

The Influence Human Resources, Information Technology, and Work Experience on the Quality of Financial Report with Internal Control as an Intervening Variable at Hospital Blud/Blu Lumajang

Labitsta Untsa Afnany, Muhammad Miqdad, Agung Budi Sulistiyo

Abstract—This study aims to examine and analyze the influence of human resources, information technology, and work experience on the quality of financial reports with internal control as an intervening variable. The population in this study were all non-medical employees using purposive sampling technique in the determination of sampling consisting of civil servants and non-PNS employees in the financial section Data source is primary data and secondary data. Data testing method is (1) Validity test, (2) reliability test. Data analysis method is Partial Least Square (PLS). The results show that there are seven hypotheses obtained, including: (1) Human Resources affects the Quality of Financial Report, (2) Information Technology affects the Quality of Financial Report, (3) Work Experience affects the Quality of Financial Report, (4) Internal Control affects the Quality of Financial Report, (5) Human Resources effect to Internal Control, (6) Information Technology affects Internal Control, (7) Work Experience effect on Internal Control.

Index Terms—Human Resources, Informasi Technology, Work Experience, Financial Report, Internal Control.

I. INTRODUCTION

Health as one of the element of general well-being must be realized through health endeavors in a comprehensive, integrated and sustainable set of health development supported by a national health system. This is in line with the mandate of Article 28 H paragraph (1) of the 1945 Constitution of the Republic of Indonesia which affirms that everyone is entitled to health services. Hospitals as one of the health service facilities are part of the health resources that are needed in supporting the implementation of health efforts (Renja (First Revision) Regional public hospital (RPH) Dr. Haryoto Lumajang District 2018).

The existing health support hospitals in Lumajang District have 5 hospitals, but only two hospitals have implemented BLU. First, Regional Public Hospital dr. Haryoto and the second Hospital Bhayangkara. RPH dr. Haryoto is one of the tools in the Government of Lumajang Regency which is the supporting element of government administration in the field of health service by applying BLUD Financial Management Pattern (PPK-BLUD). RPH

dr. Haryoto has been designated as Public Service Agency (BLUD) by decision of the Regent Lumajang No. 188.45/308 /427.12/2009 on Stipulation of Status Pattern management Finance Public Service Board (PPK-BLUD) and Bhayangkara Hospital which has become BLU since July 9, 2014 based on the Decree of the Minister of Finance No. 206/KMK.05/2014.

In accordance with the Regulation of BLUD has been set in SAP 13 based on Law Number 1 Year 2004 regarding State Treasury, in order to improve service to the community, the work unit can be set into units work that implements the Service Agency's financial management pattern General (BLU). The purpose of this Standard Statement is to organize the presentation BLU financial statements in order to improve comparability financial statements either to budget, inter-period, or between BLU/BLUD

The quality of BLU/BLUD's financial report from the hospital is determined by the internal control owned by the relevant agencies. Internal control weak institution, then there may be errors, inaccuracies or fraud are enormous and will pose a huge risk anyway (Agoes, 2017: 164). Thus, the quality of the financial statements becomes invalid or incompetent.

The function of Human Resources (HR) in preparing and managing a Human Resources plays a very important role in achieving the competitiveness of institutions. High quality human resource support has a positive correlation with the achievement of added value and the level of quality of decisions taken by the agency (Bayangkara, IBK, (2014:59). The existence of human resources becomes very important because all authority and responsibility relate to the existence of human resources. The capacity of human resources that must be available is influenced by two important things, namely quality and quantity.

In addition to already have adequate human resources, existing agency or companies bound to be problems that can not be ascertained despite already planned well. Before the assessment, first determine the right employee needs, in terms of both quantity and quality desired. An experienced or experienced employee, will facilitate the agency to carry out activities and functions in accordance with its authority. One's ability factor is not enough to be seen only in terms of education and training, but can also be viewed in terms of work experience someone salama work on a particular organization or institution.

Another factor that can determine the level of quality of financial reports BLU/BLUDs hospital in Lumajang is with

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the support of information technology. This is in line with the theory Technology Acceptance Mode 1 (TAM) that there is a causal relationship between faith (the benefits of a system of information and ease of use) and behavior, purpose/purposes, and the actual use of the user/user of an information system. Implementation of information technology will affect the quality of financial statements BLU/BLUD because, accounting system needs to utilize all types of information and computer technology to effectively and efficiently the preparation of financial statements can be achieved. In addition, the use of information technology may affect the level of user satisfaction

Based on the above description of the above researchers took the formulation of the problem as follows the influence of human resource, information technology, and work experience on the quality of financial report with internal control as an intervening variable.

