

The Effect Of Competency And Organizational Commitment On The Quality Of Financial Reports: Task Complexity As A Moderating Variable

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Abstract:

The demand for high-quality Regional Government Financial Statements (LKPD) has garnered significant attention from stakeholders. LKPD serves as a medium for the financial accountability of Regional Governments (Pemda) to the public, presenting financial information. However, evidence from the 2023 audit of the Ambon City Government's LKPD reveals several issues, indicating that the accounting information presented by the Ambon City Government has not yet fulfilled the qualitative characteristics mandated by Government Regulation (PP) No. 71 of 2010 on Government Accounting Standards. Therefore, this study aims to analyze the influence of competence, commitment, and task complexity on the quality of financial statements, as well as the moderating relationship between task complexity and competence, and task complexity and commitment, in relation to financial statement quality. This study adopts a quantitative research approach using primary data. The object of the research is each Regional Apparatus Organization (OPD) within the Ambon City Government. The research sample consists of 122 accounting and finance staff. Data analysis was conducted using Partial Least Squares (PLS) with the assistance of SmartPLS version 3.0 software. The analysis begins with testing the outer model, including reliability and validity tests. Subsequently, the inner model testing and hypothesis testing are performed using total effects evaluation. The research findings indicate that the latent variable constructs of competence, commitment, and task complexity, as well as the interaction between competence and task complexity, significantly influence the quality of financial statements. However, the study also reveals that the interaction between commitment and task complexity does not affect the quality of financial statements.

Keywords: *Competence, Commitment, Task Complexity, Financial Statement Quality*

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I. Introduction

Need to Report Finance Quality Regional Government (LKPD) has get attention big by stakeholders interests (stakeholders). LKPD is a medium of accountability finance Regional Government (Pemda) to public , in which serve information finance As public fund manager , local government obliged produce information quality finance as prerequisite normative , so that stakeholders interest understand operation finance government and its implications to decision economy government itself (OECD, 2017). According to Tavares & da Cruz, (2020) that quality report finance the government is very much needed by the government For reach credibility or trust public . Presentation of quality LKPD No only show performance finance Local government , but also reflects success government in carry out autonomy area . Considering report finance is source information by its users , which is then can used as base For taking decision , by him That information presented in report finance must free from material error , no mislead users , and may reliable . Issue about reporting finance government areas in Indonesia still interesting For investigated , because from results BPK's findings on several Local governments in Indonesia show there is a number of problem in LKPD. Proven , the results examination of the 2023 Ambon City Government LKPD found a number of problems , including : problems conformity with Standard Accountancy Governance (SAP), adequacy disclosure , there is non-compliance to regulation legislation that has material value so that influential direct to fairness presentation report finance . If you look closely problem and examine it known that information accounting presented by the Ambon City Government turns out to be Not yet fulfil characteristics qualitative as hinted at in Regulation Government Regulation (PP) Number 71 of 2010 Concerning Standard Accountancy Government . Research results (Okaro, 2017; Marchuk, 2017; Pujanira & Taman, 2017; Ariawan et al. , 2019) found that competence source Power man influential positive to LKPD quality . Importance competence source Power human resources (HR) as determinant from quality report finance Because competence is very possible somebody realize related tasks with work required For reach purpose Apart from competence , a number of study has give proof that commitment organization is one of determinant in realize report quality finance (Mkonya et al., 2018; Muliyani , 2020 ; Fitriati et al. , 2020). Although a number of proof

the research above show that competence source power and commitment organization own influence positive to quality report finance , but to the best of my knowledge researcher , research about influence competence and commitment organization to quality report finance Still show mutually beneficial results contradictory . Besides still happen inconsistency results study influence competence and commitment organization to quality report finance , there is other evidence that shows that quality results jobs in the field accounting is greatly influenced by factors assignment . In conceptual competence resource human and commitment organization is individual and internal factors in self someone who can influence performance employee concerned in reach objective a organization So far this , research about influence competence , commitment organization and complexity task to quality report finance in the environment Local Government Still seldom done in a way comprehensive .

II. Literature Review

Theory of determination objective: (goal setting theory) was developed by Locke, through his publication entitled *Toward a Theory of Task Motivation and Incentives* in 1968 . This theory explain about various problems and issues organization with approach cognitive . Locke assumes that factor main influencing factors choices made individual is the goals they have . He explain there is relatedness between objective and performance task someone , and most of them behavior man is results from objective which in a way aware chosen by someone (Mitchell & Daniel, 2003). Locke (1980) stated that objective individual (goal , intention) will show his actions . That is , strong or weakness behavior / action individual determined by the intended purpose achieved . In case This clear , understood and useful goals will make individual tend to For fight more hard in reach a purpose , compared with difficult goal understood and is blurry .

