



Research Paper

Effect of Employee Performance, Capital Investment, and Revenue Increase towards Perumda Drinking Water (PDAM) of North Toraja Regency's Performance Achievement

Aswar, Arifuddin, Andi Aswan

- 1) Faculty of Economics and Business, University of Hasanuddin
- 2) Department of Accounting, Faculty of Economics and Business, University of Hasanuddin
- 3) Department of Management, Faculty of Economics and Business, University of Hasanuddin

Abstract: This study aims to determine the effects of the performance of employees, capital investment and revenue increase to performance achievement in Perumda Drinking Water of North Toraja Regency. This study uses a quantitative approach. The Data used is primary data. Sample of 81 respondents. The respondents are the employees of Perumda Drinking Water of North Toraja Regency

Data collection was conducted through a survey using a questionnaire distributed to the respondents. The Data were analyzed by using multiple regression analysis (multiple regression) with a tool statistical package for the social sciences (SPSS) version 24.

The results showed that (1) the performance of the employees affects the performance Perumda Drinking Water of North Toraja Regency, (2) capital investment affects the performance of Perumda Drinking Water of North Toraja Regency, (3) revenue increase affects the performance Perumda Drinking Water of North Toraja Regency.

Keywords: employee performance, capital investment, increasing revenue, performance

Received 28 Mar, 2022; Revised 06 Apr, 2022; Accepted 08 Apr, 2022 © The author(s) 2022.
Published with open access at www.questjournals.org

I. INTRODUCTION

The performance of regional companies/regional-owned enterprises (BUMD), especially North Toraja PDAM, has been included in the healthy category since 2020. This can be seen in the 2018 to 2020 health performance report of PDAM Indonesia released by the Drinking Water Supply System Development Support Agency (BPPSPAM), to maintain performance improvement which is symbolized by the predicate of "healthy" performance since the period of 2020 as reflected in the PDAM performance report in Indonesia for the period 2018 to 2020 released by BPPSPAM. The performance achievement of PDAM Toraja Utara is influenced by many factors as listed in the list of aspects of the PDAM's health performance assessment. To maintain the health performance of PDAM Toraja Utara, all aspects of performance must be synchronized and supported by stakeholders.

Active efforts are being made in the context of regional development so that they can be independent, namely the establishment of Regional Owned Enterprises (BUMD) as one of the most basic bases in the region. According to Law Number 23 of 2014 concerning Regional Government, it is stated that BUMD is a business entity whose entire or most of the capital is owned by the Region. The concept of BUMD/Regional Enterprises management is made possible by the BUMD management model with a "self-managed" system. This management concept uses a responsible supervision or guidance system and incentives in order to obtain maximum benefits and profits for the management of BUMD/regional companies, it is very necessary to have a good entrepreneurial spirit among regional governments (regional executives) as major shareholders of BUMD/regional companies. (Sudarno, et al. 2011). Efforts to improve the performance of Regional Owned Enterprises (BUMD), local governments through the Regional Revenue and Expenditure Budget (APBD) can budget and realize financing in the form of capital participation to Regional Owned Enterprises (BUMD). The implementation of local government capital participation into Regional Owned Enterprises (BUMD) is one form of local government activity/business to increase regional income for the welfare of the community. Regional

investment is very important to assist local governments in financing their operational activities. In line with the spirit of decentralization and encouragement for local governments to be more creative in finding their own sources of income, regional investments such as the purchase of securities and Capital Investment can be an alternative to increase their financial coffers (Halim, 2012:105).

Regional Original Revenue is the backbone of regional financing. Regional financing includes all financial transactions to cover a deficit or to take advantage of a surplus. Regional Financing consists of Financing Receipts, Financing Expenditures and the remaining excess of the relevant year's budget. Included in the Financing Receipt transaction which is intended to overcome the budget deficit are: Excess from the calculation of the budget for the previous fiscal year, Disbursement of reserve funds, proceeds from the sale of separated regional assets, Receipt of regional loans, re-acceptance of loans, receipt of regional receivables. Meanwhile, the expenditures included in Regional Financing Expenditures intended to channel the budget surplus are: Formation of reserve funds, local government capital participation (investment), payment of debt principal, regional lending (Afiah, 2010:16). Therefore, the ability of a region to explore Regional Revenue (PAD) will affect the development and development of the region. Basically, sources originating from PAD are more important than sources originating from outside PAD. The following is the receipt of PAD in North Toraja. The income from the separated assets comes from the receipt of the share of profits on Capital Investment in regional-owned companies/BUMD. Separate regional wealth management has an effect on increasing Regional Original Income. Where is the capital investment (investment) made by the private sector or the government or cooperation between the government and the private sector. Local revenue is a source of funds obtained by local governments that can be used to finance regional development. Local governments are expected to be able to receive local revenue excluding taxes to realize regional development and community welfare.

II. THEORETICAL AND LITERATURE REVIEW

2.1. Goal Setting Theory

Goal setting theory is one part of the motivation theory proposed by Edwin Locke in 1978. Goal setting theory is based on evidence that assumes that goals (ideas for the future; desired states) play an important role in action. Goal setting theory is a model of individuals who want to have goals, choose goals and become motivated to achieve goals (Birnberg in Mahennoko, 2011).

2.2. Stakeholder Theory

Stakeholder theory states that the company is not an entity that only operates for its own sake, but must provide benefits to its stakeholders (shareholders, creditors, consumers, suppliers, government, society, analysts and other parties). Thus, the existence of a company is strongly influenced by the support provided by stakeholders to the company (Ghozali and Chariri, 2007).