II. LITERATURE REVIEW AND DEVELOPMENT OF HYPOTHESIS

2.1 Internal Control

Definition of Internal Control under COSO (Committee of Sponsoring organizations of the Treadway Commission) cited by Hayes (2014: 234) in his book Agoes (2017: 160) is a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance about the achievement of objectives in the following categories:(a) effectiveness and efficiency of operations, (b) reliability of financial reporting, (c) compliance with applicable laws and regulations and safeguards against of unauthorized acquisition, use or disposition (Messier e t al (2014: 192), AICPA Professional Standards, SA 315 (IAIP, 315: 2). According to Arens et al (2013: 320) internal control as defined by the COSO framework (Commite of Sponsoring Organizations of the Treadway Commission) consists of five components: Control Environment, Risk Assessment, Information and Communication, Control activities, and Monitoring.

2.2 Quality of Financial Statement

Qualitative characteristics of financial statements in PP 71 Year 2010 are normative measures that need to be realized in the accounting information so as to meet its objectives. The following four characteristics are the normative prerequisites required for financial statements to meet the desired qualities of relevant, reliable and comparable, and understandable (PP 71 Year 2010) with the following explanations as follows:

1. Relevant. Relevant information can make a difference in decisions made by users. Relevant information according to Government Regulation No. 71 of 2010 concerning SAP, among others, has the following characteristics:(a) having feedback value, (b) having predictive value (c) timely, (d)complete.

2. Reliable. Something Information in report finance it says reliably could trusted if presented honestly, can be verified and neutral.

3. Can be compared. The information contained in the financial statements will be more useful if it can be compared with the previous period financial statements or the financial

statements of other reporting entities in general.

4. Understandable. An information becomes useful if it can be understood by its users. Financial Statements should be presented in a simple, concise and easy-to- understand language .

2.3 Human Resources

Spencer and Spencer (1993:9) state that competence is "an underlying characteristic of an individual that is casually related to criterion-referenced effective and/or superior performance in a job or situation". (the basic characteristic of a person who influences the way of thinking and acting, generalizes to all situations faced, and endures long enough in human beings). Based on this definition, then some of the meanings contained therein are as follows:

a) Basic characteristic (underlying characteristic)

Competence is part of a deep and inherent personality that has a deep and inherent behavior and can predict the various state of job duties.

b) Causal Relationships (causally related)

Competence causes or is used to predict a person's performance, meaning that having a high competence, it will have a high performance as well.

c) Criteria (criteria referenced)

Used as a reference, that is real competence will mempredikasikan one can work well, it must be measurable and specific or standardized.

2.4 Information Technology

Information technology is a general term that describes any technology that helps humans make, transform, store, and communicate information (Hariyanto, 2012). Information technology includes computers (mainframe, mini, micro), software (software), databases, networks (internet, intranet), electronic commerce, and other types related to technology (Wilkinson *et al.* 2000 in Indriasari, 2008). Information technology other than as computer technology (hardware and software) for information processing and storage, also serves as a communication technology for information dissemination.

2.5 Work Experience

Experience is an event experienced and endured by the individual in living his life. Work is something that is done to earn a living (Depdikbud, 1995:22). Therefore, work experience is an event that has been done by individuals in living their lives especially in earning a living. An employee of the hospital must have sufficient work experience on duties and responsibilities. Se others that work experience is an event that never happened and borne by the individual in living her life, especially in making a living. Experience is one factor that can influence attitudes and behavior of individuals in addition to personality (Robbins, 2005: 30).

III. RESEARCH METHOD

Type of research includes the type of explanatory research. Explanatory research is research aimed at testing a theory or hypothesis in order to strengthen or even reject the theory or hypothesis of the results of pre-existing research. The

population in this study were all employees in BLU/BLUD (RPH Dr. Haryoto 734 people and Bhayangkara Hospital 190 people) in District Lumajang. Population is total 924 person. Sampling is 44 people, with the criteria: (1) employees PNS and non PNS (Non Medical), (2) Finance. The main data collection that will be used in this research is questionnaires. Data source is primary data and secondary data. Data testing method is (1) Validity test, (2) reliability test. Data analysis method is Partial Least Square (PLS).

