

THE EFFECT OF FINANCIAL ACCOUNTING SYSTEM AND PUBLIC SERVICE MOTIVATION ON THE LOCAL GOVERNMENT PERFORMANCE

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ABSTRACT

This study aims to test and analyze the effect of regional financial accounting systems and public service motivation on local government performance. This study used primary data through survey method by distributing questionnaires to 40 SKPD within the scope of the Makassar city government. The entire population of this study was a research sample. The collected data is then analyzed using multiple linear regression analysis. The results of this study show that the regional financial accounting system and public service motivation have a positive and significant effect on the performance of local governments. The findings of this study indicate that the better the regional financial accounting system implemented and the higher the motivation of public services possessed in each public sector employee, it will improve the performance of local governments.

Keywords: *regional financial accounting system, public service motivation, local government performance*

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INTRODUCTION

Local Government Organizations (OPD) are organizations that run the wheels of government and the community is the target of the programs it runs. Therefore, the trust given by the community to local governments in running the government must be balanced with good performance. Until now, the government has always been required to improve their performance because performance appraisal is an important factor in maintaining and maintaining public trust in local government organizations (Bastian, 2010).

Improving the performance of local government organizations has several factors that influence it. Transparency and accountability of regional financial management with the improvement of the accounting system is one of the factors. Based on the enactment of this regional autonomy, regions have broad rights and authority to use their financial resources in accordance with the needs of the people in the regions concerned (Soleh, 2010).

The implementation of the Regional Financial Accounting System (SAKD) is one part of the regional financial management process, this is confirmed in Permendagri Number 13 of 2006 article 232 paragraph 2 concerning Regional Financial Management Guidelines. Understanding of SAKD plays a role in the activities to be carried out by local governments as well as measuring the performance of local governments. Local government organizations that manage their local finances using SAKD allow for the achievement of effective and efficient government administration because it will show good managerial performance. Research conducted by Annisa et al (2017), obtained the results that the regional financial accounting system has a positive effect on the performance of local governments, meaning that the better the regional financial accounting system, the performance of local governments will also

increase. The results of this study are also in line with research conducted by (Lintong et al., 2017).

Another factor that determines the success of local governments in improving performance is the improvement of public services. Putra (2018), revealed that improving public services is a manifestation of government performance because the impact of good government is the formation of good public services as well. Optimization of public services in the opinion of Indri and Hayat (2015) is to provide professional and quality services that have positive implications for community satisfaction. Service professionalism is supported by attitudes and behaviors in service delivery (Halim & Damayanti, 2007).

Human resources are one of the important indicators in public services (Rohman, 2007). The existence of human resources is the main element in service delivery. If the human resources are competent, the service can be carried out as it should. Therefore, in carrying out their duties to provide good services so that government performance can be said to be good, an employee must need a motivation so that the employee's behavior at work can achieve these goals.

The concept of public service motivation is a concept of motivation that refers to the forces that drive, direct, and maintain the behavior of an individual (K. Khasanah, 2015). Public service motivation is one form or part of typical motivation that can be defined as motivation that includes beliefs, values, and attitudes that transcend personal interests and organizational interests, encouraging a worker (employee) to do good to others and contribute his devotion to the welfare of the organization and society (Mahsun, 2006). Research conducted by Putri (2017), obtained results that public service motivation has a positive effect on local government performance, meaning that if government employees have the motivation in themselves to implement programs to improve the quality of public services, then local government performance can be said to be good. The results of this study are also in line with research conducted by Komalasari et al (2009), but different from research conducted by Mulyani et al (2017), which provides results that public service motivation does not affect the performance of local governments.

This research refers to research conducted by Annisa et al (2017), for regional financial accounting system variables and Putri (2017), research for public service motivation variables. The results of both studies have been described earlier. The difference between this study and Annisa et al (2017) research is from the 3 independent variables in Annisa et al (2017) research, this study only includes regional financial accounting system variables, then uses contingency theory to explain the needs of a Local Government Organization (OPD) for the regional financial accounting system. While the difference between this research and Putri's research (2017) is that the object of this research is not only in one office of the Local Government Organization (OPD) but takes the entire OPD office within the scope of the city of Makassar.

