



Research Paper

The Influence of Competence and Motivation on Regional Financial Performance

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ABSTRACT

The purpose of this research is to find empirical evidence regarding the competence and motivation that influence the financial performance of local governments in the district of Taliabu Island. This research was conducted using quantitative methods. The research was conducted using a questionnaire method which included all members of this population as informants in this study, so that a population of 126 informants was obtained. The variables that will be used in this study are variable X1 which is the first independent variable, namely competence, variable X2, which is the second independent variable, namely motivation, and the dependent variable, namely Y, namely financial performance. The subject of this research is the apparatus of the financial management body of the island of Taliabu,

Keyword: *Competence; motivation; Financial Performance*

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I. INTRODUCTION

Performance is a picture of the form that is obtained to carry out activities or strategies to realize goals and objectives, vision or mission within an organization contained in a very strategic plan within an organization. A government organization (Instance) or private institution has a goal or ideals for an institution that requires competence and reliable leadership and good performance. Performance is the level of success and achievement of a person or a member. Performance can be known if a person or group has a standard of success that has been obtained before. Success as a goal or target to be achieved exceeds the previous standard of success. Lack of clarity of goals and objectives in the performance of a person or organization is not found that there is no evaluation standard. Most of the problems with local governments are inefficiencies in financial management especially in national systems. More generally, performance is often applied to actual performance or work results, namely the results of doing work/work achievements or individual success rates. According to Wibowo (2010) said that performance is the achievement of a job that has a strong interest through organizational goals, customer satisfaction, which provides assistance to the economy. namely the result of doing work / work achievement or individual success rate. According to Wibowo (2010) said that performance is the achievement of a job that has a strong interest through organizational goals, customer satisfaction, which provides assistance to the economy. namely the result of doing work / work achievement or individual success rate. According to Wibowo (2010) said that performance is the achievement of a job that has a strong interest through organizational goals, customer satisfaction, which provides assistance to the economy.

Performance according to some opinions of experts about performance is an expression of work ability. Basically, with a good estimation system for employee performance so that the employee knows what is expected of the company. In improving the performance of regional financial managers, it can be caused by many factors or variables that need to be taken into account, including competence and motivation. Competence is knowledge, skills, and abilities that are controlled by someone who has become part of himself, so that he can carry out cognitive, affective, and psychomotor behaviors as well as possible (Handoko, 2011). The level of discipline, energy and insight possessed by a person who is part of himself, therefore can carry out actions that are prepared cognitively, productively, as well as physically. The more often a person does consistent work, the more one can improve and deepen one's work skills. That way, by combining the abilities of someone who is professional and work that is often done, it makes it easier for someone to develop their performance. As stated by Simanjuntak

that the more work a person does, the more adequacy and maturity of his work skills, in facilitating the development of his performance (Simanjuntak, 2005). By combining the abilities of a person who is professional and work that is often done, it makes it easier for someone to develop their performance. As stated by Simanjuntak that the more work a person does, the more adequacy and maturity of his work skills, in facilitating the development of his performance (Simanjuntak, 2005). By combining the abilities of a person who is professional and work that is often done, it makes it easier for someone to develop their performance. As stated by Simanjuntak that the more work a person does, the more adequacy and maturity of his work skills, in facilitating the development of his performance (Simanjuntak, 2005).

Competition is a combination of attitudes, skills, knowledge and expertise that can be observed critically and can predict organizational success and employee performance as well as personal contributions to the organization. Individual competition can identify the type of work a person does to continue in the long term so that the person can do the desired job. Competence is seen in terms of a person's ability to do work which includes a combination of motivation and character, self-characteristics, or social roles, skills and knowledge.