2.3. Stewardship Theory

Stewardship theory explains that management situations are not motivated by individual goals but rather are aimed at their main outcome goals for the benefit of the organization (Donaldson, 1989 and Davis, 1991). This theory describes the existence of a strong relationship between satisfaction and organizational success. Meanwhile, according to Ety Murwaningsari (2009) Stewardship theory is based on philosophical assumptions about human nature that humans can be trusted, are responsible, and humans are individuals with integrity.

2.4. Employee Performance

According to Anwar Prabu Mangkunegara (2013) performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to them.

According to Kasmir (2016), performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities given in a certain period. Meanwhile, according to Edison (2016) performance is the result of a process that refers and is measured over a certain period of time based on pre-determined provisions or agreements.

2.5. Capital Investment

Capital is the total assets of the company invested in business activities, both fixed assets, current assets and intangible assets. And all elements of capital are included in the balance sheet estimates.

Capital Investment in a business in practice is mostly carried out in the form of share ownership. With the issuance of shares to shareholders, it means that a contract has occurred: cooperation in investment and capital management. Likewise, the capital investment from the local government of North Toraja Regency has plotted a number of funds in the Water Supply Corporation of North Toraja Regency.

2.6. Revenue Increase

According to Alwi (2005:9) "Increase in income is a decrease in costs associated with greater use of short-term financing and reduced long-term financing". In addition, according to Riyanto (2003:29) explains that the increase in income is "the company's ability to maximize capital to generate maximum profit during a certain period". Based on some of the above understanding, it can be concluded that the increase in income is the ability of a business with all the working capital in it to generate profits during a certain period.

2.7. Performance Achievement

Measurement of Performance Achievement is a systematic and continuous evaluation process of the implementation of activities in accordance with the programs, policies, goals and objectives that have been set in realizing the vision, mission and strategy of government agencies. This process is intended to assess the achievement of each performance indicator in order to provide an overview of the achievement of goals and objectives. Furthermore, an analysis of performance accountability is also carried out which describes the relationship between the achievement of activity performance with programs and policies in order to realize the goals, objectives, vision and mission as stipulated in the Strategic Plan. Performance measurement within government agencies is carried out in accordance with their respective roles, duties and functions, thus relying more on measuring the achievement of government agency performance which is carried out in stages from the work unit level to the highest level of the organization. In carrying out performance measurement, there must be a measure of the achievement of organizational goals and objectives called performance indicators. Among the performance indicators, there are performance indicators which are a measure of the achievement of the organization's strategic goals and objectives (independent work units) called Key Performance Indicators, while the measure of achievement to be achieved from programs and activities that have been planned or targets to be achieved is called the Program/Activity Performance Indicator (IKP/K).

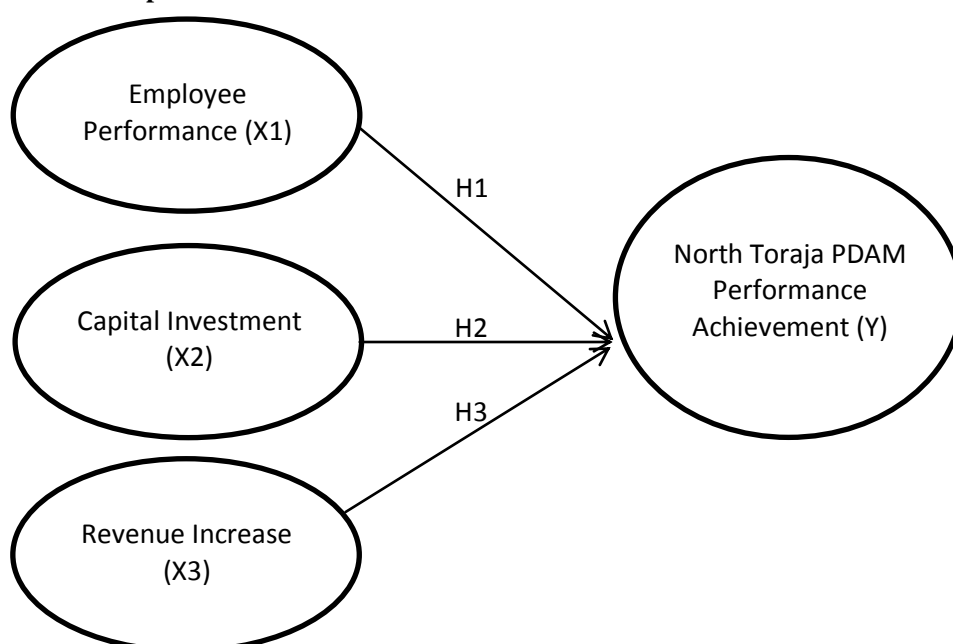
2.8. Regional-Owned Companies (BUMD)

BUMD is basically also a state company, only on a regional scale. At least between the two there is no difference in the function and purpose of its establishment. Both of them carry out development missions through service to the community and are a source of state revenue. The only difference between the two is that SOEs are managed by a department, while BUMDs are managed by local governments.