Along with the increase globally, an information technology makes government agencies also transform to maximize information technology in completing their work. The application is expected to help in the effective and efficient aspects of a job done in order to improve performance. The phenomenon that occurs today is that budget absorption from the city government is still very minimal. The budget realization of several SKPD Makassar City is still below 40%, which should have reached 50% in the third quarter of the 2022 fiscal year, so it is considered slow to realize its budget. According to Haliah & Nirwana (n.d.), there are

many scandals of financial cases such as fraud that have occurred in both the private and private sectors in recent decades continue to increase, so this is a concern for many parties. Fraud can be considered a serious socio-economic problem because of the huge impact of losses caused by this action. Corruption is one of the cases of fraud that often occurs in Indonesia, starting from before and after independence, in the Old Order era, the New Order, continuing until the Reformation era.

SKPD as an accounting entity that uses the budget is required to be able to process and utilize the budget funds provided to support programs from regional heads for the fulfillment of public services and their performance can also achieve the expected. The Regional Financial Accounting System is one of the policy tools that helps in providing information related to the budget that has been determined with its realization. Therefore, this variable was incorporated into the study. In addition, based on contraversial results in previous research on the effect of public service motivation on local government performance, that is the reason why the variable of public service motivation was also included in the study.

Contingency theory according to Duncan & Moores (1989), states that organizational effectiveness can be achieved if there is compatibility between the system applied and the environment in which an organization operates. Within the scope of the public sector, contingency theory states that the successful implementation of the accounting system or regional financial management system depends on the conditions of the local government concerned (Atmaja & Davianti, 2022).

The Local Government Accounting System is an integrated system that combines manual and computerized procedures in collecting bookkeeping data and reporting all financial transactions, assets, debts, and equity of all local government entities. To be able to produce relevant, reliable, and trustworthy financial statements, the government must have a reliable accounting system (Mardiasmo, 2002). The implementation of the accounting system can also provide benefits and convenience for local governments in realizing transparency and accountability of regional financial management and with it can improve and improve their performance. **H₁ = Regional Financial Accounting System has a positive effect on local government performance**

Mcclelland's motivation theory (McClelland, 1987) reveals there are 3 needs that underlie employee behavior, namely: the need for power, the need for affiliation, and the need for achievement. People with high achievement needs will perform well and have a strong drive to meet their goals so that their performance will improve.

Public Service Motivation (PSM) is one form or part of a typical part of motivation that can be defined as motivation that includes beliefs, values, and attitudes that transcend personal interests and organizational interests. PSM is very important to understand and consider in service because it greatly determines the success of a worker or employee in carrying out duties, especially public sector workers. Individuals who have a high level of PSM will be interested in public service jobs and of course will be able to produce workers (employees) who are competent and highly dedicated to their duties and obligations and can improve work performance (Perry & Wise, 1990). **H₂ = Public service motivation has a positive effect on local government performance**

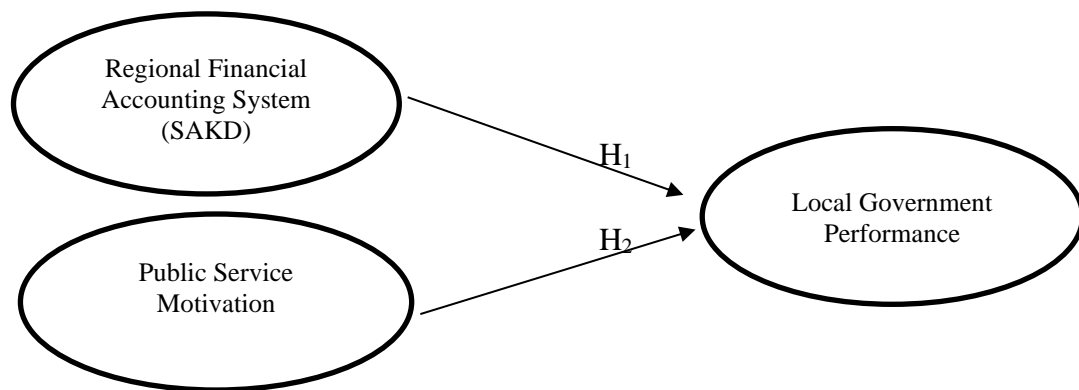


Figure 1. Conceptual Framework

METHOD

This research is an empirical research using hypothesis testing. The formulated hypothesis is tested through field data collection using research instruments in the form of questionnaires. The data collected from the distribution of questionnaires are then analyzed using a quantitative approach, namely by conducting descriptive statistical tests so that conclusions can be obtained that the hypotheses that have been formulated are proven or not (Perry, 1996).