Competence is the basis of a person's character and shows how a person thinks, compares, and adapts over a long period of time, the variables received affect individual competency capacities namely beliefs and appraisals, discipline, personal character, motivation, sentimental thoughts, scientific abilities and habits (Spencer and Spencer, 2006). In the Law of the Republic of Indonesia Number 13 of 2003 concerning employment in article 1 paragraph 10, it explains that work competence is the work ability of each individual which includes aspects of knowledge, skills and work attitudes in accordance with established standards. Competence as an individual's ability to achieve a level of satisfaction at work, individual ability to transfer and implement analyzed insights and ideas in new situations and share agreed benefits. This is due to the qualifications or competencies possessed by employees to have more experience and fulfill the responsibilities given to them. Employees are expected to have the competence to develop regional financial management performance. It is expected that competent employees will improve regional financial management performance, including in terms of obtaining the best BPPKD opinion, namely WTP (Unqualified). Apart from competence, motivation is also a factor that influences the performance of regional financial management (Nurdin, 2018). On the other hand, the implementing area of the policy must encourage employees to work more profitably,

Motivation is defined as the time in an individual's personality that is motivated by a person's determination to take certain actions to achieve a goal. Good motivation to employees. This encouragement is very vital and determines the attitude of employees towards work. Motivation is defined as a condition that determines an individual to achieve a desire to achieve a goal. As stated by Handoko (2000) that motivation is defined as a state of being that encourages individual determination to fulfill the desire to achieve goals. According to Heller in (Wibowo, 2018). Motivation as a desire to act for management motivation is only aimed at general human resources and especially subordinates.

In maximizing employee performance, leaders motivate employees to work more than their abilities. The phenomenon that exists to date, although motivation is often given, is not yet effective enough to motivate employees to improve their performance. Government agencies in Taliabu Island District are responsible for developing the performance of their employees, especially at the Regional Revenue, Financial and Asset Management Agency (BPPKD) which is very fundamental in regional financial management activities, therefore the constraints on regional financial management are a matter that needs to be considered to achieve performance the maximum. To achieve these conditions, of course, great motivation and high skills from government officials are needed. Increased motivation and high competence will affect the performance of government functionaries when managing the regional finances of Taliabu Island District. Based on the description above, the researcher is interested in choosing a research title: "The Influence of Competence and Motivation on Regional Financial Management Performance in the Regional Government of Taliabu Island District". This study aims to determine the competencies and motivations that influence the financial management of the regional government of Taliabu Island District.

II. RESEARCH METHODS

The scope of this study includes competency, motivation and regional financial performance in the Regional Financial and Asset Management Revenue Agency office of Taliabu Island District. This research was conducted using a quantitative method. The quantitative method means a research method based on the principle of positivity, which is applied to research on a specific population or sample, using a sampling method that is usually carried out randomly (random), data accumulation determines the research instrument, data analysis is quantitative with the aim of testing the hypotension that has been affected while associative research is research that aims to determine the effect or relationship between 2 or more variables (Paryanti and Rasmansyah, 2020).

This study used a census method involving all population personnel as research informants, so that 126 informants were obtained. The variables that are applied in this study are the variable X1 is competence, the variable X2 is motivation, and the dependent variable Y is financial performance. the subjects in this study were

the apparatus of the Financial Management Revenue Agency and the Regional Assets of Taliabu Island Regency, while the objects of this study were Competency, Motivation, and Financial Performance of the BPPKD of Taliabu Island Regency. The type of data in this study uses primary data in the form of data found from informants' answers through questionnaire transmission. Besides that, it also uses secondary data obtained from various libraries, and research results through electronic means. The data collection process carried out was (1) questionnaire, (2) interview. To fulfill validity and reliability claims, this questionnaire uses a Likert scale so that each question has an answer with the following score.

Scale Description	Mark
Strongly agree	1
Agree	2
Neutral	3
Don't agree	4
Strongly Disagree	5

This study conducted experiments on instruments that were held in agencies in order to obtain data precision. The analysis used is multiple regression analysis or multiple linear regression analysis, which is an analysis that can be applied if the dependent variable is caused by more than one variable. Analysis is needed in order to know the effect of competence and motivation on financial performance. The general regression equation in this study is as follows:

$$Y = \alpha + b_1X_1 + b_2X_2 + \varepsilon$$

Where:

Y = Financial Performance

α = Constant

b₁ = Competency Coefficient

b₂ = Coefficient of Motivation

X₁ = Competency Variable

X₂ = Motivation Variable

ε = error

The form of Multiple Linear Regression above can be verified for the correctness of the hypotension stated by using a formality test, and a hypotension test. The Formality Test is used to determine the formality of the form of multiple linear regression as a means of analysis in order to verify the effect of the independent variable on the dependent variable.

