

The Influence of Human Resource Competence and Organization Commitment on the Implementati on of Governmentaccounting Standards and Its Impact Toward Financial Accountability at the Ministry of Religion Langsa, East Aceh District, Province of Aceh, Indonesia

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ABSTRACT

This objective of study to examine the influence of the competency of human resources and organizational commitment simultaneously and partially on the financial accountability through the implementation of government accounting standard as moderating variable. The population of this study was 12 working units of the Ministry of Religion Langsa. This study used primary data based on the statement of the questionnaires distributed to selected respondents. The total respondents were 60 respondents which consist of the Budget User Proxy, Committing Officer, Treasurer of Expenditure, Financial Statements and managers Compiler Finance/Planning. he analytical method used was path analysisThe results of the study indicated that the implementation of government accounting standards mediated the influence of competence of human resources and organizational commitment on the financial accountability of which its influence was considered as a *full/perfect mediation*. The partial influence only occurred on the variable of implementation of accounting standards; meanwhile, from a simultaneous test perspective ,the human resource competencies, organizational commitment and application of accounting standards strongly influenced the government's financial accountability.

Keywords: Human Resource Competency, Organizational Commitment, Application of Accounting Standards and Financial Accountability

INTRODUCTION

Financial accountability is one of the issues which is raising in the management of public administration today. It is also one of the characteristics of *good governance* proposed by the *United Nation Development Program* (UNDP). According to the Institute of Public Administration State Audit Agency (BPK) (2000: 24), the financial accountability is defined as a liability on the financial integrity, disclosure and compliance with the laws and regulations.

The ending output of any financial accountability is in the form of financial statement. The results of the release of the State Audit Agency of the Republic of Indonesia (BPK) on the assessment of financial statements on 14 April 2016, the Ministry of Religion in 2015 received a qualified opinion (WDP) which is the lowest since the 4 (four) years. One of the problems encountered by BPK is the inadequate implementation of the financial accountability which consists of conformity of the financial statements with the government accounting standards, the disclosure of incomplete expenditure accountability and the compliance with laws and regulations.

Following up the qualified opinion (WDP) which is received by the team of the Ministry of Religion, the Inspectorate General of Ministry of Relegious Affairs of Region IV had investigated the work unit of the Ministry of Religion in Langsa district in order to do the coaching. The conclusion is that there was still lack of financial accountability in the work unit of the Ministry of Religion in Langsa Environment (<https://aceh.kemenag.go.id>).

The same conclusion is reinforced by the findings of the team of Monitoring and Evaluation of Ministry of Religion Langsa, they also concluded that the level of the financial accountability was low.

As the result, as the instructions from the Minister of Religious Affairs based on the financial accountability which is low in the discussion meeting with the Inspectorate General Ministry of Relegious Affairs on Wednesday 8 June 2016, it can be concluded that the Ministry of Religion must perform three (3) terms, namely;

1. The increasing of competence of human resources,
2. The increasing of organizational commitment shown by the good communication and coordination,
3. The implementation of accrual accounting standards in each work unit (<https://www.kemenag.go.id>).

Can the three points above improve the financial accountability in the Ministry of Religion? To answer the question, it certainly needs to be conducted a scientific, rational, empirical and systematic study to know the

influence of those variables on the financial accountability.

LITERATURE REVIEW

Steccolini (2002) states that the financial statement, although not reporting on the overall accountability of a governmental entity, is generally considered as being a primary medium of accountability; similarly other opinions is revealed by (Boyne and Law, 1991; Taylor and Rosair, 2000; Coy et al., 2001; Mack et al., 2001). A similar opinion was expressed by Ryan et al. (2002) which state that there are two generally accepted goals of public sector financial report; they are accountability (accountability) and *decision usefulness* (decision-making).

Steward (1984) in Aaron (2009: 610) explains that the implementation of government accounting standards is one of the government's desire to meet the financial accountability, which is to produce a more comprehensive information (*complete*) for all users (*stakeholders*). As for the definition of the implementation of government accounting standard is the application of accounting principles applied in preparing and presenting the financial statements of the government so as to have the force of law in an effort to improve the financial accountability of government in Indonesia (Halimand Kusufi, 2014).

A further factor which is expected to affect financial accountability is the competence of human resources (Human, 2009; Fitriyah, 2013; Santoso, 2016; Sudarianti, 2015; Hazrita, 2013; Iskandar and Setiyawati, 2015), organizational commitment (Zeyn, 2011; Hariningsih, 2016; Permana, 2016), *good governance* (Zeyn, 2011; Maulana, 2012), internal control (Soleha, 2014; Ramon, 2014; Inapty, 2016). This study only examined the human resource competencies, organizational commitment and application of accounting standards on the financial accountability of government.

