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THE EFFECTIVENESS OF PTNBH FINANCIAL MANAGEMENT AT HASANUDDIN UNIVERSITY: WHAT ARE THE INTERNAL FACTORS THAT INFLUENCE IT?

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Abstract

This study aims to determine the internal factors that affect the effectiveness of financial management of PTNBH Hasanuddin University. The internal factors studied in this study are human capital competence, information technology, and their influence on the effectiveness of financial management. This research uses quantitative research with a sample of 55 respondents. The analysis method used is multiple linear regression analysis using the SPSS application. The results showed that the human capital competency variable partially had a positive and significant effect on the effectiveness of financial management, the information technology variable partially had a positive and significant effect on the effectiveness of financial management, and human capital competencies, and information technology simultaneously had a positive and significant effect on the effectiveness of financial management.

Keywords: Effectiveness of Financial Management, Human Capital Competencies, and Information Technology.

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INTRODUCTION

The Financial Management of Public Universities in Indonesia is based on Law Number 12 of 2012, stated in Article 65, which explains that the Financial Management of Public Universities (PTN) is differentiated into three forms: 1) PTN with Satker (Ministry Work Unit) status, 2) PTN with Public Service Agency (BLU) status, and 3) PTN with State Legal Entity status.

Public Universities with State Legal Entity status, abbreviated as PTNBH, are universities that are granted full autonomous authority by the central government in managing their finances. Universitas Hasanuddin, as one of the PTNBH, has the right to regulate the management of the university both academically and non-academically, including financial management. Academically, this includes operational policies and the implementation of the Tridharma of Higher Education (teaching, research, and community service), while non-academically, it covers the establishment of norms, finances, student affairs, human resources, operational policies, and infrastructure.

Financial management, including managing funds from the State Budget (APBN) and Non-State Budget (Non APBN) funds, should provide transparent, accurate, and accountable information to be useful for users, especially as a means to enhance the accountability and transparency of effective state financial management. Additionally, these financial reports can provide information to the management for decision-making efforts to achieve good governance.

At Universitas Hasanuddin, financial resources come from two main sources: funding from the central government/ministry in the form of the State Budget (APBN) and revenue from the public in the form of Non-State Budget Revenue (Non APBN/PNBP).

When Unhas was a Public Service Agency (BLU), the use of funds from Non-State Budget sources for Public Universities had to be fully deposited into the state treasury, and if needed, the funds would go through a lengthy financial bureaucracy and strict financial management, sometimes hindering the smooth implementation of the Tridharma activities of the university. However, since becoming a State Legal Entity, Universitas Hasanuddin has been granted flexibility and authority to manage finances, especially Non-State Budget funds, based on the principles of transparency, accuracy, and accountability, as indicated in Government Regulation Number 71 of 2010 concerning Government Accounting Standards and financial management principles.

The author's observation on the effectiveness of financial management faced by Universitas Hasanuddin is influenced by several factors, including the low competence of human resources, lack of integrated information technology utilization, supporting facilities and infrastructure, management commitment, and various other factors. The issue of human resources (employees) in terms of both quality and quantity is undoubtedly one of the indicators that affect financial management.

Furthermore, the organizational structure, information technology, the budget required by the organization, and other influencing indicators are closely related to the overall performance of the university. The availability of funds has been the reason for inadequate information technology. Shaheen et al. (2019) explained that human resource competence is structured into three major categories: knowledge, skills, and attitude.

LITERATURE REVIEW

Resource-Based View (RBV)

The Resource-Based View is a theory that describes an organization's internal capabilities to gain a competitive advantage over its competitors. This theory was first proposed by Wernelfelt in 1984, stating that an organization will have a competitive advantage if it possesses resources that its competitors do not have.

Sustainable competitive advantage is supported by key resources, which are classified into several important categories: (1) physical resources, (2) human resources, and (3) organizational capital resources (Barney, 1991). According to Basir B. et al. (2020), the internal resources possessed by a company are essential resources that consist of capabilities, competencies, and human capital knowledge that can be controlled by the company to achieve its goals.

Institutional Theory

In the 1880s, institutional theory began to take shape, mainly in the field of social sciences, and later it was widely used in economics, political science, and sociology. In the 1970s, the theory started to be applied to organizations, encompassing their environment, operations, culture, and social aspects (Scott, 2014). Meanwhile, DiMaggio & Powell (1983) proposed institutional theory, stating that institutions within a particular environment tend to be structured and share characteristics similar to established companies.

