THE INFLUENCE OF COMPETENCE, ACCOUNTABILITY, MOTIVATION, AND ORGANIZATIONAL COMMITMENT ON THE PERFORMANCE OF REGIONAL FINANCIAL MANAGERS IN SKPDs (REGIONAL WORK UNITS) OF BINJAI MUNICIPAL ADMINISTRATION

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ABSTRACT

The objective of the research was to analyze the influence of competence, accountability, motivation, and organizational commitment on the performance of regional financial managers in SKPDs (Regional Work Units) of Binjai Municipal Administration. The research used quantitative analytic survey method by distributing questionnaires to regional financial managers in Binjai Municipal Administration. The population was financial managers in 33 SKPDs which consisted of PA (Budget Users), PPK (Financial Administrative Officials), and Treasurers of Expenditure (the total of 99 managers). The data were analyzed by using Descriptive Statistic Analysis and Partial Least Square Analysis (SEM-PLS) with Smart PLS software program. The result of the research showed that competence, accountability, motivation, and organizational commitment had positive and significant influence on the performance of regional financial managers.

Keywords: Competency, Accountability, Motivation, Organizational Commitment, Regional Financial Managers

INTRODUCTION

Local government financial management should conduct the good governance in a transparent and accountable manner. To manage the financial orderly, efficient, economical, effective, transparent, and responsible, the financial manager must have a good performance as well. In order to realize good governance, the government of the Republic of Indonesia (RI) to reform the area of regional financial management. (Erlina et al., 2012).

Government of Binjai City (Pemko Binjai) as the object of research is one area of regional government in Indonesia consisting of 33 SKPD that serves, as a unit of service to the public is required to perform good financial management and run the rules that have been determined. Based on Summary of Examination Result of First Semester (IHPS) of BPK (Supreme Audit Agency) RI Year 2017, Opinion of the Supreme Audit Agency (Opinion BPK) against Binjai City Government Financial Statement Year 2011 until 2013 get (Fair with Exceptions) WDP opinion, 2014 get WTP-DPP, 2015 get Unqualified With Explanatory Paragraphs (WDP) opinion and 2016 gets Unqualified (WTP) opinion.

The opinion on the financial statements of Pemkot Binjai from 2011 to 2016 show the fluctuation of classification of audit opinions obtained from the presentation and disclosure of financial reporting implemented, and in 2016, the WTP opinion given on the financial statements of Binjai City Government became one of the indicators the improvement of the quality of regional financial management. However, whether this is directly proportional to the facts that occur in every SKPD in Government of Binjai City will need further investigation in more in-depth academic research.

BPK has issued Report on Examination Result (LHP) on Binjai City Government Financial Statements for Fiscal Year 2016, which contains Unqualified opinion (WTP) with
The unqualified opinion (WTP) given over the financial statements of Pemko Binjai is not a main reference in assessing the performance of regional financial management. BPK still finds weaknesses on the financial statements of Pemko Binjai Fiscal Year 2016, one of the recommendations given is the management of inventory items in every SKPD within Pemkot Binjai is not satisfied. On the LHP BPK recommends to increase the competency of the apparatus of inventory management and adequate financial administration system.

Based on previous research, found several factors that can affect the performance of regional financial management. Research conducted by Rafar, 2015 and Safwan, 2014 stated that competence has an effect on the performance of regional financial management. The competency of financial managers commonly determine the success in financial management. Therefore, to be able to manage local finances properly, SKPD must have competent human resources.

Research conducted by (Auditya, 2013, Rafar, 2015 and Putra, 2016) states that accountability has a close relationship with the performance of regional financial management. Accountability is a manifestation of responsibility for the implementation of development and administration of the region. Research conducted by Safwan, 2014 and Tambunan, 2016 states that the motivation has an effect on the performance of regional financial management. Motivation is very important role in improving employee morale in carrying out every task. In addition, research conducted by (Wariso, 2009, Maswani, 2011, Baihaqi, 2012, Tambunan, 2016, Azmi, 2014 and Safwan, 2014) stated that organizational commitment has an effect on financial management performance. Optimal performance expectshighly committed employees to demonstrate.

