

The Influence of the Use of Regional Information Systems and Organizational Commitment on the Performance of Financial Report Compilation through Work Ability

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Abstract

This study aims to analyse how to improve financial reporting performance in regional organizations by utilizing financial information technology, organizational commitment, and work ability. The research was conducted at regional apparatus organizations with a total sample of 123 people. Data collection using a questionnaire with data analysis techniques through path analysis and Sobel test. The results showed; 1) The use of financial information technology has an insignificant effect on work ability and performance in preparing financial statements. 2) Organizational commitment has a positive and significant impact on work ability and performance in preparing financial reports in regional apparatus organizations. 3) Work ability has a positive and significant effect on financial reporting performance in regional apparatus organizations.

Keywords: information technology, organizational commitment, work ability, Indonesia

1. Introduction

Regional government financial reporting is a form of Regional Government accountability for the performance of regional financial administration. Including target achievement and realization of financial performance during one fiscal year, financial reports are useful for users to assess accountability and make decisions both in economic, social, and political choices. These financial statements must, of course, refer to the rules of government accounting standards (Government Regulation No. 71/2010).

In realizing the performance of compiling financial reports in an accountable, fast, precise, and accurate manner, local governments have used the Financial application. A computer technology-based application system that can assist in processing various financial transaction data to produce output in the form of financial reports to support accountability for achieving regional government and can assist local governments in planning and budgeting. It

also implements and administers the regional revenue and expenditure budget and responsibility for regional revenue and expenditure (Financial and Development Supervisory Agency, 2019).

Research results prove that information technology affects improving the quality of financial reports. Meanwhile concludes that there is no effect of using information technology on the performance accountability of government agencies (Gani et al.; Sahabuddin et al.; Y. Yusriadi et al.). Another factor that affects the performance of financial reporting is organizational commitment. A version can be useful if employees commit to work. Employees have strong ties and a responsible attitude towards the institution where they work (Hasbi et al.; Usman et al.).

Organizational commitment has a significant positive effect on employee performance. Meanwhile, organizational commitment does not substantially impact performance; organizational commitment is built by affective dedication, sustainable commitment, and normative commitment has not been able to maximize employee performance (Mustafa et al.; Sahid et al.; Yusriadi, Farida, et al.).

Also, employee's willingness and the ability to work can encourage employees to strive to achieve organizational goals. The study proves a positive and significant influence between workability on employee performance (Awaluddin et al.; Yusriadi, Sahid, et al.; Umar, Amrin, et al.). Meanwhile, the study results confirm that ability has an insignificant effect on satisfaction (Ahdan et al.; Tamsah et al.). The phenomena of the problems that prompted conducting this research were: firstly, the audit results of the Supreme Audit Agency on the implementation of regional financial reports for regional financial management in Mamuju District, there were still 185 recommendations that had to be resolved immediately, second: there were still frequent system disruptions that occurred. Will hamper the work process and slow down the performance of operators and employees. Third: delays in preparing financial reports, fourth: there are still frequent differences between the existing data in the Regional Government financial reports and the financial report data in the regional apparatus organizations. Some regional apparatus organizations do not pay attention to periodic reconciliation in Regional Financial Agency to adjust financial realization data. Fifth: Employees' ability to work is still limited due to the lack of employees who have accounting and economic education backgrounds.

2. Literature Review

2.1. Information Systems

Management Information System (MIS) is an information system that, in addition to carrying out all transaction processing required by the organization, also provides information support and processing to carry out management operations functions and decision-making processes. The benefits of all these developments can only be felt if competent human resources support them. Because computers and information technology in our lives are prevalent and famous in the community, computer-based management information systems are an absolute necessity and can provide a competitive advantage.

In addition, the Management Information System is also a planning system that is part of the internal control of a business which includes the use of people, documents, technology, and procedures by management accounting to solve business problems such as the cost of products, services, or a business strategy. Management information systems are distinguished from ordinary information systems because MIS is used to analyze other information systems applied to the organization's operational activities. Academically, this term is generally used to refer to a group of information management methods related to automation or support for human decision-making, such as decision support systems, expert systems, and executive information systems.

Baskerville and Myers argue that it is time for SIM to become a discipline independently. Davis offers a consensus that there are at least five aspects that can be categorized as a unique feature of the MIS field: 1) Management Process, such as strategic planning, management of information system functions, and so on, 2) Development Process, such as systems development project management, and so on, 3) Development concepts, such as socio-technical concepts, quality concepts, and so on, 4) Representation, such as database systems, program coding, and so on, and 5) Application Systems, such as Knowledge Management, Executive System, and so on.

2.2. Organizational Commitment

Organizational commitment is the attitude or form of a person's behavior towards the organization in the record of loyalty and achievement of the organization's vision, mission, values, and goals. A person is said to have a high

commitment to the organization, which characteristics can identify. They include a strong belief and acceptance of the goals and values of the organization, a strong willingness to work for the organization, and a strong desire to remain a member of the organization.