Institutional theory is widely used to understand individual and organizational behavior (Dacin, Goodstein, & Scott, 2002). Initially, the theory explained how institutionalized meanings influence processes within organizations (Greenwood & Suddaby, 2006). It focuses on how institutions are formed, operate, and change over time. According to the institutional theory, institutions are shaped by intentional and unintentional choices and tend to reflect the norms, values, and ideologies of organizations.

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Information Technology

Technological advancements have touched every aspect of life. The progress in information technology has compelled both private and government institutions to undergo digital transformation to enhance overall service delivery. With technology, all activities within an institution become easier, faster, and more accurate, including financial management. Sharma, H., & Andrade, A.D. (2023) revealed six comprehensive themes related to technology: contextual conditions, technology skills and financial literacy, consistent trust, shaping financial behavior, energizing economic activities, and supporting finance.

Human Capital Competence

Human capital is a crucial resource for ensuring high-quality, transparent, and accountable financial outcomes. The success of an institution's activities depends on the competence of its human capital. Competence plays a vital role in planning, implementing, and controlling an organization's entities. Otoo & Mishra (2018) stated that proper and well-articulated Human Resource Development (HRD) practices stimulate positive behavior in individuals and influence their knowledge, skills, and attitudes.

Effectiveness of Financial Management

The effectiveness of financial management in an institution can create a positive image for the institution, both among financial management stakeholders and external parties with an interest in financial management, when making future decisions. According to Villegas, B.S. (2014), the factors contributing to the effectiveness of financial management are significantly reinforced by the principles of Integrated Planning, Budgeting, and Control System and, to some extent, in relation to the length of service and training and preparation of financial management.

Based on the studies conducted and the aforementioned points, the conceptual framework used in this research is presented in the model diagram below:

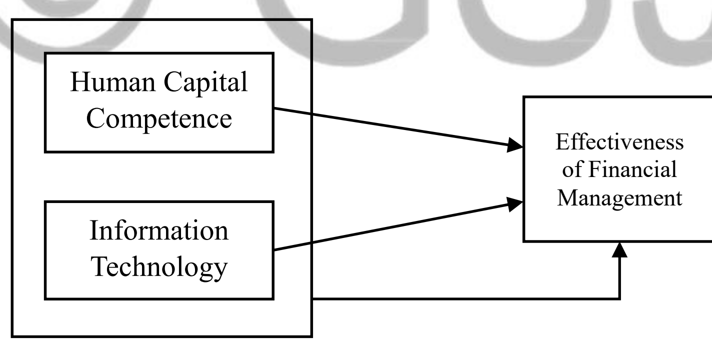

Figure 1. Conceptual Research Framework
Source: Developed for this research, 2023

RESEARCH METHOD

This study employs a quantitative research method with correlational and causal research design, which is a form of research used to explain the relationship between the variables under investigation. The population and sample for this study are the Treasurers and Financial Staff of Universitas Hasanuddin. According to Sekaran & Bougie (2013), a sample is a part or a certain number of elements taken from a population and studied in detail based on specific criteria.

The selection of sample respondents in this research follows a non-probability sampling technique, specifically purposive sampling, where the sample is chosen by the researcher based on specific considerations aligned with the research objectives. The total sample size for this study is 55 respondents. The analysis method employed is multiple linear regression using the SPSS application, with the formula:

$$Y = b0 + b1X1 + b2X2 + e$$

Where:
Y = Effectiveness of Financial Management
X1 = Human Capital Competence
X2 = Information Technology
b1-b2 = Regression Coefficients (Parameters)
b0 = Constant (Intercept)
e = Error Factor

RESEARCH RESULTS

Based on the data obtained, the characteristics of 55 respondents can be explained. The characteristics of the respondents are described based on their demographic data. The demographics in this research include gender, where there are 20 male respondents and 35 female respondents. The educational background includes 15 respondents with a high school diploma, 34 with a bachelor's degree, and 6 with a master's degree. Regarding work experience, 15 respondents have 1-10 years of experience, 20 respondents have 11-20 years of experience, and 20 respondents have 21-30 years of experience.

The quality of the research data was tested using the validity and reliability test of the research questionnaire. The questionnaire is considered valid if the questions on the questionnaire can explain what is being measured. There were 14 questions in the research answered by the respondents. The confidence level used was 5% (α 0.05). The significance test was conducted by comparing the calculated value (r) with the table value (t), and all questions were declared valid. Meanwhile, a construct or variable is considered reliable if it has a Cronbach Alpha value > 0.60, and the reliability test of the measured variables was declared reliable.

The normality test was used to determine whether the regression model's distribution is normal or not. Based on the presented table, it is known that the Kolmogorov-Smirnov test statistic value is 0.196, which is greater than 0.05. This indicates that the data is normally distributed, making the model suitable for use in this research.