BUMD has a very important and strategic position in supporting the implementation of autonomy. Therefore, BUMD needs to be optimized in its management so that it truly becomes a reliable economic force so that it can play an active role, both in carrying out its functions and duties as well as as a regional economic strength. Profit from BUMD is expected to make a large contribution to Regional Original Income (PAD). The inability of BUMD to meet the PAD contribution target is one of the problems experienced by almost all local governments in Indonesia.

III. CONCEPTUAL FRAMEWORK AND HYPOTHESIS

3.1. Conceptual Framework



3.2. Hypothesis

3.2.1. Employee Performance Affects Performance Achievement

H1: Employee Performance has an effect on North Toraja PDAM Performance Achievement

3.2.2. Capital Investment Affects Performance Achievement

H2: Capital Investment has an effect on North Toraja PDAM Performance Achievement

3.2.3. Revenue Increase Affects Performance Achievement

H3: Revenue Increase has an effect on Performance Achievement on North Toraja PDAM Performance Achievement

IV. RESEARCH METHOD

4.1. Research Design

This study uses a quantitative approach. The research was intended to determine the extent of the perceptions, answers and responses of the respondents through a questionnaire that will be given to respondents to be filled out by each respondent who became the sample in this study. For this reason, the method used is the survey method. This research is a correlational descriptive study which explains the effect of the independent variable on the dependent variable. The analysis technique uses multiple linear regression analysis which is expressed in a mathematical relationship, namely the influence of leadership style on employee performance with directive, consultative, participatory and delegative leadership styles as the dependent variable.

4.2. Research Time and Location

This research will be carried out at the Office of the Water Supply Company of North Toraja Regency, which is located on Jalan Tedong Bonga, Bolu Market Complex, Rantepao, North Toraja, South Sulawesi. The research time is for a period of 2 (two) months, namely September to October 2021.

4.3. Population, Sample, and Sampling Technique

The population and sample in this study were all employees / Permanent Staff of the PDAM of North Toraja Regency. In this study, the formulation of the sample criteria was based on the research objectives, where the capacity and capability of the employees/permanent staff of the PDAM of North Toraja Regency was believed to be able to answer research problems, so the total sample size was 81 respondents. All members of the population which amounted to 81 people were sampled for research so that a census or saturated sample was used.

4.4. Data Types and Source

Types of data in this study in the form of primary data and secondary data. Primary data is data obtained directly from respondents. The primary data was sourced from the employees of Perumda Drinking Water of North Toraja Regency through a questionnaire. While secondary data is data from research results related to the variables of this study which are sourced from journals, theses, and dissertations.

4.5. Data Gathering Method

1. Literature Study

Literature study is carried out by studying various literatures relating to the subject matter studied, in order to obtain a theoretical basis.

2. Questionnaire

Methods of data collection by using a questionnaire (list of questions) to the respondents of this study. The questionnaire was prepared to measure the opinion of the respondents, using a seven-point Likert scale, starting with point 7 for Strongly Agree (SS) and 1 for Strongly Disagree (STS). The list of questions/statements (questionnaires) in this study was compiled with reference to the operational structure of the research variables. The collected data is then processed and analyzed. Data collection was carried out to obtain the information needed in order to achieve the research objectives.

3. Interview

The data collection method was carried out through direct dialogue with the respondents or informants that had been previously determined, namely the employees/staff of the North Toraja Regency Water Supply Corporation.

4. Observation

Observation is an activity of direct observation of the object of study to obtain information and information as accurate data about the things being studied.

4.6. Research Variable

1. Independent variables or also known as independent variables are variables that influence or cause changes or the emergence of the dependent variable (Sugiyono, 2015). The independent variables in this study were Employee Performance (X1); Capital Investment (X2) and Revenue Increase (X3).
2. Dependent variable or the dependent variable is a variable that is influenced or becomes a result, because of the independent variable (Sugiyono 2015). The dependent variable in this study is Performance Achievement (Y).

4.7. Research Instrument

The instrument in this study uses a questionnaire (questionnaire) which is done by giving a set of questions and written statements to the respondents to be answered (Sugiyono, 2012). The statements in this questionnaire are taken from previous studies. This research instrument is used to collect data which is a description of the variables to be studied and serves as a proof of the hypothesis.

The questionnaire was arranged on a Likert scale designed to examine how strongly the subject agrees or disagrees with the statement on a 7 (seven) point scale, because the researcher followed previous research by Eisingerich and Rubera (2010) which used a 7-point Likert scale. Answers are scored using a 7 (seven) point Likert scale. The answer choices and research scores used for each question/statement are:

- score 1 (one) for strongly disagree (SD),
- score 2 (two) for disagree (D),
- score 3 (three) for kind of disagree (KD),
- score of 4 (four) for neutral (N),
- score of 5 (five) for kind of agree (KA),
- score 6 (six) for agree (A)
- score 7 (seven) for strongly agree (SA).

V. RESEARCH RESULTS

5.1. Descriptive Statistics

Descriptive statistics of research variables provide an overview of the data. In this study, descriptive statistics can be seen from the minimum value (Min), maximum (Max), average (Mean), standard deviation (SD) and frequency of answer choices for each variable. The sample data used in this study were 81 respondents. Based on the data that has been collected, the results of respondents' answers in full are presented in the following table:

Variable	Minimum	Maximum	Mean	Std Deviation
Employee Performance (X1)	28	42	35,16	3,006
Capital Investment (X2)	16	32	26,30	3,973
Revenue Increase (X3)	31	39	35,47	1,963
Performance Achievement (Y)	24	37	30,88	3,104

The details of the results of the descriptive statistics above show the average value (Mean) is greater than the standard deviation (SD) value for each variable which indicates that the data deviation value is small, then the mean value can be used as a representation of the overall data. This is because the standard deviation (SD) is a reflection of very high deviations so that the data distribution shows normal and unbiased results. Meanwhile, if the average value (mean) is smaller than the standard deviation (SD), indicating a poor result, then the data distribution is considered abnormal and causes bias.

