Research Article

The Influence of Human Resources Level, Internal Control, Information Technology on The Quality of Financial Reports (Study Case UD Central Buana Motor)

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ABSTRACT

The phenomenon of very tight competition in business requires companies to be able to apply the right strategy in accordance with the market conditions they face and have quality reports so that research is conducted which aims to analyze the Effect of Competency Levels of Human Resources, Internal Control Systems, Utilization of Information Technology on the Quality of Financial Reports At UD Central Buana Motor Bondowoso. This type of research used is quantitative research. The data used are primary data and secondary data with data collection techniques namely observation, interviews, document recording, questionnaires/questions. Data collection techniques using a questionnaire a number of 30 respondents or people. The sampling technique used a saturated sample, namely all populations were sampled in this study, namely all employees of UD Central Buana Motor Bondowoso. The population in this study is UD Central Buana Motor. The data analysis method used is the data instrument test, classical assumption test, multiple regression analysis, hypothesis testing and the coefficient of determination. Testing data using the SPSS application version 22. After conducting research at UD Central Buana Motor Bondowoso, the results obtained showed that the level of competence of human resources, internal control systems, and utilization of information technology had a partial effect on the quality of financial reports. Simultaneously the level of competence of human resources, internal control systems, use of information technology affect the quality of financial reports.

Keywords: Human Resources, Internal Control, Information Technology

Introduction

Competition in a very tight business makes companies must be able to apply the right strategy according to the market conditions they face. The application of perfect tactics is one of the main factors in the success of a company, one of which is in the automotive competition for motorcycle vehicles (Natalina, 2021).

The existence of quality financial reports can be a factor in the success of a company where the phenomenon of demands for ac-

countability makes companies compete in creating quality financial reports. Being one of the company's goals in producing quality reports as well as motorcycle dealers. That way, based on the description and phenomenon, the researcher decided to conduct research on the quality of the financial reports produced at UD Central Buana Motor in Bondowoso. Matters related to this research are the influence of competency on human resources, internal control systems and the use of information technology on the quality of financial reports. Several previous studies stated that the quality of financial reports is largely determined by the competence of human resources, because with competent human resources, financial reports that are timely, relevant, and comparable will be produced (Pujanira & Taman, 2017; Andini & Yusrawati, 2015).

The research conducted (Ernawati & Budiyono, 2019) was a study conducted by a General Hospital in Blora Regency to find out whether human resource competence, information technology utilization, and internal control systems affect the quality of reports of General Hospitals in Blora Regency. The results of the study are human resource competence, the use of information technology and internal control systems do not affect the quality of financial reports.

The differentiating factor in this study is that previous researchers used objects in the form of service providers while the object that I examined was a producer of services and goods, namely motorcycles and also the differentiator was that there were different variables, namely the influence of education level, understanding of accounting, accounting information systems, quality of human resources, utilization of information systems, organizational commitment, independent accounting participation, utilization of accounting information systems so that the indicators used are also different.
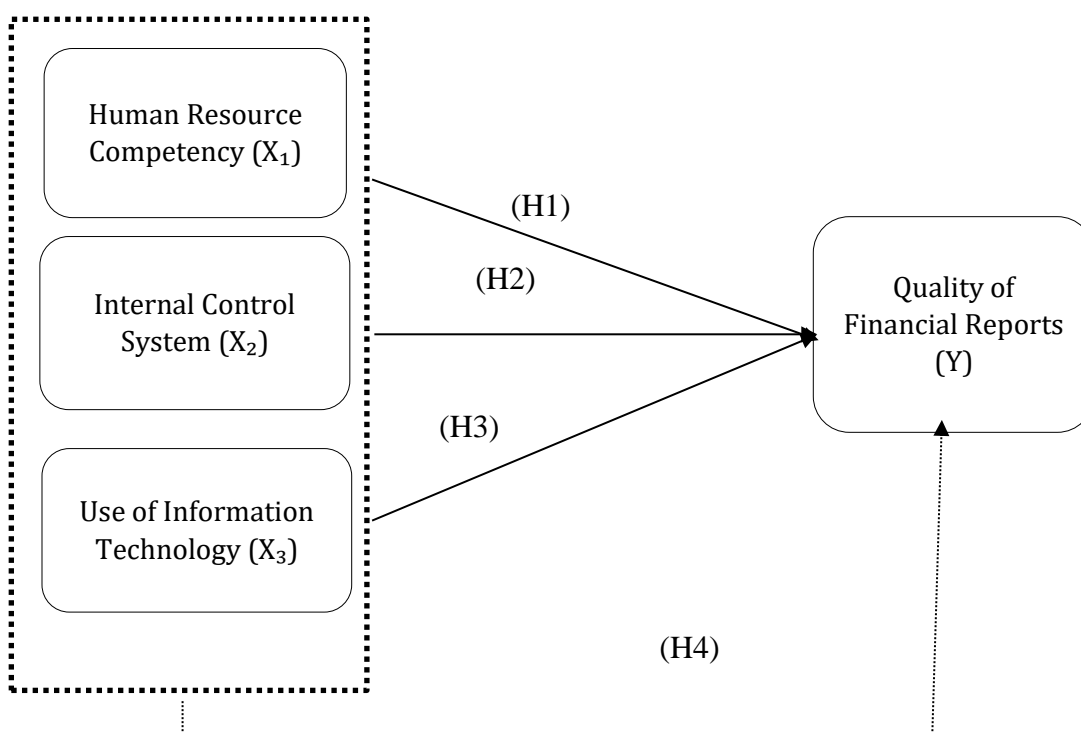

Figure 1. Conceptual Framework

In research conducted by (Anggreni & Dewi, 2022) states that human resource competence has a positive and significant effect on the quality of reports. In research conducted by (Loveli et al, 2022). The results state that the competence of human resources affects

the quality of financial reports. This means that the increase in HR competence will lead to an increase in the quality of reports. HR competence is described as something inherent in an employee and able to help complete the job. This is in line (Oktaviyanti et al, 2017; Triwahyudi, 2020) (showing HR competency explains the quality of financial reports.