Quality Report Finance: Law No. 17/2003 concerning State Finance explained that report finance play role important For fulfil obligation government to the public in society . Since implementation Regulation Government Regulation (PP) Number 71 of 2010 about Standard Accountancy Government (SAP) then has happen change big in system reporting finance agency governance in Indonesia. Changes from cash basis going to accrual become accrual basis full in confession transaction finance government expected capable give more information transparent about income , expenses , expenses , assets , liabilities , and equity government , as well as For increase quality report finance (Damayanti, 2013).

Competence: Source Power man is element important and always required in organization (Hullah & Pontoh , 2017). Experts to argue that source Power quality human being or excelling is very decisive succeed or No a organization . Source Power man superior refer to source Power human being who has extraordinary abilities and competencies usual . Spencer & Spencer (1993) said that competence is characteristics base behavior related individuals with criteria reference effective and or performance excel in work or situation . Meanwhile, Dubois & Rothwell (2000) describe competence as tools used worker in various method For complete part from work , or task Work

Commitment Organization: Build commitment for every member in organization is one of the very important factors for progress organization For reach desired goal . Commitment organization is a attitude or behavior in demand positive from member organization that shows existence loyalty and attachment to organization place they work . Commitment organization show how much great sense of loyalty , willingness , and participation active members in reach objective together organization . Mowday et al., (1982) explained that commitment as a condition Where action somebody tie himself alone , so that cause supporting beliefs activities and involvement , also reflect desire strong a For still become member organization . Commitment refers to attachment and loyalty with the act of giving birth supporting beliefs activity and involvement .

Complexity Task : A psychologist young named Karl Weick (1965) introduced complexity task as A interesting concept attention to the middle 1960s . In the beginning He observe about conflicting results in study level individual and group Possible caused by undesirable variations under control in type the task that used . As reaction to outlook this , Hackman (1969), Wood (1986), and Campbell (1988) developed and refined framework Work the For analyze complexity task become fixed standard during almost three tens year

III. Research Methodology

Study This is study quantitative with using primary data. Internal data sources study obtained from instrument survey in form questionnaire distributed to the officials and officers who implement it function accounting / administration finances in each OPD of the Ambon City Government . Research This including study causal , purposeful For test hypothesis that is built about influence competence , commitment organization , and complexity task to quality report finance . Data collection techniques used in study This use questionnaire . Questionnaire This containing questions that are spread to official structural and apparatus that implements function accounting / administration finances in each OPD of the Ambon City Government , where the staff

requested For answer questionnaire . Questions created taken from dimensions from developed variables from indicator . After Respondent do filling , questionnaire the returned to researcher For done identification and assessment on questionnaire on questionnaire the use ordinal scale (Likert) , namely scale that has categories and also have order . Category here is category choice answers provided by researchers . Usually category the use term very not agree (STS), no agree (TS), undecided (R), agree (S), and strongly agree (SS). Population in study This is all over staff accounting and finance at every Organization Regional Apparatus Organization (OPD) environment Ambon City Government . Method of taking sample used in study This use purposive sampling method . The purposive sampling method is a sampling process sample conducted with choose sample from population with criteria that have been determined For study This . The sample used in study This is official structural and apparatus that implements function accounting / administration finances in each OPD that has work for at least 2 years work in period compilation report finance

IV. Discussion

Discussion of Hypothesis Test Results First (H1) Competence Influential To Quality Report Finance:

Hypothesis First state that competence influential positive to quality report finance . Total effects test results of construct variables competence to quality report finance show mark coefficient 0.198. P-values of 0.022 are more small of 0.05 and t-statistics 2.302 more small from 1.97. Therefore , the hypothesis first (H1) in study This accepted . Findings prove that report quality finance No off from role source Power human being who has ability and adequate competence (Rifany & Yuliati , 2021). According to Mohamed & Lashine , (2003) that For produce information finances that useful , reporting finance must compiled by qualified staff at field management finance and accounting . Competence is a ability For carry out a work or task based on skills and knowledge as well as supported by attitude work required by job So, the competence viewed as a characteristics which underlie somebody For reach high performance in his job . All potential the influence effort organization in reach its purpose (Anto & Yusran , 2023). Findings This in line with a number of study previously that prove that competence resource man in a way influential significant to quality report finance (Herdianto , 2015, Pradono & Basukianto , 2015, Mulia 2018, Setiawan et al. , 2021).

Discussion of Hypothesis Test Results Second (H2) Commitment Organization Influential To Quality Report Finance:

Hypothesis second (H2) states that commitment organization influential positive to quality report finance . Total effects test results of constructs variable commitment organization to quality report finance show mark coefficient 0.292. P-values of 0.000 are more small from 0.05 and t-statistics 4,702 more small from 1.97. Therefore , the hypothesis second (H2) in study This accepted . Findings This in line with research by Liziana (2017) which prove that when a employee own commitment tall to what is it achievement objective his organization then the output produced will the more good , and vice versa related with report finances that produced will in accordance with SAP. Findings This in line a number of study previously also find that commitment organization influential significant to quality report finance (Cavalluzzo , Ken, & Ittner 2004; Hahn & Lee, 1992; Hall, 2011).

