

Analysis of HR Competence and Skeptics on Regional Financial Performance through Quality Audit in Mamuju Regency

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Abstract

This analysis aims to assess and evaluate the standard of the audit that is affected by HR competence and skepticism and how it affects the regional financial performance of the Mamuju district. This study utilizes a longitudinal design with a duration of 2 months. The sample size is 100. Data processing methods to test theories are used with the aid of JMP computer software version 15. However, this analysis has suggested that in Mamuju Regency, HR competency has a positive and significant effect on audit quality. In contrast, cynicism has a positive and significant impact on audit quality in the field.

Keywords: Human Resources Competence, Skepticism, Audit Quality, Regional Financial Performance, Indonesia

1. Introduction

After enacting municipal autonomy in 2001, the model of regional financial management has undergone profound changes. Law (UU) No. 32 of 2004 and Law No. 33 of 2004 is the primary basis for introducing regional autonomy. In effect, a more excellent opportunity for regions to better maximize areas' capacity, both in terms of human capital, funds, and other resources that constitute regional income.

The critical mission of implementing these two laws is the need to delegate the development authority from the central government to the regional governments and, more critically, the quality and efficacy of financial services (Mustafa et al., 2020; Rijal et al., 2019; Sahid et al., 2020; Tamsah et al., 2020). For this cause, measures are required to ensure that the government's economic output is consistent and reliable. It is essential to evaluate regional financial resource management's achievement in representing provincial financial capital on the government's financial results (Hasbi et al., 2020; Tamsah et al., 2020, 2021). This is consistent with the vital characteristics of an Autonomous Region capable of gaining regional autonomy and is part of the Human Resources (HR) policy and capability in the regional financial field (Rahawarin et al., 2020; Sawitri et al., 2019; Umar et al., 2019).

Local government attempts to explore regional financial potential can be seen by regional economic output as calculated by studying the regional government financial ratio. "Ratio analysis is an analysis method to determine the relationship of certain items in the balance sheet or income statement individually or a combination of the two reports (Vuadi, 2013)".

Measurement of local councils' financial success is also used to determine the ability of municipal budgets to enforce regional autonomy. Performance is a description of the level of achievement of implementing a program/policy in realizing the goals, objectives, vision, and mission of the organization as stated in the strategic planning of an organization (Bastian in Ambarini, 2016). If regional financial management is carried out properly by established regulations, it will undoubtedly improve the government's performance (Julitawati et al. in Rochmah, 2015). Many variables will influence the country's financial performance, including HR competence, skepticism, and audit quality.

Competence is defined as the fundamental abilities and quality of work needed to do a job well (Hardiansyah, 2016). In the meantime, Wibowo in Bahari et al. (2019) describes his view of competence, which is an ability that employees have in doing a job/task. In that job, employees are required to have adequate capabilities. No matter how advanced technology, development/task information, availability of capital and proper materials, without human resources, it is difficult for the organization to achieve its goals (Sutrisno in Yolanda; 2017). The second element is skepticism, which is the mindset of doubting, suspecting, and not trusting in the reality of a matter, a hypothesis, or an argument. In accounting and auditing, skepticism is doubtful about statements that are not sufficiently strong in terms of proof (Islahuzzaman, 2012). And the third is the standard of the audit. The audit has a significant role in input, process, and output and the effect of an organizational goal, both existing and ongoing (Rochayati, 2016). The audit results can be seen whether the reports provided by management are in accordance with the facts (Bayangkara, 2015). Based on the historical explanation of the phenomena, the authors are interested in the financial results in Mamuju Regency that tend to fluctuate. What are the reasons for the ups and downs of economic performance?

2. Method

Descriptive analysis using a quantitative methodology is the research design used. This study discusses the same data where the researcher explains the causal association between variables using a hypothesis test. Data gathered from 100 respondents who were a sample of this study using a questionnaire (Tahir & Rinantanti, 2018).

This research uses stratified objects, including the Likert scale where. The Likert plate is offered to respondents as individuals or groups to fill out a question with firmly agreed responses (SS), Agreement (S), Skepticism (RR), Disagree (TS), and Strongly Disagree (STS). In this report, "Wyatt in Ruky (2013) defines competence as a combination of skills, knowledge, and behavior that can be observed and applied critically for the success of an organization and work performance and personal contribution to the organization." "With indicators of HR competencies in this study include (Sedarmayanti (2014): 1) Knowledge, 2) Skills and Attitudes" While the metrics used are based on the skepticism component, namely "Wibowo (2015), namely Questioning and critical assessment."