Furthermore, to see the frequency distribution of respondents' answers from the results of tabulation of data scores and interception of item scores on research variables, they will be presented in the following table:

$$C = \frac{5 - 1}{5} = 0,80$$

The results of the calculation of the scale range show a value of 0.80, thus the 0.80 scale range can be explained by its numerical value as follows:

Range	Category
$1 \leq x < 1,80$	Very Low
$1,80 \leq x < 2,60$	Low
$2,60 \leq x < 3,40$	Normal

$3,40 \leq x < 4,20$	High
$4,20 \leq x < 5$	Very High

Employee Performance (X1) Variable Item Description

Respondents Answer	SD	D	KD	N	KA	A	SA	Total	Average	Information
	1	2	3	4	5	6	7			
X1.1	F			6	55	20		81	5,17	Very High
	Score			24	275	120		419		
	%			7,4	67,9	24,7		100		
X1.2	F			6	63	12		81	5,07	Very High
	Score			24	315	72		411		
	%			7,4	77,8	14,8		100		
X1.3	F			24	40	17		81	4,91	Very High
	Score			96	200	102		398		
	%			29,6	49,5	21,0		100		
X1.4	F				9	50	22	81	6,16	Very High
	Score				45	300	154	499		
	%				11,1	61,7	27,2	100		
X1.5	F			1	43	30	7	81	4,53	Very High
	Score			3	172	150	42	367		
	%			1,2	53,1	37,0	8,6	100		
X1.6	F			7	52	22		81	3,93	High
	Score			21	208	110		318		
	%			8,6	64,2	27,2		100		
X1.7	F			5	61	15		81	5,12	Very High
	Score			20	305	90		415		
	%			6,2	75,3	18,5		100		
Total Average									5,04	Very High

The category with the highest average score for the fourth statement/question (X1.4) explains that work discipline is an attitude of respect, respect for obedience and obedience to the applicable regulations, both written and unwritten, and able to carry out them and not evade accepting sanctions if he violates the duties and powers given to him. Thus, it can be concluded that the "Attitude" indicator is the most dominant indicator of perceiving the employee performance variable (X1).

On average, the overall employee performance variable (X1) has a value of 5.04 and is in the high category (range $3.40 \leq < 4.20$). This shows that the employee/employee performance variable is perceived as high by the respondents.

Capital Investment (X2) Variable Item Description

Respondents Answer	SD	D	KD	N	KA	A	SA	Total	Average	Information	
	1	2	3	4	5	6	7				
X2.1	F		6	21	29	25		81	3,90	High	
	Score		12	63	116	125		316			
	%		7,4	25,9	35,8	30,9		100			
X2.2	F			1	4	16	36	24	81	5,96	Very High
	Score			3	16	80	216	168	483		
	%			1,2	4,9	19,8	44,4	29,6	100		
X2.3	F			4	7	20	31	19	81	5,67	Very High
	Score			12	28	100	186	133	459		
	%			4,9	8,6	24,7	38,3	23,5	100		
X2.4	F			6	15	35	25		81	4,98	Very High
	Score			18	60	175	150		403		
	%			7,4	18,5	43,2	30,9		100		
X2.5	F			4	5	19	29	24	81	5,79	Very High
	Score			12	20	95	174	168	469		
	%			4,9	6,2	23,5	35,8	29,6	100		
Total Average									5,26	Very High	

The category with the highest average value for the fifth statement/question (X2.2) explains that the right investment in BUMD according to the conditions and situation is very necessary because it is for the survival of the company. Thus, it can be concluded that the indicator "asset growth will be calculated by increasing fixed assets" is the most dominant indicator of perceiving the variable of capital investment (X2). On average, the capital investment variable (X2) has a value of 5.26 and is in the high category (range $3.40 \leq < 4.20$). This shows that the variable of capital investment is perceived as high by the respondents.

Revenue Increase (X3) Variable Item Description

Respondents Answer	SD	D	KD	N	KA	A	SA	Total	Average	Information
	1	2	3	4	5	6	7			
X3.1	F				2	55	24	81	6,27	Very High
	Score				10	330	168	508		
	%				2,5	67,9	29,6	100		
X3.2	F			5	54	22		81	5,21	Very High
	Score			20	270	132		422		
	%			6,2	66,7	27,2		100		
X3.3	F				32	36	13	81	5,77	Very High
	Score				160	216	91	467		
	%				39,5	44,4	16,0	100		
X3.4	F			11	15	36	19	81	5,78	Very High
	Score			44	75	216	133	468		
	%			13,6	18,5	44,44	23,5	100		
X3.5	F			9	13	23	36	81	6,06	Very High
	Score			36	65	138	252	491		
	%			11,1	16,0	28,4	44,4	100		
X3.6	F					27	54	81	6,67	Very High
	Score					162	378	540		
	%					33,3	66,7	100		
Total Average									5,96	Very High

The category with the highest average score for the first statement/question (X3.6) explains that the government's supervision of financial management will have an impact on revenue generation. Thus, it can be concluded that the indicator "measurement of the extent to which local government activities provide supervision to the management of BUMD revenues", becomes the most dominant indicator in perceiving the variable of revenue increase (X3).