Discussion of Hypothesis Test Results Third (H3) Complexity Task Influential To Quality Report Finance:

Hypothesis third (H3) states that complexity task influential positive to quality report finance . Total effects test results of constructs variable complexity task to quality report finance show mark coefficient 0.193. P-values of 0.025 are more small from 0.05 and t-statistics 2,252 more small from 1.97. Therefore , the hypothesis third (H3) in study This accepted . Test results show that complexity task is one of factors that can influence quality report finance . According to Libby (1995) complexity task can made into as tool in increase quality results work . The above argument in line with opinion Andhika & Sophia (2022) that existence a complex task with level complexity certain will impact to quality results work done . Findings This in line with a number of results study previously also find that complexity high task can increase quality results work (Libby, 1995; Tan & Alison, 1999; Barron & Harackiewicz , 2001).

Discussion of Hypothesis Test Results Fourth (H4) Moderation Complexity Duties and Competencies Influential To Quality Report Finance:

Hypothesis fourth (H4) states that moderation complexity task and competence influential positive to quality report finance . Results Total effects test of constructs variable moderation complexity duties and competencies to quality report finance show mark coefficient 0.163. P-values by 0.044 more small of 0.05 and t-statistics 2.022 more small from 1.97. Therefore , the hypothesis fourth (H4) in study This accepted . Research result This show relatedness between competence and quality results work at level complex task Of course will need more Lots attention , memory , reasoning , and processing information , which can impact on effectiveness implementation task . In connection the , competence can play a role as a process for input assembly and production . While complexity task act as tool motivation For increase quality

Work somebody . Findings This in line with a number of results study previously also find that construction variable complexity task to moderate influence competence to quality report finance .

Discussion of Hypothesis Test Results Fifth (H5) Moderation Complexity Duties and Commitments Organization Influential To Quality Report Finance: Hypothesis fifth (H5) states that moderation complexity duties and commitments organization influential positive to quality report finance . Total effects test results of constructs variable moderation complexity duties and commitments organization to quality report finance show No there is influence positive with mark coefficient 0.105. P-values of 0.216 are more small of 0.05 and t-statistics 1.238 more small from 1.97. Therefore , the hypothesis fifth (H5) in study This rejected . The results of the study This show that complexity task No can to moderate influence commitment organization to quality report finance . Complexity task in a way operational defined as many and varied a the task that makes task the become difficult and confusing which is accompanied by with limitations ability or skill in finish assignment . Based on definition the so complexity task more tend to relate with efficiency Work individual , not results output like report finance , as well as in context organization with procedure report standard finance , complexity task Possible No impact big Because standard still must fulfilled . Findings This in line with a number of results study previously also found that construction variable complexity task to moderate influence competence to quality report finance .

V. Closing

Conclusion: Results of analysis and testing hypothesis that has been discussed in chapter previously , then there is a number of conclusion in study This among others:

1. Test results statistics For hypothesis first , show mark coefficient 0.19, P-values of 0.022 more small of 0.05 and t-statistics 2.302 more small from 1.97. This is show that competence influential significant to quality report finance (accepted).
2. Test results statistics For hypothesis second , shows mark coefficient 0.292, P-values of 0.000 more small of 0.05 and t-statistics 4.702 more small from 1.97. This is show that commitment influential significant to quality report finance (accepted).
3. Test results statistics For hypothesis third , shows mark coefficient 0.193, P-values of 0.025 more small of 0.05 and t-statistics 2.252 more small from 1.97. This is show that complexity task influential significant to quality report finance (accepted).
4. Test results statistics For hypothesis fourth , shows mark coefficient 0.163, P-values of 0.044 more small of 0.05 and t-statistics 2.022 more small from 1.97. This is show that complexity task to moderate influence competence to quality report finance (accepted).
5. Test results statistics For hypothesis Fifth , shows mark coefficient 0.105, P-values of 0.216 more small of 0.05 and t-statistics 1.238 more small from 1.97 This is show that complexity task No can to moderate influence commitment organization to quality report finance (rejected).

Suggestion: Suggestions that can be given given as material considerations and input For do study furthermore among others:

1. Research that will be come should multiply sample with expand area observations on several Regency /City in Government Maluku Province , to be able to show results analysis in a way more complete so that later can generalized ;
2. Research to be conducted come should add use variables other like system information accounting , system internal control , compliance to standard accounting and complexity transaction finance . This is useful For get findings newer one beneficial in develop knowledge knowledge ;

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