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COMPETENCE ANALYSIS OF HUMAN RESOURCES ON THE FINANCIAL PERFORMANCE OF THE BIREUEN REGENCY GOVERNMENT

Jamaluddin[1], Neni Triana[2], Saharuddin[3]
[1] *Department of Business Administration, Universitas Almuslim, Bireuen, Aceh, Indonesia*
[2] *Sekolah Tinggi Ilmu Ekonomi Lhokseumawe, Lhokseumawe, Aceh, Indonesia*
[3] *Faculty of Economics and Business, Universitas Malikussaleh, Lhokseumawe, Aceh, Indonesia*
[1] *jamaluddin.akt@gmail.com* [2] *nenytryana.85@gmail.com* [3] *saharuddin@unimal.ac.id*

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ABSTRACT

Background: The ability and traits that a person possesses in the form of knowledge, skills, and behavioral attitudes required in the workplace are known as human resource competence (HR). Whether a region can adequately manage its domestic issues or not depends in part on the effectiveness of the government machinery.
Aim: The purpose of this study was to empirically determine the effect of human resource competence on the financial performance of the Bireuen district government.
Method: The variables used in this study are human resource competence as the independent variable and financial performance as the dependent variable. The approach used in this study is the quantitative by testing theories through measuring research variables and analyzing data with statistical procedures using SPSS V.22 for Windows. The type of data used in conducting this research is primary data obtained from the results of distributing questionnaires to BKPSDM Bireuen district. The sampling method in this study was saturated sampling method where the samples obtained were 46 respondents.
Findings: The results stated that the direction of the influence of variable X on Y is positive, through the t test where tcount > ttable (9.380 > 2.015) thus Ha is accepted H0 is rejected. The human resource competency variable (X) is able to explain the effect on financial performance (Y) which is equal to 66.7% and the remaining 33.3% is influenced by other variables outside of this study.

KEYWORDS

human resource competencies, internal controls, accrual-based accounting, the quality of financial reporting information

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INTRODUCTION

The need for regulations in the context of a work that is used to be able to operate various systems becomes an important thing in all human interactions, both at the personal level and at the organizational level. Public sector financial management is a set of laws, rules and standards that are an important part of regulating the systems and processes used by each sovereign state and local government, to mobilize revenues, allocate public funds, carry out public spending, and audit the ICPAK budget (Dewi et al., 2019; van Helden & Reichard, 2019).

Human Resource Competence (HR) is the ability and characteristics possessed by a person in the form of knowledge, skills, and behavioral attitudes needed in the work environment (Bordbar et al., 2021; Sedyastuti et al., 2021). The eligibility of the government apparatus is a

factor that determines whether a region can/is able to carry out its household affairs properly or not (Nahar et al., 2018). However, the success or failure of an activity, in this case the implementation of regional autonomy, will depend heavily on the human actors or the competence of Human Resources (HR) from the Government regulations themselves (Enders et al., 2013; Qader et al., 2021). If the performance is still not in accordance with the talents, interests and abilities, or not in accordance with the qualifications available, it can be said that the competence of Human Resources has not shown good performance (Jumady & Lilla, 2021; Meswantri & Awaludin, 2018). Competence of human resources also has involvement in the preparation of financial reports because of limited knowledge which is the background to the problem of lack of understanding or mastery in managing regional finances properly and correctly (Hirawati et al., 2021; Stone et al., 2020), a mismatched competency according to their position (Piwowar-Sulej, 2021), and an educational background that is also not appropriate with his position (Heslina & Syahruni, 2021).

As an implementing element, regional government apparatus occupies a vital position in the entire process of implementing regional autonomy. Therefore, it is no exaggeration to say that the success of implementing regional autonomy is highly dependent on the performance of its apparatus. Even though there is no uniformity in the number of apparatus, on average they are quite large and heavy. Because the workload is so heavy, local government officials are also required to have performance capability qualifications that are comparable to the intended workload (Kaho, 2010).

The condition of human resources in an organization is an asset. This is due to the level of competence possessed by an individual will have an influence on the productivity and accountability of an organization (Wulandari & Jatmiko, 2022). In an agency, especially a government agency, financial reports are one of the most vital things because apart from being a form of accountability for the use of public funds (Hertati, 2015).