On average, the overall revenue increase variable (X3) has a value of 5.96 and is in the high category (range $3.40 \leq$ to < 4.20). This shows that the variable of revenue increase is perceived as high by the respondents.

Performance Achievement (Y) Variable Item Description

Respondents Answer	SD	D	KD	N	KA	A	SA	Total	Average	Information
	1	2	3	4	5	6	7			
Y.1	F			10	57	14		81	4,05	Very High
	Score			30	228	70		328		
	%			12,3	70,4	17,3		100		
Y.2	F			10	57	14		81	5,05	Very High
	Score			40	285	84		409		
	%			12,3	70,4	17,3		100		
Y.3	F				13	49	19	81	6,07	Very High
	Score				65	294	133	492		
	%				16,0	60,5	23,5	100		
Y.4	F			10	48	23		81	4,67	Very High
	Score			40	240	138		378		
	%			12,3	59,3	28,4		100		
Y.5	F			8	47	26		81	5,22	Very High
	Score			32	235	156		423		
	%			9,9	58,0	32,1		100		
Y.6	F			12	36	28	5	81	5,32	Very High
	Score			48	180	168	35	431		
	%			14,8	44,4	34,6	6,2	100		
Total Average									5,06	Very High

Of the 6 question/statement items, all of them have an average in the very high category (range $3.40 \leq$ to < 4.20). The third question/statement item (Y3) is the item that has the very highest average of 6.07. This shows that Perumda Drinking Water of North Toraja Regency can control revenue leakage, being the most dominant indicator in perceiving the budget absorption variable (Y).

On average, the overall performance achievement variable (Y) has a value of 5.06 and is in the very high category (range $3.40 \leq$ to < 4.20). This shows that the variable performance achievement is perceived as high by the respondents.

5.2. Data Quality Test

1. Validity Test

Variable	Item	r-xy	r-Table (5%)	Information
Employee Performance (X1)	X1.1	0,825	0,176	Valid
	X1.2	0,746		Valid
	X1.3	0,592		Valid
	X1.4	0,885		Valid
	X1.5	0,607		Valid
	X1.6	0,854		Valid
	X1.7	0,742		Valid
Capital Investment (X2)	X2.1	0,820	0,176	Valid
	X2.2	0,747		Valid
	X2.3	0,772		Valid
	X2.4	0,861		Valid
	X2.5	0,853		Valid
Revenue Increase (X3)	X3.1	0,658	0,176	Valid
	X3.2	0,589		Valid
	X3.3	0,589		Valid
	X3.4	0,464		Valid
	X3.5	0,406		Valid
	X3.6	0,435		Valid
Performance Achievement (Y)	Y.1	0,867	0,176	Valid
	Y.2	0,845		Valid
	Y.3	0,819		Valid
	Y.4	0,866		Valid
	Y.5	0,791		Valid
	Y.6	0,788		Valid

Based on the table above, it can be seen that all statement items from the employee performance variable, Capital Investment, Revenue Increase, and performance achievement have a correlation or r count greater than 0.176, so it can be concluded that the overall item or the variables employee performance (X1), capital investment (X2), revenue increase (X3) and performance achievement (Y) are all declared valid, so that in testing the hypothesis using multiple regression analysis all these indicators are calculated.

2. Reliability Test

Variable	Alpha Cronbach	Information
Employee Performance (X1)	0,857	Reliable
Capital Investment (X2)	0,866	Reliable
Revenue Increase (X3)	0,748	Reliable
Performance Achievement (Y)	0,901	Reliable

Based on the table above, it can be seen that all statement items have cronbach alpha > 0.6, then all indicators on employee performance (X1), capital investment (X2), revenue increase (X3) and performance achievement (Y) variables declared reliable with a good level.

5.3. Hypothesis Test

5.3.1. T-Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4,185	2,983		-1,403	0,165
	Employee Performance (X1)	0,850	0,070	0,816	12,205	0,000
	Capital Investment (X2)	0,007	0,036	0,011	2,184	0,044
	Revenue Increase (X3)	0,147	0,081	0,122	1,820	0,043

a. Based on Significance Value (Sig.)

Based on the SPSS "Coefficients" output table above, it is known that the Significance value (Sig) of the Employee Performance variable (X1) is 0.000. Because the value of Sig. 0.000 < 0.05 probability, it can be concluded that H1 or the first hypothesis is accepted. This means that there is an effect of Employee Performance (X1) on Performance Achievement (Y).

The significance value (Sig) of the Capital Investment variable (X2) is 0.044. Because the value of Sig. 0.044 < probability 0.05, it can be concluded that H2 or the second hypothesis is accepted. This means that there is an effect of Capital Investment (X2) on Performance Achievement (Y).

Furthermore, the Significance value (Sig) of the Revenue Increase variable (X3) is 0.043. Because the value of Sig. $0.043 < \text{probability } 0.05$, it can be concluded that H3 or the third hypothesis is accepted. This means that there is an effect of Increasing Income (X3) on Performance Achievement (Y).

b. Comparison of t count with t table

Based on Table 5.12 above, it is known that the t value of the Employee Performance variable (X1) is 12.205. Because the t arithmetic value is $12,205 > t \text{ table } 1,668$, it can be concluded that H1 or the first hypothesis is accepted. This means that there is an effect of Employee Performance (X1) on Performance Achievement (Y).