IV. RESULTS AND DISCUSSION (DEVELOPMENT OF HYPHOTHESES)

A. *The effect of Human Resources to Quality of Financial Report*

Zahrah, et al (2016) Stated in his research that the competence of human resources partially significant effect on the quality of financial statements, So if the human resources are met and implemented properly it will improve the quality of financial statements. This is in line with research by Riandani (2017), Kiranayanti and Erawati (2016), Suharto and Widarno (2017), Shintia and Erawati (2017), Rismawati, Sujana, and Adiputra (2017) , Evicahyani (2015) . In contrast to research Kartika and Budiono (2015) that Human Resources have no effect on the quality of financial statements which means not necessarily human resources can improve the quality of financial statements.

H₁: Human Resources affects the Quality of Financial Report

B. *The Effect of Information Technology to Quality of Financial Report*

Research on the influence of IT on the quality of financial statements that have been investigated by Yosefrinaldi (2013), Yudianta, Agus, and Erawati (2012) stated that the influence of IT on the quality of financial statements has a significant positive effect which means the greater utilization of information technology, the quality of financial statements will be the better. However, this is counter to the research of wahyudi (2017) and Riandani (2017) that the effect of IT on the quality of financial statements shows no significant effect, which means that the IT used does not affect or not improve the quality of financial statements.

H₂: Information Technology affects the Quality of Financial Report

C. *The Effect of Work Experience To Quality of Financial Report*

Putra, Pratama Galih (2013) examined that work experience is different with the initial hypothesis of this variable has a negative effect on the quality of financial statements because it is a public secret that the financial administration is one of the work that bias is said quite complicated to be studied. Having a long working experience, the staff is likely to be saturated and uncomfortable or satisfied with their working conditions which means that employee work experience does not improve the quality of the financial statements.

H₃: Work Experience affects the Quality of Financial Report

D. *The effect of Internal Control Of Quality Financial Report*

Shintiah and Erawati (2017) explained in his research that internal control positively affects the Quality of Financial Statements. Thus, good internal control will improve the quality of financial statements. This is in line with Syarifudin's research (2014), Yudianta, et al (2012), Rismawati, Sujana, and Adiputra (2017), Natalia (2016), Ikasari, et al (2017), Mardiana and Fahlevi (2017). On the contrary, Budiawan and Purnomo (2014) and Herawati, Tuti (2014) studies stated that the Internal Control System does not have a positive effect on the quality of financial statements, good internal control system will not improve the quality of financial report.

H₄: Internal Control affects the Quality of Financial Report

E. *The effect of Human Resources to Internal Control*

Research Syarifudin (2014) , Evicahyani (2015) states that the relations competency human resources of the effectiveness of the implementation of the internal control system of government significant positive effect which means that the higher variation of competence human resources then, internal controls government more effective.

H₅: Human Resources effect to Internal Control .Internal Control

F. *The Effect of Information Technology to Internal Control*

Theory Technology Acceptance Model (TAM) in line with research Wahyudi (2017) , Yosefrinaldi (2013) that T echnology information positively affects the effectiveness of the internal control system is received. This shows that there is a relationship between information technology and effectiveness of internal control system. This means that the increasing information technology, the internal control system will be more effective. The relationship between the internal control system with information technology systems are able to fulfill its function to produce accounting information that is timely, relevant and trustworthy as well as the risk of error can be minimized so as to assist the preparation of the financial statements quality .

H₆: Information Technology affects Internal Control

G. *Effect of Work Experience on Internal Control*

Work experience is an event that has experienced and borne by individuals in living their lives, especially in making a living Experience is one factor that can affect the attitude and behavior of individuals in addition to personality (Robbins, 2005: 30). Experience is an event experienced and endured by the individual in living his life. Work is something that is done to earn a living (Depdikbud, 1995: 22). Therefore, work experience is an event that has been done by individuals in living their lives especially in earning a living. An employee of a puskesmas must have sufficient work experience on duties and responsibilities.

H₇: Work Experience effect on Internal Control

V. CONCLUSION

Based on the results of research and discussion, the conclusions in this study are as follows. The results show that there are seven hypotheses obtained, including:

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- (1) Human Resources affects the Quality of Financial Report,
- (2) Information Technology affects the Quality of Financial Report,
- (3) Work Experience affects the Quality of Financial Report,
- (4) Internal Control affects the Quality of Financial Report,
- (5) Human Resources effect to Internal Control .Internal Control,
- (6) Information Technology affects Internal Control,
- (7) Work Experience effect on Internal Control.

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