RESEARCH METHODS

This study is a quantitative research to test the hypotheses with causality design which examines the influence of reserach variables. The population of this study were all of the work units in the Ministry of Religion in Langsa which consist of 12 work units. The respondents of this study were the budget user proxy, committing officer, treasurer, and 2 financial managers from each business unit. The variables of this study are classified as follows:

- The financial accountability (*Z*) is an accountability regarding financial integrity, disclosure and compliance with laws and regulations (LAN & BPK, 2000).
- The implementation of government accounting standards are the accounting principles applied in preparing and presenting the financial statements of the government so as to have the force of law in an effort to improve the financial accountability of government in Indonesia (Halim and Kusufi, 2014).
- The human resource competence is defined as a person's ability which includes knowledge, skills and attitudes in the implementation jabatannya duties professionally, effectively and efficiently in accordance with the standards established (Ruky, 2003).
- The organizational commitment is defined as a situation where an individual is an impartial organization, and goals and desires to retain membership in the organization.

The method of analysis in this study is path analysis. Path analysis was used to test the influence of intervening variables (Ghozali, 2006: 174). The model used are 2 (two) substructure analysis. Equation path analysis for each substructure is:

- Equation path analysis substructure 1

$$Y = \rho YX_1X_1 + \rho YX_2X_2 + \varepsilon_1$$

- Equation path analysis substructure 2

$$Z = \rho ZX_1X_1 + \rho ZX_2X_2 + \rho ZYY + \varepsilon$$

Where *Z* is financial accountability, *Y* is the application of government accounting standards, *X*₁ is the competence of human resources, *X*₂ is the commitment of the organization, ρ is the path coefficient, and ε is epsilon (error terms). In order to see the role of *intervening variable* (*Y*) acting wether in full (*fullinterveningvariable*) or partially (*partial intervening variable*), it can be carried out based on the opinions of Baron and Kenny (1986) which states that the *full/perfect mediation* occurs if the influence of the independent variable on the dependent variable directly is not significant, but the effect is significant when it involves mediating variables. *Partial mediation* occurs if the influence of the independent variable on the dependent variable, either directly or indirectly, is significant.

RESULTS AND DISCUSSION

The result of hypothesis testing

The results of hypothesis testing of structural path analysis 1 and 2 can be seen in Figure 1 as follows:

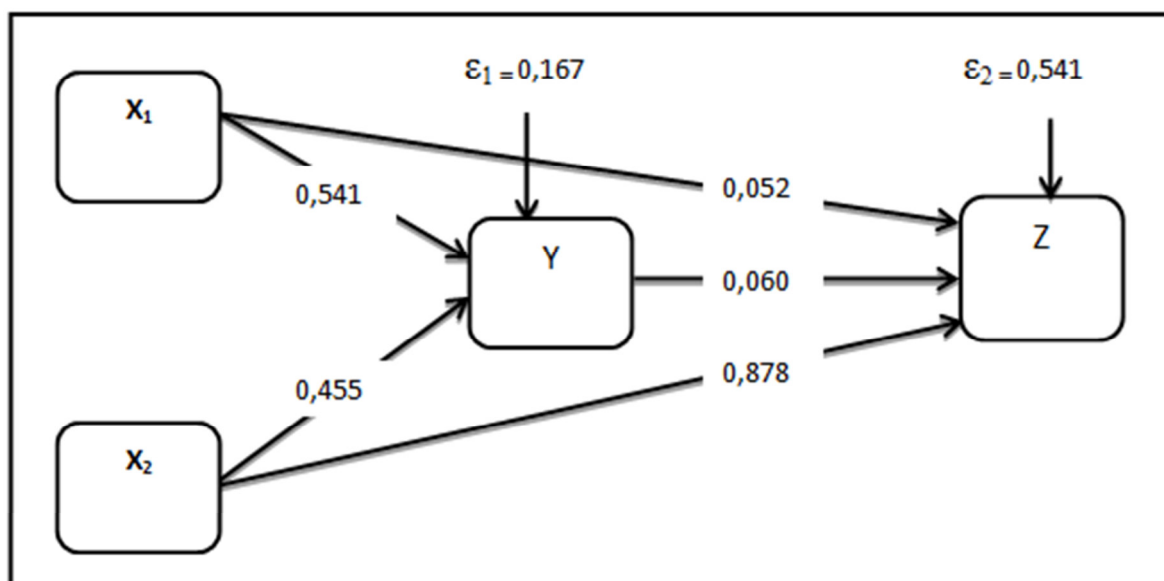


Figure 4.4 Results of hypothesis testing of structural path analysis 1 and 2

Model equations 1 structural path analysis is as follows:

$$Y = 0,541X_1 + 0,455X_2 + 0,167 \varepsilon_1$$

Model 2 structural path analysis equation is as follows:

$$Z = 0,052X_1 + 0,060X_2 + 0,878Y + 0,161\varepsilon_2$$

Based on the analysis for hypothesis 1, 2 and 3, the magnitude of influence of the competency of human resources and organizational commitment on the financial accountability through the implementation of government accounting standard as moderating variable can be seen on the following table 1:

Table 1
The Magnitude of Effect of Variable X₁ and X₂ to Y

No	variable	Coefficient Line (ρ)	Large Influence (ρ ²)	Description Bungin (2013, 194)
1	X ₁ to Y	0.541	0.293	Strong influence
2	X ₂ to Y	0.455	0.207	Medium influence
Simultaneous influence			0,972	Very strong influence
The influence of other variables			0,028	

Source: Primary data, 2017 (processed)

Similarly, based on the results of the path analysis for hypothesis 4, 5, 6 and 7, the magnitude of effect of Variable X₁ and X₂ to Y, it can be seen in table 2 below:

Table 2
The magnitude of Effect of variable X₁, X₂ and Y to Z

No	Variable	Coefficient Line (ρ)	Large influence (ρ ²)	Description Bungin (2013, 194)
1	X ₁ to Z	0.052	0.003	No influence
2	X ₂ to Z	0.060	0.004	No influence
3	Y to Z	0.878	0.771	very strong influence
Simultaneous influence			0,972	very strong influence
The influence of other variables			0,028	

Source: Primary data, 2017 (processed)

Furthermore, based on the analysis for the hypothesis 8 and 9, the magnitude of effect of Variable X₁ and X₂ to Z through Y, it can be seen in following table 3 as follows:

Table 3
The Magnitude of Effect of Variable X₁ and X₂ to Z through Y

No	Variable	Coefficient Line (ρ)	Effect (ρ ²)	Description Bungin (2013, 194)
1	X ₁ to Z through Y	0.475	0.226	Medium influence
2	X ₂ to Z through Y	0.399	0.159	Medium influence

Surces: Primary data, 2017 (processed)

DISCUSSIONS

- **The effect of human resource competencies and organizational commitment together on the implementation of government accounting standards at the work unit of the Ministry of Religion Langsa.**

The results showed that $\rho_{yx1} \neq 0$ ($i = 1,2$), H_{a1} was accepted and H_{01} was rejected. The result of hypothesis testing indicated that the influence of human resource competencies and organizational commitment to the application of accounting standards at the Ministry of Religion Langsa was 97.2%. This indicated that the application of accounting standards in government in the Ministry of Religious Langsa was influenced together by the competence of human resources and organizational commitment. The remaining at 2.8% was influenced by other factors.

- **The effect of human resource competence on the implementation of accounting standards at work unit of the Ministry of Religion Langsa.**

The results showed that $\rho_{yx1} \neq 0$, H_{a2} was accepted and H_{02} was rejected. Based on the results of hypothesis testing, the competencies of human resource influenced the implementation of governance accounting standards. The path coefficient at 0.541 and had the positive direction. This showed that the higher of competence of human resources, the better of implementation of government accounting standards. The result of hypothesis testing showed that the influence of human resource competence was 29.3% which was categorized as a strong influence (see Table 1). The results were consistent with the results of research Sudaryati (2013), Sukadana and neem (2015), and Sudarianti (2015) which shows that the competence of human resources had influence to the application of accounting standards.

- **The influence of organizational commitment on the implementation of government accounting standards at the work unit of the Ministry of Religion Langsa.**

The results showed that $\rho_{yx2} \neq 0$, H_{a3} was accepted and H_{03} was rejected. Based on the results of hypothesis testing, the organizational commitment influenced the implementation of governance accounting standards. The path coefficient at 0.455 and had positive direction. This showed that the higher of organizational commitment, the better of application of of government accounting standards. The results of hypothesis testing indicated that the influence of organizational commitment at 20.7% which is classified as medium influence (see Table 1). The results were consistent with the results of research Zeyn (2011), Soraya et al. (2016), Hariningsih et al. (2016) which shows that organizational commitment influence the application of accounting standards of governance.

- **The simultaneous effect of human resource competencies, the organizational commitment and the implementation of accounting standards government on the financial accountability at the work unit of the Ministry of Religion Langsa.**

The results showed that $\rho_{zi} \neq 0$ ($i = X_1, X_2, Y$), H_{a4} was accepted and H_{04} was rejected. The result of hypothesis testing indicated that the influence of human resource competencies, organizational commitment, and application of accounting standards on the financial accountability of government at the Ministry of Religious Affairs Langsa at 97.4%. This showed that the financial accountability of the Ministry of Religious Langsa was very strongly influenced by the human resource competencies, organizational commitment and application of accounting standards govern (see Table 2). The remaining at 2.6% was influenced by other factors.