Financial performance is the result of financial reporting based on predetermined financial standards. Financial performance analysis is a process of critically assessing data review, calculating, measuring, interpreting, and providing solutions to a company's finances for a certain period (Joshi et al., 2013; Mismiwati et al., 2023). The performance of a government shows how the implementation of regional autonomy works, so this is very important to see and measure (Wu & Zhou, 2022). Financial performance indicators consist of quality, quantity, implementation of duties and responsibilities which suggest a prospective viewpoint (Looking forward) rather than retrospective (Looking back) (Krueger & Day, 2010). This shows the way to the performance aspects of the apparatus that need to be observed.

The purpose of this study was to empirically determine the effect of human resource competence on the financial performance of the Bireuen district government. The research contribution is the identification of the relationship between human resource competence and financial performance in the context of the Bireuen district government. This can help the government improve its human resource management and financial accountability.

METHOD

Using quantitative approach with quantitative descriptive design, the population in this study is the Staffing and Human Resources Competency Development Agency in the Bireuen Regency government. The sampling technique used is saturated sampling technique/census

method. Sampling saturation in this study is the number of all employees in the Personnel and Human Resources Competency Development Agency as many as 46 respondents who sourced from the BKPSDM apple list.

To analyze the available data, a simple linear regression analysis test tool was used which showed the effect of the Human Resources Competency variable on the Financial Performance of the Bireuen Regency Government. The equation can be seen in the model as follows:

$$Y = a + \beta X + ei$$

Y = Financial Performance
X = Competency of Human Resources
a = Constant
β = Regression Coefficient
e = Errors

The instrument used in this study was a questionnaire filled out by selected respondents. To see the reliability of the instrument, the validity and reliability values of the data were determined in a certain number.

In this study, the validity, reliability tests, and normality were carried out by triagulating research data, namely conducting Bivariate Correlation between each indicator score and the total construct score. The classical assumption test for the regression model used in the study was carried out to test whether the regression model was good or not. In this study, the classic assumption test used was the normality test and the heteroscedasticity test.

The normality test was tested by non-parametric statistics, namely the Kolmogorof Smirnof (K-S) test, with the decision-making criteria based on the magnitude of the residual value Kolmogorof Smirnof (K-S) Z and Asynp sig (2-tailed), the variable stated is normally distributed if the significance value is greater of 0.05 at 95% significance.

The normality test is carried out with the aim of assessing the distribution of data in a group of data or variables whether the data distribution is normally distributed or not. The basis for decision making is based on probability (Asymptotic Significance), namely: 1) If the probability > 0.05 then the distribution of the population is normal; and 2) If the probability <0.05 then the population is not normally distributed.

RESULTS AND DISCUSSION

Table 1. Simple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	***Std. Error***	***Beta***		
1	(Constant)	.154	.455		.339	.736
	Human Resource Competency	.929	.099	.816	9.380	.000

a. Dependent Variable: Financial performance

Based on the simple regression results obtained from the table above, they are as follows;

$$Y = 0.154 + 0.929X + e$$

Information:
Y = Financial Performance
a = Constant
b = Regression Coefficient
X = HR Competence
e = Errors

The regression equation analyzed from the Human Resources Competency variable on Financial Performance is a constant of 0.154 meaning that the consistent value of the Financial Performance variable is 0.154. The regression coefficient X is 0.929 which states that for every 1% addition in the value of Human Resource Competence, the value of financial performance increases by 0.929. The regression coefficient is positive because there is no negative sign (-) on the value of the regression coefficient X, so it can be said that the direction of the influence of variable X on Y is positive.

CONCLUSION

Based on the results of data analysis and discussion that has been done before, it can be concluded in this study that there is a positive relationship between Human Resources Competence on Government Financial Performance in Bireuen Regency. This is proven based on the results of testing the hypothesis between variables X and Y variables obtained a score of 9,380 while for t table with N = 44 obtained 2,015. it is clear that tcount > ttable. The value of the coefficient of determination is 0.667. This shows that there is an influence between the X variable on the Y variable, which is equal to 66.7%. So this study obtained results, namely Human Resource Competence (X) has a positive and significant effect on Financial Performance (Y) of the Bireuen Regency Government.

In order to improve the quality of financial reporting information is expected to the Office division at the Office of the province in order to increase the competence of human resources, the implementation of internal controls, and the implementation of accrual-based accounting. This is so that all work units to improve the quality of financial reporting information so that the Ministry of Religious predicate future financial statements Fair without Exception (WTP).

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