Table 1. Kolmogorov-Smirnov Normal Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		55
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.37393378
Most Extreme Differences	Absolute	.105
	Positive	.062
	Negative	-.105
Test Statistic		.105
Asymp. Sig. (2-tailed)		.196[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
Source: Processed data, 2023

Multicollinearity test is to test the regression model found a correlation between independent (independent) variables. The way to find out whether or not multicollinearity exists can be seen from the tolerance value and vice versa by looking at the Variance Inflation Factor (VIF).

Table 2. Multicollinearity Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Say.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.557	.590		.944	.350		
Human Capital Competency	.535	.161	.408	3.321	.002	.764	1.308
Information Technology	.298	.112	.326	2.656	.010	.764	1.308

a. Dependent Variable: Financial Management Effectiveness

Source: Processed data, 2023

The results of the multicollinearity test in this study are presented in the table. Based on the table, it can be seen that the results of the calculation of the tolerance value show that the two independent variables used in the study have a tolerance value of > 0.1, while the calculation results of the VIF value show that the two independent variables in this study have a VIF value of <10, so it can be concluded that there was no multicollinearity between independent variables in the regression.

The heteroscedasticity test was carried out using the Glejser test by regressing between the independent variables by looking at the absolute residual value. If the significance value is between the independent variables and the absolute residual≥ 0.05, there is no heteroscedasticity problem.

Table 3. Glejser Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Say.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.131	.362		.362	.719		
Human Capital Competency	.123	.099	.188	1.245	.219	.764	1.308
Information Technology	.162	.069	.355	2.357	.211	.764	1.308

a. Dependent Variable: abs_res

Source: Processed data, 2023

Based on the results of the Glejser test in the table presented, the significance value of the Human Capital Competency variable is 0.219 > 0.05. The Information Technology variable has a significant value of 0.211 > 0.05. From these results it can be concluded that all independent variables show no statistically significant variables affecting the dependent variable, so that it can be stated that there is no heteroscedasticity in the regression model.

Multiple regression analysis was used to determine the influence of the Human Capital Competency and Information Technology variables on the effectiveness of financial management. The results of calculations performed with SPSS produce a regression analysis as presented in the following table:

Table 4. Multiple Regression Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Say.
1	(Constant)	.557	.590		.944	.350
	Human Capital Competency	.535	.161	.408	3.321	.002
	Information Technology	.298	.112	.326	2.656	.010

a. Dependent Variable: Financial Management Effectiveness
Source: Processed data, 2023

Based on the table of multiple regression results presented, multiple regression calculations can be performed as follows:

$$Y = 0.557 + 0.535X\mathit{1} + 0.298X_2 + \text{and}$$

The coefficient of determination (R2) is used to measure the model's ability to explain variations in the independent variables. The results of the analysis of the coefficient of determination using SPSS software can be presented as follows:

Table 5. Coefficient of Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.634[a]	.401	.378	.38106

a. Predictors: (Constant), Information Technology, Human Capital Competence
Source: Processed data, 2023

Based on the table display, it can be seen that the Adjusted R Square value is 0.378, which means that the independent variables consisting of human capital competencies and information technology can explain the dependent variable of the effectiveness of financial management, with a value of 37.8% while the remaining 62.2% is influenced by other variables not examined in this study.

Then a simultaneous parameter test (F test) was carried out. This test is done by comparing the value of F_{count} with F_{table}. The results of the T test from SPSS are presented in the following table:

Table 6. F Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	5.062	2	2.531	17.430	.000[b]
	Residual	7.551	52	.145		
	Total	12.612	54			

a. Dependent Variable: Financial Management Effectiveness
b. Predictors: (Constant), Information Technology, Human Capital Competence
Source: Processed data, 2023

Up to the F value_{count} greater than the F value_{table} of 17,430 > 3.175 and a significant value of 0.000 <0.05, so it can be concluded that human capital competencies and information technology simultaneously have a positive and significant effect on the effectiveness of financial management.

Partial parameter test (t test) is used to determine how much influence each variable of human capital competence has on the effectiveness of financial management, and information technology variables on the effectiveness of financial management. The output results of calculations with SPSS are presented in the following table:

Table 7. Test Results t

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	.557	.590		.944	.350
	Human Capital Competency	.535	.161	.408	3.321	.002
	Information Technology	.298	.112	.326	2.656	.010

a. Dependent Variable: Financial Management Effectiveness

Source: Processed data, 2023

From the table presented it is known that the value of t_{count} for the human capital competency variable on the effectiveness of financial management of 3.321 with a value of t_{table} of 2.00665 so that the value of t_{count} greater than t $value_{table}$ of 3.321 > 2.00665 and a significant value of 0.002 <0.05, so it can be concluded that the human capital competency variable partially has a positive and significant effect on the effectiveness of financial management.