The hypotension test is used to determine the authority of each independent variable partially on the dependent variable. Deflationary provisions can be carried out by means of a comparison between the significance of t in each independent variable through $\alpha = 0.05$. H₁ is accepted if the significant t is smaller than $\alpha = 0.05$. H₁ is rejected if the significant t is greater than $\alpha = 0.05$

III. DISCUSSION

Tests using multiple linear regression were used in order to determine the effect of the Competency and Motivation variables on Financial Performance which then obtained the results shown in Table 1. As follows.

Table 1. Multiple Linear Regression Test Analysis

MODEL	UNSTANDARDIZED	COEFFICIENT T	STANDARDIZED COEFFICIENTS	Q	SIG.
	B	Std. Error	Betas		
(CONSTANTS)	5.163	.547		9,367	001
X1 COMPETENCE	.201	.089	.382	3,411	002
X2 MOTIVATION	.068	.111	.062	2,601	.000

Source: SPSS Data Processing Results 25

From the results of the SPSS Output above the results of the multiple linear regression test, the constant value is 5.163, the Competency coefficient value (X₁) is 0.201 and the Motivation coefficient value (X₂) is 0.068. so the linear regression test equation from the results above is:

$$Y = \alpha + b_1X_1 + b_2X_2 + \varepsilon$$

$$Y = 5.163 + 0.201X_1 + 0.068X_2 + e$$

- The constant value has a positive value of 5,163. a positive indication proves a unidirectional impact between the independent variables and the dependent variable. This shows that if all the independent variables through Competency (X1), Motivation (X2), and Financial Performance (Y) are 0% there is no change, then the number or value of Financial Performance is 5,163
 - The regression coefficient value on the Competency variable (X1) has a value of 0.201. this shows that if the competency variable increases by 1%, the financial performance will increase by 0.201 assuming that other variables remain the same. The positive sign indicates a unidirectional influence between the independent and dependent variables. Vice versa, if competence decreases, financial performance will decrease.
 - The coefficient value on the motivation variable (X2) has a value of 0.068. This indicates that if the motivation variable increases by 1%, financial performance will increase by 0.068 assuming that other variables are considered constant. The sign of a positive number indicates a unidirectional influence between the independent and dependent variables. Likewise, if motivation decreases, financial performance will decrease.
- The determinant coefficient test was carried out to find out how the ability of the independent variable affects the dependent variable, this is obtained from the R2 value, namely adjusted R2. The results of the determinant coefficient test are shown in Table 2.

Table 2. Determinant coefficient test results (R2)

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.239a	.078	.062	.941

Source: SPSS Data Processing Results 25

According to table 2, the adjusted R2 figure is 0.062, meaning that in this model the variables X1 and X2 together affect financial performance while the rest are influenced by other factors. This hypotension test aims to determine whether the independent variables fragmentarily have an influence on the dependent variable. The results of the hypotension test are shown in Table 3.

Table 3. Hypotension Test (t test)

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig
	B	std. Error	Betas		
(Constant)	5.163	.547		9,367	.000
CompetencyX1	.201	.089	.382	3,411	.002
X2 motivation	.068	.111	.062	2,601	.000