Based on the above description, the researcher is interested in choosing the research title “The Influence Of Competence, Accountability, Motivation, And Organizational Commitment On The Performance Of Regional Financial Managers In SKPDs (Regional Work Units) Of Binjai Municipal Administration ” The purpose of this study is to analyze whether the competence, accountability, motivation, and organizational commitment affect the performance of regional financial management at SKPDs (Regional Work Units) Of Binjai Municipal Administration. From the purpose of this research then submitted four alternative hypothesis that is:

1. Competency, accountability, motivation, and organizational commitment have a positive and significant impact on the performance of regional financial management at SKPD Pemkot Binjai.
2. Accountability has a positive and significant effect on the performance of regional financial management at SKPD Pemkot Binjai.
3. Motivation has a positive and significant effect on the performance of regional financial management at SKPD Pemkot Binjai.
4. Organizational commitment has a positive and significant impact on the performance of regional financial management at SKPD Pemkot Binjai.

LITERATURE REVIEW

Performance of Regional Financial Management
Performance is an output/outcome from an activities/programs that will or has been achieved in relation to the use of budgets with quantity and quality measured (Government Regulation No. 58 Year 2005). Arfianto in Rafar (2015) explains that performance measurement is required to know how far the organization perform its function and a program/service implemented and to assess the achievement of organization or program/service implementer.
To assess/measure performance, the concept of Value for Money (VFM) is as a one concept. The discussion of VFM or the so-called 3E proposed by Ulum (2009) in Rafar (2015) are Economics, Efficiency, and Effectiveness.

Regional Financial Management is a whole activity that includes planning, implementation, administration, reporting, accountability, and monitoring of regional finance (Minister of Home Affairs Regulation (Permendagri) No. 21/2011). Permendagri No. 13 of 2006 Article 33 mentions the management of regional finance is the whole activity which includes planning, implementation, administration and accounting, reporting, supervision and accountability of regional finances.

**Competency**

According to Permendagri Republic of Indonesia No. 2 of 2013 Article 1, competency is the capability and characteristics possessed by a Civil Servant such as knowledge, skills and behavioral attitude required in the performance of his duties so that the Civil Servant can perform his duties professionally, effective and efficient.

Spencer and Spencer (2008), competency is a basic characteristic of a person consisting of knowledge, skill and attitude that has a causal relationship with outstanding work performance or with work effectiveness. Competency can deepen and expand work skills. The more often a person does the same job, the more skilled and the faster he completes the job. The more jobs a person performs, his or her work experience gets richer and wider, and enables improved performance (Simanjuntak in Safwan, 2014). The wider a person's work experience, the more skilled at doing the job and the more perfect the pattern of thinking and attitude in acting to achieve the intended purpose (Abriyani in Safwan, 2014).

**Accountability**

Accountability is an obligation of ruling individuals who are trusted to manage public resources to account for fiscal, managerial, and programmatic matters (Maryanto in Rafar, 2015). Accountability is the realization of the obligations of an individual or an organizational unit to account for the management and control of resources and the implementation of the policies entrusted to it in the context of achieving the objectives established through the media of periodic accountability (State Administration Institution (LAN) and Financial and Development Supervisory Board (BPKP), 2000).

**Motivation**

Intrinsic motivation is the drive attached to a person to perform a task or job. Motivation relates to how one looks for an interesting and challenging job (Dyer and Parker in Ganessan 1996). According to Ganessan, Shankar & Weitz (1996), to measure the concept of motivation include: 1) The existence of a caring attitude to the job, 2) Likes challenging work, 3) Always feel happy about his work, 4) Show a loyal attitude to his work, 5) Show attitudes related to work, 6) Availability of opportunities to learn something different from work.