Next is the value of t_{count} for the information technology variable on the effectiveness of financial management of 2.656 with a value of t_{table} of 2.00665 so that the value of t_{count} greater than t $value_{table}$ of 2.656 > 2.00665 and a significant value of 0.010 <0.05, so it can be concluded that information technology variables partially have a positive and significant effect on the effectiveness of financial management.

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DISCUSSION

The Influence of Human Capital Competence on Financial Management

Referring to the research results, it is found that the t-value for the variable of human capital competence on the effectiveness of financial management is 3.321, with a t-table value of 2.00665. Therefore, the calculated t-value is greater than the t-table value (3.321 > 2.00665), and the significance value is 0.002, which is less than 0.05. Thus, it can be concluded that the human capital competence variable has a positive and significant partial effect on the effectiveness of financial management.

Human capital is a valuable asset that cannot be replaced by other mechanical equipment to carry out activities and achieve the goals of an organization. Effective financial management requires human capital competence to ensure that the management runs efficiently.

This study is in line with the findings of Haynes-Bordas, R., Kiss, D. E., & Yilmazer, T. (2015), who found that financial management skills emphasized in their program, especially communication with financial institutions, had a significant positive influence on the actual behavior of participants in obtaining loans. Another study by Mardani, N. N. R. P, & Yudantara, I. G. A. P. (2023) found that human resource competence had a positive and significant impact on financial information quality. Otto & Mishra (2018) also found that some HRD practices impact organizational performance through their influence on employee competence.

However, different findings were obtained from the research by Hatch & Zweig (2000), who considered that no pattern of orientation and cognitive behavior guarantees business success. Several years of work experience did not have a significant impact on growth, while Chi & Gursoy (2009) showed that employee satisfaction did not have a direct significant impact on financial performance.

The Influence of Information Technology on Financial Management

Next, based on the research results, the t-value for the variable of information technology on the effectiveness of financial management is 2.656, with a t-table value of 2.00665. Therefore, the calculated t-value is greater than the t-table value (2.656 > 2.00665), and the significance value is 0.010, which is less than 0.05. Thus, it can be concluded that the information technology variable has a positive and significant partial effect on the effectiveness of financial management.

The development of information technology is not only utilized by profit organizations but also used by public organizations, including universities. Information technology aims to provide information for various managerial activities and is needed at various levels of operation in an organization.

Different results were obtained by Behera, B., et al. (2023), who found that information technology does not act synergistically with institutional quality. This suggests that developing countries need to increase R&D spending on information technology services and enhance digitalization in the financial sector. Another study by Raifu, I.A., et al. (2023) showed that information technology had a negative impact on financial access and stability.

The Influence of Human Capital Competence and Information Technology on Financial Management

Based on the research results, the F-value is 17.430, with an F-table value of 3.175. Therefore, the calculated F-value is greater than the F-table value (17.430 > 3.175), and the significance value is 0.000, which is less than 0.05. Thus, it can be concluded that human capital competence and information technology variables simultaneously have a positive and significant effect on the effectiveness of financial management.

The effectiveness of financial management involves timely completion of activities within the budgetary limits or achieving goals and objectives set by an organization. Research conducted by Simatupang (2017) stated that Internal Control Systems and human resource competence together have a significant effect on the effectiveness of regional financial management. Similar findings were found by Rizka S. A., Zamzami, & Gowon M. (2021), indicating that human resource competence and the success of implementing financial management information systems significantly influence the quality of financial reports. However, a study with different results was conducted by Zhang, Y., et al. (2023), where the research revealed that older adults experienced motivation and avoidance behaviors when facing technology-mediated services.

CONCLUSIONS AND SUGGESTIONS

From the results of data processing and discussion, it can be concluded that the coefficient of determination test can be known that the value of Adjusted R Square is 0.378, which means that the independent variable consisting of human capital competence, and information technology can explain the dependent variable on the effectiveness of financial management, with a value of 37.8% while the remaining 62.2% is influenced by other variables not examined in this study. A significant value of 0.002 <0.05, so it can be concluded that the human capital competency variable partially has a positive and significant effect on the effectiveness of financial management. A significant value of 0.010 <0.05, so it can be concluded that the information technology variable partially has a positive and significant effect on the effectiveness of financial management. a significant value of 0.000 <0.05, so it can be concluded that human capital competencies, and information technology simultaneously have a positive and significant effect on the effectiveness of financial management.

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