results:

Table 1. R-Square Value

Variable	R Square	R Square Adjusted
Quality of Financial Reports	0.875	0869

From table 1 it shows the adjusted R-sqaure value for the financial report quality variable obtained a value of 0.869 or 86.9%, which means that the financial management performance variable has a strong influence on the understanding of local government accounting systems and human resource competencies or there are still 13% variables others that have not been observed in this study.



Table 2. Results of Direct Hypothesis Testing

Effect	Original Sample (O)	Sample Mean (M)	Standard Deviaion (STDEV)	T Statistics ((O/STDEV))	P Values
understanding the regional accounting system -> financial management performance	0.225	0.218	0.123	1.840	0.066
human resource competence -> financial management performance	0.560	0.566	0.155	3.603	0.000

Results of Direct Hypothesis Testing
Hypothesis Testing 1

The results of testing the first hypothesis show the effect of the Application of Government Accounting Standards on the Performance of Financial Managers as seen in table 2 showing the original sample value (O), which is a path coefficient of 0.225 with a T statistic value of 1.840. This value is smaller than the t table value (1,960). So it can be interpreted that the effect of Understanding the Government Accounting System has no effect on the Performance of Financial Managers.

Hypothesis Testing 2

The results of testing the second hypothesis show the effect of Human Resource Competence on Financial Manager Performance as seen in table 2 showing the original sample (O), which is a path coefficient of 0.560 with a statistical T value of 3.603. This value is greater than the value of t table (1,960). So that it can be interpreted that the influence of Human Resource Competence has a positive effect on the Performance of Financial Managers.

Table 3. Results of Indirect Hypothesis Testing

Effect	Original Sample (O)	Sample Mean (M)	Standard Deviaion (STDEV)	T Statistics ((O/STDEV))	P Values
welfare benefits -> understanding the regional accounting system	0.101	0.083	0.147	0.692	0.489
welfare benefits -> human resource competence	-0.005	0.007	0.154	0.031	0.975

Results of Indirect Hypothesis Testing
Hypothesis Testing 3

The results of testing the third hypothesis show the effect of the Application of Government Accounting Standards on the Quality of Financial Statements with the Internal Control System as a moderating variable as shown in table 3 showing the original sample (O), which is a path coefficient of 0.101 with a statistical T value of 0.692. this value is smaller than the t table value (1,960). So that it can be interpreted that the Welfare Allowance as a moderating variable has no effect on the influence of the Understanding of the Local Government Accounting System on the Performance of Financial Managers.

Hypothesis Testing 4

The results of testing the fourth hypothesis show the effect of Information Technology Utilization on the Quality of Financial Statements with the Internal Control System as a moderating variable as





seen in table 3 showing the original sample (O) which is a path coefficient of -0.005 with a T statistic value of 0.031. this value is smaller than the value of t table (1,960) so that it can be interpreted that Welfare Allowances as a moderating variable have no influence on the influence of Human Resource Competence on Financial Manager Performance.

Interpretation of Results

The Direct Influence of Understanding of Local Government Accounting Systems on the Performance of Financial Managers

Based on the results of hypothesis testing and discussion of data that has been carried out by the authors, it is obtained from the results of the study that understanding of local government accounting systems does not affect the performance of financial managers. Thus it is possible that the implementation of the principles of understanding the Regional Government Accounting System (SAPD) at BPKAD Kota Bekasi is not sufficient, so this can reduce the performance of financial managers. The results obtained in testing this hypothesis are not in line with the results of research conducted previously by Sherli Adinita., (2017) which shows that understanding of local government accounting standards has a significant positive effect on the performance of financial managers.

The Direct Influence of Human Resource Competence on the Performance of Financial Managers

Based on the results of hypothesis testing and discussion of data that has been carried out by the authors, it is obtained from the results of the study that Human Resource Competence has a positive effect on the Performance of Financial Managers. Thus it is possible that the Competence of Human Resources at BPKAD Bekasi City is already competent, so that this can produce effective and efficient financial management performance. The results obtained in testing this hypothesis are in line with the results of research conducted previously by Indrawati., (2017) which showed that Human Resource Competence has a significant positive effect on the Performance of Financial Managers. So the results of this study are strongly supported by the truth because of the results of previous studies.

The Indirect Effect of Understanding Local Government Accounting Systems on the Performance of Financial Managers with Welfare Allowances as a Moderating Variable

Based on the results of hypothesis testing and discussion of the data that has been carried out by the authors, what is obtained from the results of this study is that Welfare Allowances as a moderating variable have no influence on the relationship between Understanding of Local Government Accounting Systems and Performance of Financial Managers. Thus the existence of the Welfare Allowance weakens the implementation or implementation of the principles of Understanding the Local Government Accounting System in improving the resulting Financial Manager's Performance. The results obtained in testing this hypothesis are not in line with the results of research conducted previously by Anita (2017) which shows that Welfare Allowances have a significant positive effect on the relationship between Understanding of Local Government Accounting Systems and Performance of Financial Managers. So the results of this study are not supported because there are differences in the results of previous studies.

The Indirect Effect of Human Resource Competence on the Performance of Financial Managers with Welfare Allowances as a Moderating Variable

Based on the results of hypothesis testing and discussion of data that has been carried out by the authors, what is obtained from the results of this study is that Welfare Allowances as a moderating variable have no influence on the relationship between Human Resource Competence and Financial Statement Performance. Thus the existence of Welfare Allowances weakens the Competence of Human Resources to support the creation of quality Financial Management Performance. The results obtained in testing this hypothesis are not in line with the results of research conducted previously by Anita (2017) which shows that Welfare Allowances have a significant positive effect



on the relationship between Human Resource Competence and Financial Statement Performance. So the results of this study are strongly supported by the truth because of the results of previous studies.

CONCLUSION

Based on the discussion above, the authors provide conclusions in this study as follows; Understanding of local government accounting systems does not affect the performance of financial managers. Human resource competence has a positive effect on the performance of financial managers. Welfare allowances do not moderate the influence of the relationship between the understanding of the local government accounting system and the performance of financial managers. Welfare allowances do not moderate the effect on the relationship of human resource competence on the performance of financial managers.

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