Analysis of Factors Influencing the Performance of Financial Managers and the Impact on Budget Spending

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Abstract. The purpose of the research to find out the effect of transparency, value for money, and income on financial management at the State University of Surabaya and also aims to measure the effect of accountability, transparency, participation and value for money on the performance of financial managers. This research uses multiple regression analysis, so this research uses several statistical tests, namely data quality test, classical assumption test, descriptive analysis, and hypothesis testing. Data was collected by distributing questionnaires. The participation factor does not partially affect the performance of financial managers, but the factors of accountability, transparency, participation and value for money give the good effect performance of financial managers. The most influential variable on financial management performance is the value for money factor. The variables of accountability, transparency and participation in influencing the diversity of financial management performance can only be explained by 82.5% and it good for the result.

Keywords: Accountability · Transparency Participation · Value for Money · Performance of Financial Managers

1 Introduction

The characteristics of good governance according to the United National Development Program [1] states that there are nini characteristics or principles that must exist in order to achieve good governance, where accountability and thrust in every stake holder about transparency, responsibility, strategic if vision. Of the nine existing characteristics, there are three characteristics that can be played by the public sector in managing finances, namely the creation of accountability, transparency, and value for money [2].

In managing finances so that budget absorption runs effectively, universities as one of the public sectors in carrying out public activities must apply value for money, namely by means of universities must always pay attention to every money earned and used and are required to meet the principle of openness. Openness of Public Information which emphasizes state universities to always provide open, transparent and responsible information services to the public. State universities are required to disclose and provide information on the budget.

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1.1 Accountability

Government Regulation of the Indonesia no. 66 of 2021 concerning management and implementation of Education, in the Government Regulation explains that accountability is the ability and commitment of the education unit to account for all activities carried out to stakeholders in accordance with the provisions of the legislation [3].

Accountability of a government is divided into 4 groups:

1. Obey applicable regulations such as existing laws, statutory regulations and administrative policies
2. Financial resources
3. Efficient, effective, economical for an activity carried out.
4. The results of programs and activities are in accordance with the objectives and benefits for the community [4].

Defines accountability as a condition that can be accounted for, responsible, and accountable [5]. The meaning of the word accountable is: first, it can be calculated, can answer to superiors, as a human being is accountable to his God for what has been done. Second, having the ability to be accounted for explicitly, and third, something that is usually calculated or accounted for.

Accountability is defined narrowly as the ability to give an answer to a higher authority for the actions of "a person" or "a group of people" against society at large or within an organization [6]. In the context of government institutions, the "someone" is the head of the government agency as the recipient of the mandate who must provide accountability for the implementation of the mandate to the community or the public as the giver of the mandate.

1.2 Transparency

The definition of transparency according to Government Accounting Standards is to provide open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly the government's responsibility in managing entrusted resources and compliance with laws and regulations [7].

Value for money is an indicator that provides information on whether the funds spent produce a certain value for the community. In this case the indicators in question are economic, efficient and effective [8]. It is very important to measure the accountability with consideration of value of money.

1.3 Performance

Performance is the result of activity carried out or that has been achieved in connection with the use of a budget whose result can be measured in quantity and quality [9]. Performance is the result of a person's activities during where in carrying out tasks, such as work standards, targets or targets, criteria that have been determined in advance and have been mutually agreed upon [10].

It can also be interpreted that performance is a picture, of regarding the level, of achievement, of the implementation of an activity program or policies in realizing the goals, objectives, vision and mission of the organization poured through the strategic planning of an organization.

2 Methods

2.1 Types of Research

Data will be collection and analysis with multiple regression, so this research requires several statistical tests consisting of data quality test, classical assumption test, descriptive analysis, and hypothesis test. Data was collected by distributing questionnaires.

2.2 Data Collection Technique

The data collection technique used in this research is by using a questionnaire spread technique. Questionnaire data collection technique which is done by giving a set of questions or a written statement to the respondent to be answered [11]. The question instruments in the questionnaire are prepared based on various regulations regarding accountability, transparency, participation, value for money and the performance of financial managers.