According to De Angelo (1981) in Widyawati (2018), audit standard is the likelihood that an auditor will find and disclose a breach in his client's accounting system. The audit efficiency measures in this report, according to the opinion of Wooten (2003) in Iskandar (2017), are as follows: 1) misstatement identification, 2) conformity with the Public Accountant Professional Requirements, and 3) Compliance with the Standard Operating Procedures (SOP) 'As regards the regional financial performance indicators as a metric in this study, namely (Mahsun, 2012 in Saragih, 2017), namely:

3. Results

3.1 Direct Influence

To make it easier to analyze the functional relationship between the variables then the coefficient values are arranged in the form of Table 1 as shown in the table below:

Tabel 1. Direct Effect

Variable Independen	Variable Dependen	Symbol	Beta Coe	Sig	SE
Human resources (X1)	Quality Audit (Y1)	X1--> Y1	0.125	0.004	0.012
Skepticism (X2)		X2--> Y1	0.436	0.000	0.023
Human Resources (X1)	Employee (Y2)	X1--> Y2	0.122	0.000	0.015
Skepticism (X2)		X2--> Y2	0.123	0.001	0.025
Quality Audit (Y1)		Y1--> Y2	0.151	0.000	0.024

The beta coefficient of the influence of human resources (X1) on quality audit (Y1) is 0.125 with a SE value of 0.012 at a significance level of 0.004. These coefficients indicate that human resources (X1) positively affects quality audit (Y1). This means that an increase in human resources (X1) will be followed by the rise in quality audit (Y1) with the assumption that other factors that affect the size of quality audit (Y1) are considered constant. The beta statistical value of the effect of human resources (X1) on quality audit (Y1) is 0.125 with a significance of 0.004 or below 0.05. This means that human resources (X1) has a positive and significant effect on human capital (Y1).

The beta coefficient of the effect of skepticism (X2) on quality audit (Y1) is 0.436 with an SE value of 0.023 at a significance level of 0.000. The coefficient shows that skepticism (X2) positively affect quality audit (Y1). This means that an increase in skepticism (X2) will be followed by the rise in quality audit (Y1) with the assumption that other factors that affect the size of quality audit (Y1) are considered constant. The beta statistical value of the coefficient of the effect of human resources (X1) on quality audit (Y1) is 0.125 with a significance of 0.000 or below 0.05. This means that human resources (X1) positively and significantly affect quality audit (Y1).

The beta coefficient of the influence of human resources (X1) on employee (Y2) is 0.122 with a SE value of 0.015 at a significance level of 0.000. These coefficients indicate that human resources (X1) positively affects employee (Y2). This means that an increase in human resources (X1) will be followed by an increase in employee (Y2) with the assumption that other factors that affect the size of employee (Y2) are considered constant. The beta statistical value of the effect of human resources (X1) on employee (Y2) is 0.122 with a significance of 0.000 or below 0.05. This means that human resources (X1) has a positive and significant effect on employee (Y2).

The beta coefficient of the effect of skepticism (X2) on employee (Y2) is 0.123 with a SE value of 0.025 at a significance level of 0.001. The coefficient shows that skepticism (X2) positively affect employee (Y2). This means that an increase in dividends and sentences (X2) will be followed by an increase in employee (Y2) with the assumption that other factors that affect the size of quality audit (Y1) are considered constant. The beta statistical value of the effect of human resources (X1) on employee (Y2) is 0.122 with a significance of 0.000 or below 0.05. This means that human resources (X1) have a positive and significant effect on employee (Y2).

The beta coefficient of the quality audit (Y1) on employee (Y2) is 0.151 with a SE value of 0.024 at a significance level of 0.000. These coefficients indicate that quality audit (Y1) positively affects employee (Y2). This means that an increase in quality audit (Y1) will be followed by an increase in employee (Y2) with the assumption that other factors that affect the size of quality audit (Y1) are considered constant. The beta statistical value of the coefficient of the influence of quality audit (Y1) on employee (Y2) is 0.151 with a significance of 0.000 or below 0.05. This means that quality audit (Y1) has a positive and significant effect on employee (Y2).

The influence of human resource variables on performance is positive. This means that an improvement will follow an increase in human resources in performance, assuming that other factors that affect the size of human resources are considered constant. This study shows that there is a positive and significant influence of human resources on performance. This can be seen from the direct influence path analysis; the results of human resources have a positive and significant effect on performance.

3.2 Total Influence

Based on the results of the scheme as presented in table 2, the total effect is obtained, the independent variables, namely organizational commitment and rewards and punishments, on employee performance. As can be seen in the following table:

Table 2. Total Influence

Variable Independen	Variable Dependen	Coefficient
Human resources (X1)	Employee (Y2)	1.505
Skepticism (X2)		5.104
Quality Audit(Y1)		1.251

The total effect of human resources (X1) on employee (Y2) is equal to the direct impact plus the indirect effect, namely: 1.505. This indicates that human resources can improve employee by combining direct and indirect impacts of 1.505. The total impact of skepticism (X2) on employee (Y2) equals the immediate impact plus the indirect effect, namely: 5.104. This indicates that skepticism can improve employee by combining direct and indirect impacts of 5.104. Finally, total quality audit (Y1) on employee (Y2) is 1.251. This indicates that quality audit can improve employee performance by combining direct and indirect effects of 1.241.