Furthermore, the t value of the Capital Investment variable (X2) is 2.184. Because the t arithmetic value is $2.184 > t \text{ table } 1.668$, it can be concluded that H2 or the second hypothesis is accepted. This means that there is an effect of Capital Investment (X2) on Performance Achievement (Y).

The t-count value of the Revenue Increase variable (X3) is 1.820. Because the t arithmetic value is $1.820 > t \text{ table } 1.668$, it can be concluded that H3 or the third hypothesis is accepted. This means that there is an effect of Revenue Increase (X3) on Performance Achievement (Y).

5.3.2. Determination Coefficient Test (R Square)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.878 ^a	0,770	0,760	1,20553

Based on the SPSS output table above, it is known that the coefficient of determination or R Square is 0.770. The value of R Square of 0.770 comes from squaring the value of the correlation coefficient or "R", which is $0.878 \times 0.878 = 0.770$. The magnitude of the coefficient of determination (R Square) is 0.770 or equal to 77%. This figure means that the employee performance variable (X1), Capital Investment variable (X2) and revenue increase variable (X3) together have an effect on the performance achievement variable (Y) by 77%. While the rest ($100\% - 77\% = 23\%$) is influenced by other variables outside this regression equation or variables not examined.

The value of the coefficient of determination or R Square generally ranges from 0-1. the smaller the value of the coefficient of determination (R Square), then the influence of the independent variable (X) on the dependent variable (Y) is getting weaker. On the other hand, if the value of R Square is closer to 1, the effect will be stronger.

VI. DISCUSSION

6.1. Effect of Employee Performance towards Performance Achievement in PDAM of North Toraja Regency

Based on the results of testing the employee performance variable (X1) on the performance achievement variable of PDAM North Toraja Regency (Y) with a significance level of 0.000 and a regression coefficient value of 0.770 indicating a significant positive effect. This means that the better the performance of the employees, the level of performance achievement of PDAM North Toraja Regency will also increase. In other words, employee performance provides great benefits to an organization, because with employee performance work productivity will increase, save resources owned by management and the organization as a whole, maintain stability in employee performance and help organizations to survive and adapt to environmental changes. This statement is supported by Goal Setting Theory which explains that if a person is committed to achieving his goals, then this will affect his actions and affect the consequences of his performance. This theory also explains that setting goals that are challenging (difficult) and the results can be measured will be able to increase work performance (performance) followed by abilities and work skills. These results are in accordance with the first hypothesis which suspects the influence of employee performance on the performance of PDAM North Toraja Regency, so that the first hypothesis is accepted.

The results of this study are in accordance with research conducted by Tamzil Yusuf, et.al (2017) which shows that one of the factors that influence the achievement of the work results of the Regional Drinking Water Company (PDAM) in the city of Balikpapan, East Kalimantan is the performance of its employees. According to him, employee performance is a process and work result that comes from the ability of employees to carry out their duties and functions as employees. This means that the performance of employees at PDAM in the City of Balikpapan, affects the high or low performance of the results it produces. Therefore, when employees who work in PDAM offices in Balikpapan are satisfied, the work the employees complete will affect the company's productivity level. Furthermore, research conducted by Adhip Pradityo (2016), also shows that performance factors affect the productivity achievement of PDAM Tirta Perwitasari, Purworejo Regency. The study found that work discipline indicators formed from salary, training, incentives and age will have a significant impact on increasing employee productivity at the Tirta Perwitasari Regional Water Company (PDAM) Purworejo Regency.

6.2. Effect of Capital Investment towards Performance Achievement in PDAM of North Toraja Regency

Based on the results of testing the Capital Investment variable (X2) on the performance achievement variable of PDAM North Toraja Regency (Y) with a significance level of 0.044 and a regression coefficient value of 0.770, it shows a significant positive effect. It can be interpreted that the higher the involvement of stakeholders, especially in terms of capital participation and supervision, the level of performance achievement of PDAM North Toraja Regency will be better as well. This statement is in line with the Stakeholder Theory which states that shareholders, creditors, consumers, suppliers, governments, communities, and other parties as stakeholders can basically control the ability to influence the use of economic resources used by the company. Therefore, the power of stakeholders is determined by the size of the power that stakeholders have over these resources. Power can be in the form of the ability to limit the use of limited economic resources (capital and labor), access to influential media, the ability to regulate the company, or the ability to influence the consumption of goods and services produced by the company.

From the results of the discussion above, it can be concluded that the second hypothesis (X2) in this study, namely the effect of Capital Investment (X2) on performance achievement (Y) can be tested for truth (the hypothesis is accepted).

Capital participation from the local government in order to improve the performance of PDAM North Toraja Regency is a consequence of constitutional obligations. Because for the people of North Toraja Regency, drinking/clean water is a basic need that must remain an important production branch that must be managed by the region. The existence of supervision and capital participation from stakeholders is not only seen in profit alone, but as a tangible form of public service.

This is in line with research conducted by Muhammad Nur (2020) on regional drinking water companies (PDAMs) in the city of Parepare. The results of this study indicate that Capital Investment has a positive effect on performance achievement. When viewed from the large amount of capital participation provided by the local government, PDAM Parepare city has used it to improve the company's performance achievements. The capital investment provided by the local government has had a positive impact on the productivity of the company's performance. Zainul Ihsan's research (2013), also found that the variable capital participation had an effect on the level of performance of PDAM Surakarta.