According to Greenberg and Baron (2003: 160), organizational commitment is the degree to which employees are involved in the organization and are willing to remain members, which contains loyalty and willingness of employees to work optimally for the organization where the employee works. Allen and Meyer state that organizational commitment is an emotional attachment, identification, and involvement of individuals with the organization and the desire to remain a member of the organization (Dunham et al., 1994).

Meanwhile, according to Steers and Porter (1983: 442), organizational commitment is an attitude in which the individual identifies himself with the goals and expectations of the organization where he works and tries to maintain membership in the organization to achieve the organizational goals. And Luthans (2006) consider that organizational commitment is a strong desire to remain as a member of a particular organization, the willingness to strive by the wishes of the organization and specific beliefs, and the acceptance of organizational values goals.

2.3. Performance

Performance comes from the word Job Performance, or actual performance, which means work performance or real achievement achieved by someone. The definition of performance is the quality and quantity of work performed by an employee in carrying out his functions by the responsibilities assigned to him. Payaman Simanjuntak (2005: 1) suggests that performance is the achievement of results for implementing specific tasks. Company performance is the level of achievement of products to achieve company goals. Performance management is the overall activity carried out to improve the performance of a company or organization, including the performance of each individual and workgroup in the company.

Performance appraisal is a system used to assess whether an employee has carried out his job in an organization through a performance appraisal instrument. In essence, performance appraisal is an evaluation of an individual's work performance (personnel) by comparing it with standard performance standards. According to Hall, performance appraisal is an ongoing process to assess the quality of personnel work and efforts to improve the organization's work. According to Certo, performance appraisal is the process of tracing the personal activities of personnel at a particular time and assessing the results of the work displayed against the achievement of management system goals (Ilyas, 2001).

2.6. Financial Report Compilation

The financial report is a statement of the reporting entity contained in the components of the financial statements. A financial report is a form of accountability for managing state / regional finances during a period. Restricted Government Financial Report is the accountability for implementing the Regional Expenditure Budget (PP No 24 of 2005). Then in Law No. 15 of 2004 concerning Audit of the Management and Accountability of State Finances, financial reports are a form of accountability as stipulated in Article 30, Article 31, and Article 32 of Law Number 17 of 2003 concerning State Finances, Article 55 paragraph (2) and paragraph (3), as well as Article 56 paragraph (3) of Law Number 1 of 2004 concerning State Treasury.

In essence, the financial report is the output or the final result of the accounting process. This financial report is the information material for the users as one of the ingredients in the decision-making process. In addition, this financial report can also describe an indication of a company's success in achieving its objectives.

2.5. Work Ability

According to Hasibuan (2005, 94), workability results from work achieved by a person in carrying out the tasks assigned to him based on skills, experience, and seriousness as well as time. Meanwhile, according to Robert Kreitner (2005, 185), what is meant by ability is a stable characteristic related to a person's maximum physical and mental skills. Furthermore, according to Mangkunegara (2011, 67), psychologically, power consists of potential abilities (IQ) and reality (knowledge and skills), meaning that employees have an IQ above average with adequate education for their positions and are skilled in daily workdays. It is easier to achieve maximum performance.

An individual's overall abilities consist of two groups: 1) Intellectual Ability, namely intellectual ability needed to perform various mental activities (thinking, reasoning, and solving problems). Intellectual ability is the ability

necessary to carry out mental activities. IQ tests, for example, are designed to confirm a person's general intellectual abilities. 2) Physical ability is the ability to perform tasks that require stamina, skills, strength, and similar characteristics. Physical ability is required to perform tasks that require stamina, agility, strength, and similar skills. Whereas intellectual abilities play a more significant role in complex jobs that demand information processing requirements, specific physical abilities have the importance of successfully performing less skilled and more standardized jobs. For example, a position where success demands stamina, hand dexterity, and leg strength or similar talent require management to recognize an employee's physical capabilities.

3. Research Method

The measurement of variables in this study uses a Likert scale, with the lowest score range of 1 to the highest level with 5. The statements in the questionnaire are built from several concepts from previous studies. The utilization of Finance can be reviewed in its architectural design, which consists of four, namely: access, portal, processing, and management organization, infrastructure, and basic applications. Furthermore, high organizational commitment is characterized by three characteristics: affective dedication, continuous duty, and normative commitment. The better working ability will then appear through the features: workability, education, and years of service. Meanwhile, the achievement of the performance of the state civil apparatus in the preparation of financial reports can be measured through an understanding of the main tasks, innovation, speed of work, accuracy of work, and cooperation.

This research design is a survey using a quantitative research approach. The research was conducted at 20 regional apparatus organizations with a total sample size of 123 respondents; the study used a proportional sampling technique. The data that has been collected from the results of filling out the questionnaire by respondents is analysed using path analysis techniques to analyse the patterns of direct or indirect relationships between variables. A Sobel test is carried out to test the strength of the independent variable (X) 's indirect effect on the dependent variable. (Y 2) through intervening (Y 1). The results showed that of the 123 respondents who were distributed questionnaires, all of them returned and answered adequately and correctly according to the instructions for filling out the questionnaire.