The research place was carried out within the scope of the Makassar city local government consisting of 40 Regional Apparatus Work Units of the city of Makassar which include agencies, sections, agencies, and offices. The population in this study is the Regional Apparatus Work Unit (SKPD) in the city of Makassar consisting of 40 SKPD. All of this study population was a study sample. The respondents of this study were Financial Administration Officers (PPK) in each SKPD office with a total of 1 questionnaire distributed per 1 office so that the respondents who received the questionnaire were 40 people.

The independent variable in this study is the regional financial accounting system measured by indicators, namely: cash receipt accounting procedures, cash expenditure accounting procedures, accounting procedures for fixed assets or regional property, accounting procedures other than cash, and presentation of financial statements (Permendagri Number 13 of 2006 article 233). The next independent variable is public service motivation measured by indicators, namely: interest in public policy making, responsibility for public interest and obligations as citizens, feelings of sympathy or pity, and self-sacrifice (A. Khasanah, 2015). The dependent variable in this study is government performance as measured by indicators, namely: input indicators, process indicators, output indicators, yield indicators, and benefit indicators (Annisa, 2017).

Data testing is carried out with data quality tests to determine the level of accuracy of data collected from questionnaires. This test is carried out with validity tests and reliability tests. Then test the classical assumptions to find out whether or not the regression model in this study is good. The tests used are normality tests, multicollinearity tests and heteroscedasticity tests. The hypothesis testing used in this study is multiple linear regression. To determine the effect of the independent variable on the dependent variable, a multiple regression model with the following equation is used:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Testing the coefficient of determination (R^2) is essentially to measure how far the model is able to explain the variation of the dependent variable. The coefficient of determination ranges from zero to one ($0 \leq R^2 \leq 1$). This means that if $R^2 = 0$ shows no influence between the independent variable on the dependent variable, if R^2 is greater on the dependent variable and if R^2 is smaller to zero then it can be said that the smaller the influence of the independent variable on the dependent variable.

RESULTS AND DISCUSSION

The number of respondents who returned questionnaires was 38 questionnaires (95%), while questionnaires that did not return were 2 questionnaires (5%). There are 36 questionnaires that can be processed and 2 questionnaires that cannot be processed because the questionnaires are considered defective or not filled in completely by respondents (Wiratna, 2015).

The validity test of this study showed that the nine question items in the regional financial accounting system variables were valid because each question item had an r-count value $>$ r-table at a significance of 0.05. The twelve question items in the public service motivation variable are valid because each question item has an r-count value $>$ r-table at a significance of 0.05. Seven question items in the local government performance variable are valid because each question item has an r-count value $>$ r-table at a significance of 0.05.

The results of reliability tests that the variables used in this study have been reliable. This is also proven because the entire variable has a Cronbach's Alpha value greater than 0.60 so it is worthy of being used as an instrument in this study. Statistical tests show that the data is well distributed and meets the normality assumption because the significance value is 0.077 where $0.077 > 0.05$.

The results of the multicollinearity test showed that the VIF value was less than 10 for both independent variables of this study. Thus it can be concluded that in the regression model, there is no problem of multicollinearity, so this regression model is feasible to use (Rohman, 2017).

The results of the heteroscedasticity test can be seen that the data (dots) spread evenly above and below the zero line, do not gather in one place, and do not form a certain pattern (Ratmono, 2017). These results show that the regression test in this study did not occur heteroscedasticity problems (Robbins, 2006).