From the results of the analysis, it can be concluded that Capital Investment has a strong impact in improving the performance of PDAM North Toraja Regency.

6.3. Effect of Revenue Increase towards Performance Achievement in PDAM of North Toraja Regency

Based on the results of testing the Revenue Increase variable (X3) on the performance achievement variable of PDAM North Toraja Regency (Y) with a significance level of 0.043 and a regression coefficient value of 0.770 indicating a significant positive effect. The results of hypothesis testing indicate that an increase in income has a positive effect on the performance of PDAM North Toraja Regency. These results provide an understanding that an increase in income will affect the process of achieving the performance of PDAM North Toraja Regency.

The results of the survey and observations of researchers on filling out the questionnaires concluded that the achievement of performance in the Toraja district PDAM cannot be separated from the increase in income it receives every fiscal year. This can be seen from the respondent's input to the questions asked where it can be concluded that the process of achieving the performance of the North Toraja Regency PDAM will be successful if the Regional Government continues to carry out direct supervision of revenue management by always monitoring the performance of the North Toraja Regency PDAM, because the higher the supervision carried out, the higher the performance achievement obtained. Supervision will not be able to run properly if it only relies on reports. It would be wise if the Regional Government as the shareholder of the Regional Owned Enterprises, either in whole or in part, combines the techniques of direct supervision and indirect supervision in carrying out the supervisory function (Siagian, 2008: 116).

The statement above is supported by the Stewardship Theory which states that common interests are used as the basis for a manager's actions in an effort to increase the profit of the organization/company. If there is a difference in interests between the principal and the steward, the steward will try to work together because acting in accordance with the principal's actions and for the common good can be a rational consideration in order to achieve common goals. The important thing in stewardship theory is that managers align their goals in accordance with the goals of the principal, but that does not mean that the steward does not have a need.

The results of this study are in line with the results of research conducted by Kunti Aprilia (2012), Hasri Gani (2020), Riyanti (2015) and Zainul Ihsan (2013), stating that increasing income through supervision is one of the factors that affect the effectiveness of performance achievements. This finding proves the literature

which states that by conducting direct supervision of the company's revenue management, the company's performance achievement will increase, but if the supervision is reduced then the performance achievement will decrease (Handoko, 1985).

VII. CONCLUSION

1. There is a significant positive effect of employee performance factors on the performance of PDAM of North Toraja Regency. This means that the better the employee's performance, the better the level of performance achievement. This means that in providing services to the community, employees must have a good level of performance supported by work discipline. Work discipline is the motivation of someone who is highly committed to achieving the goals in the organization. Work discipline can provide a dynamic of life in the organization and greatly affect its human resources (La Follete, 1975 in Suyanto 1997).

2. There is a significant positive effect of Capital Investment on the performance of PDAM of North Toraja Regency. This means that the greater the capital investment is used to increase productive investment which is expected to increase income and control costs, the higher the level of performance achievement will occur. The capital investment provided by the government will create efficiency if the capital investment is used for activities to achieve productive performance (Sudarno, et al, 2010). In this case, the government's Capital Investment is the capital participation of the North Toraja Regency government given to the North Toraja Regency PDAM, through the mechanism for determining the Regional Regulation of Capital Investment. The form of the capital participation can be in the form of money, goods and equipment as well as fixed assets.

3. There is a significant positive effect of the factor of revenue increase on the performance of PDAM of North Toraja Regency. This means that there is a need for a strategy to increase income to achieve maximum performance, including (a) increasing human resources through expertise and professionalism assistance programs as well as recruitment of employees according to their expertise, (b) socializing PERDA/PERBUP/other regulations that regulate revenue. Revenue that can help increase Revenue, (c) make operational cost effectiveness and efficiency, and (d) improve construction by selecting the right technology and materials.