2.3 Population and Sample

The survey will be conducted on 25 samples from 50 population of financial managers at the Universitas Negeri Surabaya. The survey was conducted by distributing questionnaires to correspondence, this questionnaire will collect by respondent with qualitative data. In this study, the researcher collects two type of data, namely quantitative and qualitative, at one time, then combines them into one information in the interpretation of the overall results.

2.4 Data Collection Technique

The data collection technique used in this research is by distributing questionnaires. The question instruments in the questionnaire are prepared based on various regulations regarding transparency, accountability, participation, value for money and financial management performance of private universities. pretty much.

The data collection technique that will be used in this research is by distributing questionnaires. Questionnaire is a data collection technique that is done by giving several questions or written statements to respondents to answer [11]. The questions in this questionnaire were taken and compiled based on regulations regarding transparency, accountability, value for money and financial management performance.

2.5 Data Analysis Technique

By using multiple regression analysis, this research requires several statistical tests consisting of data quality tests, classical assumption tests, descriptive analysis, and hypothesis testing.

3 Results and Discussion

3.1 Validity Test

The results of data calculations using SPSS for each variable have the r count value greater than r table so that the results are valid and the significance value for each variable is expected to be $0.000 < 0.05$, then the conclusion is valid.

3.2 Reliability Test

The value of the Cronbach's Alpha coefficient from the SPSS calculation results for each variable is expected to be greater than 0.6. Thus the answers of the respondents from the research variables are reliable, so that the questionnaires from these variables are valid and can be used for further research.

The data analysis with multiple linear regression show that the constant value is 1.476, which means that if there are no independent variables of accountability, transparency, participation and value for money that affect financial management performance, the magnitude of management performance. If the participation variable is not significant, then changes that occur in this variable do not cause significant changes in financial management performance. Furthermore, if the variables of accountability, transparency and value for money have positive and significant regression coefficients on financial management performance, it means that if the variables of transparency, accountability and value for money increase, then the performance of financial managers at Universitas Negeri Surabaya also increases.

3.3 Normality Test

The results of the One Sample Kolmogorov-Sminov Test show that the plotting data [dots] describes the real data, which follows a diagonal line and a significant probability value of $0.071 > 0.05$, so it can be concluded that the residual value is normally distributed.

3.4 Coefficient of Determination (R^2)

The adjusted coefficient of determination (R2) based on output above the r square value of 0.825 means that the effect of the Accountability, Transparency, Participation and Value for Money variables simultaneously on financial management performance is 82.5%.

3.5 T-test

1. The effect of Transparency on financial management performance has a significance of $0.001 < 0.005$ and a t value of $3.285 >$ t table of 1.976, so it can concluded transparency has an influence on the performance of financial managers.

2. The effect of accountability on financial management performance is significant, that is, 0.000 < 0.005 and the t-count is 4.565 > 1.965, so it can be concluded that accountability is accepted, which means it has an influence on the performance of financial managers.
3. The effect of participation on financial management performance is significant 0.317 > 0.006 and tcount value is -1.008 < ttable 1.976 so it can be concluded that participation has no effect on financial management performance.
4. The effect of value for money on financial management performance has a significance of 0.000 < 0.006 and a t count of 6.761 > t table of 1.965 so it can be concluded that value for money has an influence of financial managers.

4 Conclusion

Based on the T test, the variables of transparency, accountability, participation and value for money simultaneously. Significant effect on the performance of financial management. Based on the t test the results obtained:

1. There is an effect of transparency on financial management performance.
2. Accountability has a significant positive effect on financial management performance.
3. Participation has no effect on financial management performance.
4. Value for money has a positive effect on financial management performance.

The variables of transparency, accountability, participation and value for money simultaneously have significant effect on financial management performance. The influence of these variables can only be explained by 82.5%, the rest is influenced by other variables. Hopefully the results of this research will be useful for the future.

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