Multiple linear regression analysis is used to predict the effect of more than one independent variable on a single dependent variable, either partially (t-test) or simultaneously (F-test). Based on the results of the analysis, the equation of multiple linear regression of this study obtained the following results.

$$Y = 24.720 + (0.189) X_1 + (0.220) X_2 + e$$

Based on statistical results and hypothesis testing, it shows that the relationship between regional financial accounting system variables on local government performance has a positive and significant effect because it gets the t-value of the t-count > t-table, which is $2.350 > 2.034$ and the significance value at $0.025 < 0.05$. Based on the results of the regression, it can be stated that H1 in this study is accepted. Contingency theory according to Otley (1980) in Atmaja (2016) states that there is no system that can be applied universally in every organization, but the accounting system will vary depending on the situation and circumstances of the organization concerned. Local government is a non-profit organization where financial records are different from profit-oriented organizations so the accounting system applied to profit-oriented organizations cannot be applied to government organizations. The success of the implementation of the accounting system or regional financial management system depends on the condition of the local government concerned, Atmaja (2016). The regional financial accounting system is basically made specifically for local governments with the aim of helping facilitate financial management so that with that convenience local governments can improve their performance. This research proves that by referring to contingency theory, the regional financial accounting system will improve the performance of local governments.

This finding further strengthens that the increased performance of local governments is influenced by the regional financial accounting system, especially the performance of SKPD Makassar city. The regional financial accounting system based on Permendagri Number 13 of 2006 is a series of procedures ranging from the process of collecting data, recording, and summarizing, to financial reporting in the context of accountability for the implementation of the APBD which can be done manually or using computer applications. Financial Administration Officials (PPK) admit that they find it easy to manage their finances with the help of the regional financial accounting system. In addition, with this convenience, the regional financial accounting system can also help in realizing transparency and accountability.

Based on statistical results and hypothesis testing, it shows that the relationship between public service motivation variables on local government performance has a positive and significant effect because it gets the t-value of the table t-count >, which is $3.144 > 2.035$ and the significance value at $0.004 < 0.05$. Based on the results of the regression, it can be stated that H2 in this study is accepted. Motivation Theory by McClelland (1987) reveals that motivated people with high achievement needs will perform well and have a strong drive to meet their goals so that their performance will improve. According to Perry and Wise (1990) employees with public service motivation in themselves will be closely related to work tendencies, work performance, and work choices of a public employee. The concept of public service motivation greatly determines the success of a worker or public sector employee in carrying out their duties and achieving their goals. This research proves that by referring to McClelland's motivation theory, public service motivation will improve local government performance.

This finding further strengthens that the increasing performance of local governments is influenced by the motivation of public services. Public services are an important indicator for local government performance because basically government organizations work for the public. The concept of public service motivation is very important to have in every public sector employee because even though there are various facilities that help in working, it will not be useful if from within the employees themselves there is no willingness to carry out the

task of public service. When government people are highly motivated to serve the public they will dedicate themselves, they will make an effort, and they will surely complete and fulfill the task so that they can achieve their goals. With the achievement of the expected goals, it can prove that the government's performance is very good.

In addition, based on the results of the F test, results were obtained that showed an F-count of 8.063. This means that the F-count > F-table is $8.063 > 3.28$, with a significance level of 0.001 of which $0.001 < 0.05$. So it can be concluded that there is a simultaneous influence between independent variables, namely the regional financial accounting system (X1) and public service motivation (X2) on the dependent variable, namely local government performance (Y).

The results of the coefficient of determination test are known to be the magnitude of R² is 0.288, this means that the local government performance variable (Y) is influenced by regional financial accounting system variables (X1) and public service motivation variables (X2) by 28.8% while the remaining 71.2% is influenced by other variables that are not included in this study.

CONCLUSION

This study aims to analyze the influence of the regional financial accounting system and the motivation of public services on the performance of local governments. The population of this study is 40 SKPD offices within the scope of the city of Makassar. The entire population is a study sample. This study used Statistical Product and Service Solution (SPSS) software version 23 in analyzing the relationship between variables. Based on the results of data analysis that has been carried out, it can be concluded that the regional financial accounting system has a positive and significant effect on the performance of local governments, the motivation of public services also has a positive and significant effect on the performance of local governments, and together the regional financial accounting system and the motivation of public services have an influence on the performance of the regional government.

Suggestions that can be given in connection with the results of the research conducted are as follows; Financial Administration Officials (PPK) must always be ready for policy changes related to the regional financial accounting system considering that regulations on procedures and procedures can change with the times. In addition, it is necessary to consider the use of resources, especially human resources related to their function as public servants to ensure that employee performance will run well and optimally. For the next research because the performance of local government is something that is a measure of whether the government is running well or not, it is expected to conduct research and analysis related to other factors that support increased performance.

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