**Organizational Commitment**

Organizational commitment is the individual's ability and willingness to align his behavior with the needs, priorities, and goals of the organization, and act for organizational goals / needs (Spencer & Spencer in Sedarmayanti, 2017). Organizational commitment includes: a) strong belief in organizational goals and values, b) strong willingness / sincerity towards the interests of the organization, c) a continuous strong desire to become a member of the organization (Neale & Northcraft in Sedarmayanti, 2017).
RESEARCH METHODS

Types of Research
This research is a kind of research of analytic survey that is survey aimed to do analysis. The data used is quantitative data. The purpose of the analytic survey method is to draw conclusions and interpret the data or hypothesis testing based on the inferential statistics of Soehartono (2000).

Location and Time of Research
This research was at SKPD within the Government of Binjai City, North Sumatera Province with 33 SKPD. The research period was during August to December 2017.

Population and Sample Research
The population in this study is the existing financial managers in all SKPD in the city of Binjai with 33 SKPD. Moreover, the sample used as respondents in this study are Budget Users (PA), Finance Administration Officers (PPK), and Expenditure Treasurer that consists of 99 samples.

Method of collecting data
Research data needed in this research is primary data sourced from the answers of the respondents who used as sample research. To collect research data, research instruments use questionnaires.

Data analysis method
Data analysis used in this research is descriptive statistical analysis and Partial Least Square (PLS) approach. The PLS-SEM analysis usually consists of two sub models, measurement model, or often called outer model and structural model or often called inner model (Ghozali and Latan, 2015). Data analysis in this research using Smart PLS software that run using computer media.

Measurement Model Test (Outer Model)
The outer model is often called an outer relation or measurement mode, defining how each indicator block corresponds to its latent variable (Ghozali, 2008). Evaluation of the
measurement model or outer model was conducted to assess the validity and reliability of the model (Ghozali and Latan, 2015).

**Structural Model Test (Inner Model)**
Inner Model describes the relationship between latent variables based on substantive theory (Ghozali, 2008). Structural model or inner model evaluated by using R-square determination coefficient for dependent construct, t test and significance of structural path coefficient (Ghozali, 2008).

**RESEARCH RESULT AND DISCUSSION**

**Test Result Measurement Model (Outer Model)**
Model measurement (Outer Model) are models with reflective indicators evaluated by construct validity test consisting of convergent validity and discriminant validity.

**Test Results of Convergent Validity**
Convergent validity test uses the loading factor value for each construct. The loading factor value above 0.7 is an ideal or valid measure as an indicator in measuring constructs; the values of 0.5 to 0.6 are still acceptable, while values below 0.5 excluded from the model (Ghozali, 2008). The provisions regarding the drop of invalid indicator intended if the drop of the invalid indicator would be able to increase the value of AVE and the value of composite reliability (Sholihin, 2013). After performing an indicator drop smaller than 0.5 in each variable, a calculation of PLS Algorithm is performed again. AVE values from the result of PLS algorithm The SmartPLS program are in the following table 1:

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE Value</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competency (X₁)</td>
<td>0.629</td>
<td>Valid</td>
</tr>
<tr>
<td>Accountability (X₂)</td>
<td>0.579</td>
<td>Valid</td>
</tr>
<tr>
<td>Motivation (X₃)</td>
<td>0.514</td>
<td>Valid</td>
</tr>
<tr>
<td>Organizational Commitment (X₄)</td>
<td>0.637</td>
<td>Valid</td>
</tr>
<tr>
<td>Performance of Regional Financial Management (Y)</td>
<td>0.539</td>
<td>Valid</td>
</tr>
</tbody>
</table>