REFERENCES

- [1]. Anfujatin. 2016 Analysis of Factors Causing Low Absorption of Budget on SKPD of Tuban Regency. DIA, Journal of Public Administration ISSN: 0216-6496 June 2016, Vol. 14, No. 1
- [2]. Arsanti, T. A. 2009. The Relationship Between Goal Setting, Self-Efficacy on Performance: Journal of Business and Economics (JBE), September 2009, pp. 97 – 110, Vol. 16, No.2
- Bacal, Robert. 2004. How to Manage Performance. Odessa: FL.
- [3]. Badrudin, Rudi, 2012, Economics of Regional Autonomy, Edition 1, UPP STIM YPKN, Yogyakarta.
- [4]. BPPSPAM. 2016. Kinerja PDAM 2015.
- [5]. Dinarjito, Agung, 2019. State Equity Participation Asset Growth and Performance of State Owned Enterprises. State Finance Polytechnic STAN, E-Journal of Accounting Vol.28.2. August 2019
- [6]. Fahmi, Irham, 2011, Financial Statement Analysis. Lampulo: ALFABETA
- [7]. Gani,Ibnu Munzier Hasri, 2020, The Influence of Competence, Work Motivation and Work Discipline on the Performance of Regional Revenue Agency Employees of Makassar City, Hasanuddin University Makassar
- [8]. Halim, A. 2007, Public Sector Accounting Regional Financial Accounting. Jakarta: Salemba Empat
- [9]. Halim, Abdul, 2012, Interest Series Regional Financial Management: Regional Financial Management, Third Edition, Publisher UPP STIM YKPN, Yogyakarta
- [10]. Halim, Abdul. 2014. Public Sector Financial Management the problem of government revenues and expenditures. Jakarta : Salemba Empat.
- [11]. Hasibuan, Malayu S.P. 2011. Human Resource Management. Bumi Aksara, Jakarta.
- [12]. Herriyanto, Hendris. 2012. Faktor-faktor yang Mempengaruhi Keterlambatan Penyerapan Anggaran Belanja pada Satuan Kerja Kementerian di Wilayah Jakarta. Tesis. Depok: University of Indonesia.
- [13]. Ichsan, Zainul, 2013, The Influence of Compensation and Work Motivation on Employee Performance of Regional Drinking Water Company (PDAM) Surakarta, University of Sebelas Maret Surakarta.
- [14]. Jermias. J dan F. Yigit. 2013. "Budgetary Participation in Turkey: The Effects of Information Asymmetry, Goal Commitment, and Role Ambiguity on Job Satisfaction and Performance". Journal Of International Accounting Research, Vol.12, No.1
- [15]. Klein, H. dan S. Lee. 2006. "The Effects of Personality on Learning: The Mediating Role of Goal Setting". Human Performance, Vol. 19 No. 1
- [16]. Kunti Aprilia Risanti, 2012, Kunti Aprilia, Analysis of the Effect of Work Motivation on Employee Work Productivity at Makassar City Water Supply Company, Hasanuddin University Makassar
- [17]. Latham, G. P. dan E. A. Locke 2006. "Enhancing the Benefits and Overcoming the Pitfalls of Goal Setting". Organizational Dynamics, Vol. 35.
- [18]. Mangkunegara, A.P., 2005. Human Resource Management. Andi Offset, Yogyakarta
- [19]. Mohamed, A. A. 2017. Challenges of Mogadishu Local Government Revenue. In Proceedings of the 2017 2nd International Conference on Humanities and Social Science (HSS 2017) (Vol. 83). Paris, France: Atlantis Press.
- [20]. Moll, J., J. Burns. dan M. Major. 2006. "Institutional Theory. In Z. Hoque (ed.)", Methodological Issues in Accounting Research: Theories, Methods and Issues, Spiramus, London.
- [21]. Noor, Henry Faizal. 2005. Investment & Finance Management. Jakarta: STIA LAN Press.
- [22]. Nugroho, Fajar, 2012, The Effect of Capital Expenditure on the Growth of Regional Financial Performance with Regional Original Income as an Intervening Variable. Thesis of the Faculty of Economics, Diponegoro University

- [23]. Nur, Muhammad, 2020, Analysis of Regional Government Equity Participation Policy on the Performance of the AirMinum Blood Company (PDAM) Parepare City, University of Muhammadiyah Parepare
- [24]. Nuzul Fathyah, dkk., 2019 . State Equity Participation in State-Owned Enterprises in Public Companies (Perum) (Study on Perum Perhutani), JBAEE, Vol.1 Number 1
- [25]. Nuzulistyan, K. R., Supriyanto, A., & Paramita, P. D., 2017. The Influence of Regional Taxes, Regional Levies, Results of Separated Regional Wealth Management, and Other Legitimate Regional Revenues on Regional Original Income of Central Java Province (Case Study on DPPAD Central Java Province Period 2008-2015). Scientific Journal of Bachelor Accounting Students, Pandanaran University.
- [26]. Pasolong, Harbani. 2013. Public Administration Theory. Bandung: Alfabeta.
- [27]. Poulson, B. W., & Kaplan, J. G., 2008, State Income Taxes and Economic Growth. Cato Journal.
- [28]. Pradityo, Adhip, 2016. Performance Analysis of Regional Drinking Water Companies (PDAM) Case Study at PDAM Tirta Perwitasari, Purworejo Regency, Department of Accounting, Faculty of Economics and Business, Jenderal Soedirman University, Jakarta.
- [29]. Rivai Veithzal, Dato', Ahmad Fawsi dan Moh Basri, 2005. Performance Appraisal. PT. Raja Grafindo Persada. Jakarta
- [30]. Riwu Kaho, Josep, Prospects of Regional Autonomy in the Republic of Indonesia, PT. Raja Grafindo Persada: Jakarta, 2005
- [31]. Sedarmayanti, 2010. Human Resource Management (Bureaucracy Reform and Civil Service Management). Bandung: PT. Refika Aditama
- [32]. Sudarno, dkk. 2011. Effect of Equity Participation on Asset Growth, Efficiency and Financial Performance in Regional Owned Enterprises (BUMD) Study on Regional Owned Enterprises/Companies in Riau Province. Management Application Journal STIE Pelita Indonesia Pekanbaru
- [33]. Sukirno, Sadono, 2011. Introductory Macroeconomic Theory, Third Edition, PT. Rajagrafindo Persada, Jakarta
- [34]. Ylvije, B.-K., & Elez, O., 2012. Management of the taxation on tourism operators, an important component of revenues and investments in the tourism sector. Academicus International Scientific Journal, 6, 126–135.
- [35]. Yusuf, Tamzil, et al, 21017. Factors Affecting the Performance of PDAM employees in Balikpapan City, Balikpapan University
- [36]. Yuwono, Sony, dkk. 2007. Practical Instructions for Compiling a Balanced Scorecard. Jakarta: Gramedia Pustaka Utama.