- **The effect of human resource competencies on the financial accountability in the work unit of the Ministry of Religious Langsa.**

The results showed that the path coefficient competence of human resources (ρ_{zx1}) was 0.052, the value $\neq 0$. However, based on the test results $(\rho_{zx1})^2$, it obtained the coefficient value of determination of competence of human resources to the financial accountability at 0,003 or 0.3%. According to Bungin (2013), the coefficient of determination at 0.3% is negligible. In other words, the competence of human resources did not influence the financial accountability. The results were consistent with the results of research of Hazrita (2013) which revealed that the competence of human resources does not affect the financial accountability. Instead these results contradict Zirman and Rozi (2010), hartati (2016), and Santoso (2016) which shows that the competence of human resources affect the financial accountability.

- **The influence of organizational commitment on the financial accountability at the work unit of the Ministry of Religion Langsa.**

The results showed that the path coefficient of organizational commitment (ρ_{ZX_2}) was 0.060, the value $\neq 0$, however, based on the test results (ρ_{zx2}^2), it obtained the coefficient of determination organizational commitment to the financial accountability at 0,004 or 0.4%. According to Bungin (2013), the coefficient of determination at 0.4% is negligible. In other words, the organizational commitment did not influence the financial accountability (see Table 2). The results were consistent with the results of research of Halim (2012) which shows that organizational commitment has no effect on financial accountability. Instead these results contradict research Zeyn (2011), Umitasari (2015), and Hariningsih (2016), which revealed that the organizational commitment influence the financial accountability.

- **The effect of implementation of accounting standards on the financial accountability of government towards the work unit of the Ministry of Religion Langsa.**

The results showed that $\rho_{ZY} \neq 0$, H_{a7} was received and H_{07} was rejected. The coefficient value at 0.878 and had positive direction. This shows that the better application of accounting standards, the better governance of the financial accountability. The result of hypothesis testing indicated that the influence of the implementation of government accounting standards at 77.1% which was categorized as a very strong influence (see Table 2). The results were consistent with the results of Steccolini's research (2002), Muchsini (2010), and Soleha (2014) which showed that the implementation of accounting standards influence the government financial accountability. Instead these results contradict with Rinaldi's research (2016), which revealed that the application of accounting standards does not affect the government's financial accountability.

- **The effect of human resources competencies on the financial accountability which is mediated by the application of accounting standards at the work unit of the Ministry of Religion Langsa.**

The results showed that ρ_{YX_1} and $\rho_{ZY} \neq 0$, H_{a8} was received and H_{08} was rejected. The result of hypothesis testing showed that the variable the implementation of government accounting standards mediated the influence of human resource competencies to the financial accountability at 22.6% which was categorized as moderating influence. The result of hypothesis testing also showed that $(\rho_{yx1}, P_{ZY}) > \rho_{zx1}$ was *full/perfect mediation*. This indicated that the application of government accounting standards mediated the influence human resource competencies on the financial accountability at the work unit of the Ministry of Religion Langsa. The influence of mediating variables that occurred was *full / perfect mediation*.

- **The influence of organizational commitment on the financial accountability which is mediated by the application of accounting standards at the work unit of the Ministry of Religion Langsa.**

The results showed that ρ_{YX_2} and $\rho_{ZY} \neq 0$, H_{a9} was accepted and H_{09} was rejected. The result of hypothesis testing showed that the variable of the implementation of government accounting standards mediated the influence of organizational commitment to the financial accountability at 15.9% which was categorized as moderate influence. The result of hypothesis testing also showed that $(\rho_{yx2}, P_{ZY}) > \rho_{zx2}$ was *full/perfect mediation*. This indicated that the implementation of government accounting standards mediated the influence of organizational commitment to the financial accountability at the work unit of the Ministry of Religion Langsa. The influence of mediating variables that occurred was *full/perfect mediation*.

CONCLUSIONS

Based on the results of the research and the discussion on the research hypothesis, the researchers can draw conclusions as follows:

- 1) The competence of human resources and organizational commitment simultaneously and partially influenced the implementation of government accounting standards at the work unit Langsa Religious Affairs;
- 2) The human resource competencies, organizational commitment and application of government accounting standards simultaneously influenced the financial accountability at the work unit Langsa Religious Affairs;
- 3) The competence of human resources did not influence the financial accountability at the work unit Langsa Religious Affairs;
- 4) The commitment did not influence the organization's financial accountability at the work unit Langsa Religious Affairs;
- 5) The implementation of accounting standards influenced the government financial accountability at the work unit Langsa Religious Affairs;
- 6) The implementation of government accounting standards mediated the influence of human resource competencies to the financial accountability at the work unit of the Ministry of Religion Langsa. The influence of mediating variables was *full/perfect mediation*;
- 7) The implementation of government accounting standards mediated the influence of organizational commitment on the financial accountability at the work unit of the Ministry of Religion Langsa. The

influence of mediating variables was *full/perfect mediation*.

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