Source: SPSS

According to Table 3, it is known that the t-count value is 3,411 at a significance level of 0,000, while the t-table value is 1,657 so that the t-count value is greater than t-table with a significant value > 0.05, so it can be concluded that the Competency variable (X1) has an effect on financial performance. Meanwhile, the motivation variable (X2) can be obtained from the calculated t value of 2,601 at a significance level of 0,000 while the t table value is 1,657. Based on this data it can be said that the t count is greater than the t table so that the motivational variable affects financial performance. In the t test, the test criteria are if the significance level value is <0.05, it means that hypotension is accepted, conversely, if a significant value is > 0.05, it means that hypotension is rejected. The conclusions from the t test are as follows:

a. There is a significant influence on the Competency variable on Financial Performance. Evidenced by the t-count value of 3,441 with a significance level of 0.002 at a significant 0.05, so it can be concluded that 0.002 <0.05, the hypothesis "Competence affects Financial Performance in the Regional Financial and Asset Management Revenue Agency (BPKD) in Taliabu Island District" The higher the level of expertise employees work, the more experienced they are to do the work and the better the mindset and attitude when working to achieve the intended goals.

b. There is a significant influence on the variable Motivation on Financial Performance. Evidenced by the t-count value of 2,601, the significance value is 0,000 at a significant 0.05, so it is concluded that 0,000 <0.05, the hypothesis "Motivation affects financial performance in the Revenue Agency for Financial Management and

Regional Assets (BPKD) Taliabu Island District". Motivation is often given to employees of the Regional Financial Management Agency (BPKD), so it proves to be sufficient for employee motivation in developing their performance.

The formality test intends to test whether all independent variables have an effect on the dependent variable and to find out the form of the regression model applied to research that has been carried out is feasible or not. The results of the formality test are shown in Table 4.

Table 4. Formality Test (F Test)

Model	Sum of Squares	Df	Means	F	Sig
Regression	9,229	2	4,614	5.202	.007 b
residual	109,097	123	.887		
Total	118,325	125			

Source: SPSS

According to Table 4. The results of the regression test show a significant value ($0.000 < 0.05$). Which means it has an influence between the competency variables on financial performance, while motivation has no effect on financial performance variables. These results are found in the number and high responses of respondents to each research variable. According to the results of the research that has been carried out, it can be seen that competence simultaneously influences financial performance, while motivation does not have a significant impact on regional financial performance in the Regional Financial and Asset Management Revenue Agency (BPPKD) Taliabu Island District.

IV. CONCLUSION

The constant value has a positive value of 5,163. The positive sign indicates a unidirectional effect between the independent variables and the dependent variable. This shows that if all the independent variables through Competency (X1), Motivation (X2), and Financial Performance (Y) are 0%, then there is no change, so that the value of Financial Performance is 5,163. The regression coefficient value on the Competency variable (X1) is 0.201. This shows that if the Competency variable increases by 1%, the financial performance will increase by 0.201 assuming that the other independent variables are considered constant or constant. And vice versa if if Competence decreases, financial performance will decrease. The coefficient value on the Motivation variable (X2) has a value of 0.068 this shows that if the motivation variable increases by 1%, financial performance will increase by 0.068 assuming that the other independent variables are considered fixed or constant. The sign of a positive number indicates a unidirectional influence between the independent and dependent variables. Likewise, if motivation decreases, financial performance will decrease.

The adjusted R2 figure of 0.062 means that the Competency and Motivation variables affect financial performance while the rest is influenced by other variables not included in this study. There is a significant influence on Competence on Financial Performance. This is evidenced by the calculated t-value of 3,411 with a significance value of 0.002 at 0.05. So it was concluded that $0.002 < 0.05$ then, the hypothesis "Competence affects the Performance of the Regional Financial and Asset Management Revenue Agency (BPKD) Taliabu Island District" The more mature a person's work skills, the more capable he is of doing the job. There is a significant influence on motivation on financial performance. This is evidenced by the calculated t value of 2,601 with a significance level of 0,000 at 0.05 significance. So it was concluded that $0.000 < 0.05$ then the hypothesis "Motivation affects the Performance of the Regional Financial and Asset Management Revenue Agency (BPKD) Taliabu Island District". It was found that the value was significant ($0.000 < 0.05$), which means that there is an influence between competency variables on financial performance, while motivation has no effect on financial performance variables.

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