**Test Result of Discriminant Validity**
Discriminant validity test is to prove whether the indicator on a construct will have the greatest loading factor on the construct formed rather than the loading factor with the other constructs. The cross loadings value between the indicator and the construct can show the discriminant validity of the reflective indicator. Another method of assessing discriminant validity is to compare each of the AVE square roots to the correlation value between the constructs. If the AVE square root value is higher than the correlation value between the constructs, then it meets the discriminant validity (Ghozali and Latan, 2015). The output results is in table 2 below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Accountability (X₂)</th>
<th>Performance of Regional Financial Management (Y)</th>
<th>Organizational Commitment (X₄)</th>
<th>Competency (X₁)</th>
<th>Motivation (X₃)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability (X₂)</td>
<td></td>
<td>0.761</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2 AVE Square Root Value
Reliability Test Results

Reliability tests are required to prove the accuracy, consistency, and precision of the instrument in measuring the constructs. Composite reliability measures the true value of a construct's reliability. A construct is said to be reliable if the value of composite reliability is greater than 0.7 (Hartono and Abdillah, 2015). Reliability test results on each variable is in table 3 as follows:

**Table 3 Composite Reliability Value**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competency (X1)</td>
<td>0.892</td>
<td>Reliable</td>
</tr>
<tr>
<td>Accountability (X2)</td>
<td>0.845</td>
<td>Reliable</td>
</tr>
<tr>
<td>Motivation (X3)</td>
<td>0.840</td>
<td>Reliable</td>
</tr>
<tr>
<td>Organizational Commitment (X4)</td>
<td>0.911</td>
<td>Reliable</td>
</tr>
<tr>
<td>Performance of Regional Financial Management (Y)</td>
<td>0.874</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Multicollinearity Test Results

Multicollinearity test aims to test the correlation between independent variables. A good model should not occur correlation between independent variables (Sholihin, 2013). Multicollinearity test results is in table 4 as follows:

**Table 4 Multicollinearity Test Value**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Performance of Regional Financial Management (Y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance of Regional Financial Management (Y)</td>
<td>2.429</td>
</tr>
<tr>
<td>Competency (X1)</td>
<td>2.201</td>
</tr>
<tr>
<td>Accountability (X2)</td>
<td>2.021</td>
</tr>
<tr>
<td>Motivation (X3)</td>
<td>1.679</td>
</tr>
<tr>
<td>Organizational Commitment (X4)</td>
<td>2.021</td>
</tr>
</tbody>
</table>

Multicollinearity test results above, shows that there is no multikollinearitas between independent variables. This can be seen from the VIF value <3.3 in accordance with the limitations recommended in SEM-PLS.

Structural Model Test Result (Inner Model)

Assessing the inner model is to look at the relationship between the latent constructs, by looking at the estimates of the path parameter coefficients and their significance levels (Ghozali, 2008).
The structural model in the PLS is evaluated by using R-square for the dependent variable and the path coefficient value for the independent variable which then assessed its significance based on the t-statistic value of each path. Results PLS Algorithm Smart PLS program in assessing the value of the path coefficient in Figure 2 and R-square, then the structural equation formed as follows:

\[
\text{Performance of Regional Financial Management} = 0.199 \text{ Competency} + 0.299 \text{ Accountability} + 0.310 \text{ Motivation} + 0.179 \text{ Organizational Commitment}
\]

Variable competency, accountability, motivation and organizational commitment, has a positive coefficient. This means that if the competency, accountability, motivation, and organizational commitment is increasing, it will also increase the performance of local financial management.

Test Results Coefficient of Determination R-Square (R²)

The value of R-square is 0.693, which means that the variation of regional financial management performance explained by construct variables (competency, accountability, motivation, and organizational commitment) of 69.3% while the rest of 30.7% is influenced by other variables that are not contained in the model research. R² values of 0.67, 0.33, and 0.19 indicate that the models are “good,”“moderate,” and “weak” (Chin 1998 in Ghozali and Latan, 2015). Because the value of R² is greater than 0.67, it can be concluded that the model used in this study is quite good.

Hypothesis Test Results

The t-statistic value can indicate the level of significance of the hypothesis Test. The results of the Smart PLS program bootstrapping process shown in Table 5.