4. Result

Analysis of research data was carried out through the assistance of the SPSS version 20.0 program. The validity test results imply that a constructor instrument item is said to be valid if the validity result (r count) is ≥ 0.3 and positive. The results of the validity test for each variable are described in the table below:

Table 1. Validity Test Results

No	Variable	Indicator	Value of r Count	Critical r Value	Status
1	Use of the Finance application (X ₁)	X _{1.1}	0.795	0.3	Valid
		X _{1.2}	0.665	0.3	Valid
		X _{1.3}	0.652	0.3	Valid
		X _{1.4}	0.706	0.3	Valid
		X _{1.1}	0.795	0.3	Valid
2	Organizational Commitment (X ₂)	X _{1.1}	0.734	0.3	Valid
		X _{1.2}	0.845	0.3	Valid
		X _{1.3}	0.802	0.3	Valid
3	Work ability (Y ₁)	Y _{1.1}	0.755	0.3	Valid
		Y _{1.2}	0.774	0.3	Valid
		Y _{1.3}	0.730	0.3	Valid
4.	Financial Report Preparation Performance (Y ₂)	Y _{2.1}	0.733	0.3	Valid
		Y _{2.2}	0.785	0.3	Valid
		Y _{2.3}	0.687	0.3	Valid
		Y _{2.4}	0.790	0.3	Valid
		Y _{2.5}	0.755	0.3	Valid

Source: Primary Data Processed, 2019

The description of Table 1 proves that the results of the validity test on each instrument on this research variable obtained the value of r count > 0.3. It is interpreted that all items in the questionnaire statement on the entire device

are declared valid and able to state something that the questionnaire wants to measure and can be used for subsequent analysis. The results of the reliability test on each variable can be described in the table below:

Table 2. Reliability Test Results

Variabel	<i>Cronbach's Alpha</i>	<i>Cut of Point</i>	Status
Utilization of the application (X_1)	0.655	0.60	Reliabel
Organizational Commitment (X_2)	0.707	0.60	Reliabel
Work ability (Y_1)	0.609	0.60	Reliabel
Financial Report Preparation Performance (Y_2)	0.801	0.60	Reliabel

Source: Primary data processed, 2019

From the description of table 2 above, it proves that the Cronbach's Alpha value is between 0.609 to 0.801, meaning that all variables are more significant than 0.60 at the 0.05 significance level. Therefore, all variables used in this study can be recognized as reliable and used for further analysis.

Furthermore, the acquisition of descriptive analysis proves that the four variables, namely the use of financial applications, the total mean value are 4.08. Organizational commitment with a real mean of 4.38. Workability with a total mean of 4.28. Employee performance in the preparation of financial statements with a total mean value of 4.51, the four variables obtained the respondent's assessment with a very high category at intervals (4.01 - 5.00), and it can be assumed to be good and positive for all statements regarding the four variables in on.

5. Discussion

5.1 The Effect of Financial Application Utilization on Work Ability

The variable of using financial applications on workability is influential and insignificant; this is indicated amount count of $0.530 < 1.96$ with a significant value of $0.597 > 0.05$. This proves that the effect of using the Financial application is positive and can be followed by an increase in workability, but not significant, if other factors that also affect the size of the work capacity are considered dynamic. This can be seen from the direct effect path analysis; the results of the Utilization of SIMDA Finance affect and are not significant on workability.

This study's results are in line with the opinion that concludes that there is no effect of the use of information technology on the performance accountability of government agencies. Furthermore, the results of previous research from that the use of information technology do not affect government agencies' performance, but different from the results of the study, argue that there is an effect of using information technology on improving the quality of financial reports (Ansar et al.; Umar, Hasbi, et al.; Umanailo and Ali; Nuraini et al.).

5.2 The Effect of Organizational Commitment on the Performance of Financial Statement Preparation

The influence of the organizational commitment variable on financial statement preparation performance is positive and significant, and the count of $4.048 > 1.96$ evidences this with a significance of $0.000 < 0.05$. This study shows that an increase will follow an increase in organizational commitment in the performance of financial statements' preparation with a positive and significant impact on organizational commitment to the implementation of financial reporting.

This study's results are in line with the results of research (Sawitri et al.), which states that affective commitment, normative commitment, and ongoing commitment have a positive and significant influence on employee performance. Furthermore, job satisfaction, normative dedication, and high sustainable commitment will provide high performance. However, these study results are different from the research results (Rijal et al.), which prove that overall organizational commitment does not have a significant effect on performance.

6. Conclusion

Based on the research results, several things play a role in improving the preparation of financial statements. First, the need for organizational commitment as a strong desire and expectation from employees with a sense of pleasure and comfort to continue being in the organization and there is no desire to leave the organization; this needs to be supported by a fair attitude obtained at work and a conducive working atmosphere. Second, employees' workability

is related to the motivation and strong desire of employees to continue developing themselves both through education and various short training. Those related to mastery, skills, and skills in operating the Financial application will have implications for improving the performance of the involved state civil servants. In the preparation of financial reports, although the research results found that there was an effect of the use of financial applications that were not yet significant. The advantages of using this application were intensely felt, especially the speed in managing financial data, which helped structure and collect financial reports of regional and government apparatus organizations.

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