The effect of the quality audit variable on employee performance is positive. This means that an improvement will follow an increase in audit quality in employee performance, assuming that other factors that affect the size of the quality audit are considered constant. This study shows that there is a positive and significant effect of quality audits on employee performance. This can be seen from the results of the path analysis of real influence; the quality audit results have a positive and significant effect on employee performance.

4. Discussion

Human resources need to be developed continuously to obtain quality human resource work in the true sense; namely, the work carried out will produce something that is desired. Quality is clever; it fulfils all the qualitative requirements demanded by the job to complete the work according to plan. Therefore, High-performing Human Resources will do work related to organizational goals, such as quality and efficient work results. Lee (2017) argued that human resources (HR) as a strategic central factor were formed to carry out various interests of the company's vision. In today's world environment, there has been a change in views regarding various strategic resources for companies. The change is from the dominance of physical resources (tangible assets) to intangible assets (intangible assets).

Employee performance is influenced by elements such as reward and punishment, in addition to organizational dedication. Nugroho (2006) defines rewards as "rewards, prizes, awards, or rewards that try to make someone more active in their efforts to improve or improve the performance that has already been achieved." One of the primary goals of the reward program, according to Lee et al. (2007), is to incentivize employees to reach high levels of performance (Saidna, 2007) defines incentive as a positive evaluation of employees. Every individual or group who does well deserves to be rewarded. According to Mangkunegara (2011), punishment is a threat of punishment aimed at improving violators' personnel performance, upholding applicable regulations, and teaching violators a lesson. The approach presented above is consistent with Siti Khoirun Nuraini (2012), which found a strong relationship between reward and punishment on employee performance. Then, based on the findings of Arik Irawanti's (2016) study, it can be inferred that the reward and punishment variables influence employee performance. Furthermore, according to the results of a survey conducted by Umi (2018), incentives and punishment impact employee performance.

The management implication on the influence of rewards and punishments on human capital is the accumulation of knowledge, experience, wisdom, and capability of all people who work in successful organizations. and bonuses, which are the most critical components for employees, then welfare, namely rewards given in the form of allowances, which are welfare programs offered by agencies as a form of blessing for work performance, then career development, namely rewards provided in the form of significant career development given to employees who have satisfactory work performance, then preventive punishment, namely punishment given to employees who have sufficient work performance, then preventive punishment, namely punishment given to employees who have sufficient work performance, then preventive punishment, namely punishment given to employees.

The findings of this study support the assertion that one of the keys to the development of human capital is that persons are assets that gain value via investment. It attempts to optimize the value of the firm by controlling risk in human capital. People's performance improves when their human value rises (Mayo, 2000).

The findings of this study back with the findings of prior research by Roby Sudaryanto (2018), which concluded that human capital had an impact on employee performance. Furthermore, based on the findings of a study conducted by Desmaretta Damay Daradasih (2019), it can be inferred that human capital considerations have an impact on employee performance. Then, based on the findings of Zuriani Ritonga's (2019) study, it can be inferred that there is an impact of human capital on employee performance.

The achievement of success in an organization cannot be separated from the role of every human resource in the company; therefore, every organization or agency that recognizes the importance of quality human resources for the organization's progress tries to manage its human resources well in order to achieve the target. -previously established goals within the company The performance of an organization's personnel has a significant impact on its success. Every organization or firm will always strive to increase employee performance in order to meet organizational goals. It is difficult to find employees who perform well for the business because there are many things that employees must give to the organization. If the organization in question implements a performance appraisal system, the success or failure of a person at work will be known.

The genesis of the concept that knowledge is a particularly strategic firm resource is based on the reality that information can be used to generate organizational competitiveness that is valuable, unusual, difficult for competitors to mimic, and cannot be replaced by other types of resources. As a result of the organization's knowledge or knowledge gained through human power, persons are used as visible capital (human capital).

Human capital is influenced by organizational commitment. According to Mayo (2000), human capital strategies must support the organization's vision and mission, fundamental values, and organizational goals. The strategic value model of human capital development begins with the notion that strategy is everyone's responsibility, including the arrangement of values and priorities in accordance with each person's goals and actions.

5. Conclusion

Based on the study's findings and debate, the higher the level of human resource competence and skepticism would affect increasing audit efficiency in the district of Mamuju and enhancing HR competence. About doubt and audit quality, the better the financial performance of local governments is in Mamuju. As well as strengthening human resource competencies by audit results, the economic efficiency of local councils will increase. However, the skepticism demonstrated by the auditor does not have an impact on municipal authority financial performance.

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