### Table 5–Statistics Value

<table>
<thead>
<tr>
<th>Exogenous</th>
<th>Endogenous</th>
<th>Path Analysis</th>
<th>T Statistic</th>
<th>P Values</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competency (X₁) --&gt;</td>
<td>Performance of Regional Financial Management (Y)</td>
<td>0.199</td>
<td>2.024</td>
<td>0.044</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Accountability (X₂) --&gt;</td>
<td>Performance of Regional Financial Management (Y)</td>
<td>0.299</td>
<td>3.216</td>
<td>0.001</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Motivation (X₃) --&gt;</td>
<td>Performance of Regional</td>
<td>0.310</td>
<td>3.033</td>
<td>0.003</td>
<td>Hypothesis</td>
</tr>
</tbody>
</table>
Based on the test results in table 5, it is known that the value of t-statistics is greater than 1.96 and the p-value <0.05, then the statistical hypothesis states Ho is rejected and Ha accepted, meaning Competence (X₁), Accountability (X₂), Motivation (X₃) and Organizational Commitment (X₄) have a positive and significant influence on the Performance of Regional Financial Management.

The Influence of Competency to Performance of Regional Financial Management

The result of competency test on the performance of regional financial management shows that the competency has a positive and significant effect on the performance of regional financial management. The better the competency the more capable one increases his theoretical ability over a job and by itself the better his technical ability over the job.

The results of this study illustrate the average of regional financial managers consisting of Budget Users (PA), Finance Administration Officers (PPK), and Expenditure Treasurer has a good competence in carrying out their duties. This is supported by the majority of financial managers have a relatively high level of recent education, and most have long working period so have the knowledge, experience, ability and good responsibility so as to improve the implementation of the task carried.

The Influence of Accountability on Performance of Regional Financial Management

The result of influence of accountability test to the performance of regional financial management shows that accountability has positive and significant influence to the performance of regional financial management. The results of this study illustrates the application of financial management accountability in Pemko Binjai has been executed in accordance with the guidelines and regulations, and can be accounted for. So Pemko Binjai is expected to maintain WTP of BPK opinion as a benchmark of government performance in regional financial management for the coming fiscal year.

The Influence of Motivation on Performance of Regional Financial Management

The result of the test of the influence of motivation on the performance of regional financial management shows that the motivation has a positive and significant effect on the performance of the regional financial management. The results of this study illustrate that the Budget User (PA), Finance Administration Officers (PPK) and Expenditure Treasurer at SKPD in Pemko Binjai have been highly motivated. High financial manager motivation can be seen from the caring of his duty and really carry out his duties well to achieve the goals and objectives SKPD where he works.

The Influence of Organizational Commitment to the Performance of Regional Financial Management

Result of test of influence of organizational commitment to performance of local financial management indicate that organizational commitment have positive and significant influence to performance of local financial management. This means that every local financial manager has worked based on the main tasks and functions to realize the vision and mission towards the success of SKPD, the cooperation between fields to support the objectives of SKPD and have a high loyalty for the achievement of good government.

Conclusion
Based on the results of hypothesis testing and discussion of research, there are some conclusions:
1. Competency has a positive and significant influence on the performance of regional financial management at SKPD Pemko Binjai.
2. Accountability has a positive and significant influence on the performance of regional financial management at SKPD Pemko Binjai.
3. Motivation has a positive and significant influence on the performance of regional financial management at SKPD Pemko Binjai.
4. Organizational Commitment has a positive and significant influence on the performance of regional financial management at SKPD Pemko Binjai.

Suggestion
For this research to be useful, the researcher gives the following suggestions:
1. The results show that the independent / exogenous variables can contribute well enough to the performance of regional financial management but still need development, then for the next researcher suggested to consider other variables into the model.
2. In an effort to improve the performance of regional financial management, Pemko Binjai should place an officer who has competence as regional financial manager, especially those with accounting background and needs to continue to follow socialization, Technical Guidance (Bimtek) and training on local financial management.

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