H1: Competence of Human Resources Has a Partial Influence on the Quality of Financial Statements

In research conducted by (Loveli et al, 2022). The analysis shows that the internal control system influences the financial report quality variable. The increase in the internal control system has resulted in an increase in the quality of financial reports. SPI is an activity carried out by the company to minimize the risk of the company's operational activities. These results are consistent with Paniran's research and (Oktaviyanti et al, 2017) which found SPI affects the quality of financial reports. And according to (Nurillah, 2014) the Internal Control System has a positive and significant effect on the Quality of Financial Reports and (Mahaputra & Putra, 2014) the Internal Control System has a significant effect on the Quality of Financial statements.

H2: The Internal Control System Has a Partial Influence on the Quality of Financial Statements

In research conducted by (Nurillah, 2014) said that, Utilization of Information Technology has a positive and significant effect on the Quality of Financial Statements. In research conducted by (Ernawati & Budiyono, 2019) it gives the result that the use of information technology variables has a negative effect on the quality of financial reports and means that the better the use of technology applied will cause the quality of financial reports to get better and increase.

H3: Utilization of Information Technology has a Partial Influence on the Quality of Financial Statements

The research conducted by (Ernawati & Budiyono, 2019) is a study conducted by the General Hospital in Blora Regency which aims to determine the effect of human resource competence, utilization of information technology, and internal control systems on the quality of reports of General Hospitals in Blora Regency. The results of the study are human resource competence, the use of information technology and internal control systems do not affect the quality of financial reports.

H4: Competence of Human Resources, Internal Control Systems, Utilization of Information Technology Have a Simultaneous Effect on the Quality of Financial Reports

Research Methods

This study uses a quantitative approach using a research design that is also quantitative which focuses on numerical aspects as the data both in the process of collection and the results of the analysis. Using a questionnaire. The object of this study is the company UD Central Buana Motor Bondowoso. The population used in this study was UD Central Buana Motor Bondowoso with 30 populations. Sampling used in this study is the Saturated Sampling Method as many as 30 samples. Using primary data and secondary data. Independent variables are research objects that are the main focus in a study, both in abstract and real forms. Independent variables are variables that influence or causal variables (Neolaka, 2014). The dependent variable (influenced, dependent, output, criteria, consequence), is a variable that is affected or due, because of the independent variable. The effect can be positive or negative (Widagdo et al, 2021). Data analysis techniques and statistical testing used are: data instrument test, classical assumption test, multiple regression analysis, hypothesis testing, and coefficient of determination test.

Results and Discussion

General Description of the Research Object General Description of the Research Object based on the brief history of UD Central Buana Motor Bondowoso. Is a Honda dealer that has been established since 1982 until now which is located at Jl. PB Sudirman No.11, Patemon, Blindungan, Kec. Bondowoso, Bondowoso Regency. UD Central Buana Motor has been serving buyers for approximately 40 years and also UD Central Buana Motor is the first Honda dealer to be established in Bondowoso. which are often needed by mo-

torcycle users with sophisticated and adequate facilities.

The following is the organizational structure at UD Central Buana Motor Bondowoso:

a. Owner
b. PIC Dealer
c. Offiece
d. Head of the Machine Shop
e. PIC CRM
f. Sales Coordinator
g. Cashier
h. Frontdesk
i. Admin Event
j. Admin BBN
k. Sales Counter
l. Salesman
m. Counterpart
n. Office Boy
o. Driver
p. Mechanic
q. Laboratory

Description of Respondents

The data analyzed in this study were primary data which was conducted by distributing questionnaires at UD Central Buana Motor Bondowoso. This study used a saturated sample so that all populations were used as respondents in this study. The number of respondents in the study was 30 people so that the amount of data to be processed was 30 questionnaires.

Analysis of Data Research Results
Data Instrument Test
Validity test

The validity test is used to measure each statement item in the questionnaire, testing whether the questionnaire is valid or not used. The basis for measurement is by comparing r-count with r-table where the number of respondents is set at 30 with a level of 5%. so that the r-table value is 0.361. Based on this, if the value of r-count> r-table then the statement can be declared valid. Shows that each statement in the questionnaire can be declared valid for use as evidenced by the value of r-count more than r-table.
Reliability Test

The purpose of reliability testing is to ensure that the measurement instruments used produce consistent and reliable results. In other words, a reliability test helps assess the extent to which an instrument can measure the same variable consistently over time or between different individuals. If the value of Cronbach's Alpha > Standard Alpha, then the questionnaire is declared reliable. The desired Standard Alpha value in this study is 0.60. Shows that the value of Cronbach's Alpha is greater than Standard Alpha so it can be concluded that the questionnaire can be declared reliable or reliable to use.

Classic assumption test
Normality test

The normality test is used to test whether the confounding variable or residual regression model has a normal distribution. The normality test uses Kolmogorov Smirnov with the criterion that if the significant value is > 0.05 then the data is said to be normal and if the significant value is <0.05 then the data is said to be abnormal. Shows normally distributed indicated by a significant value > 0.05, namely 0.351.
Multicollinearity Test

Multicollinearity test is used to test whether there is a high correlation between the independent variables in the regression model. Multicollinearity occurs when there is a strong linear relationship between two or more independent variables. If the VIF value is > 10, or the Toletance value obtained is <0.01, multicollinearity can be stated. If the correlation coefficient of each independent variable is > 0.8, it means that there is multicollinearity. However, if the correlation coefficient of each independent variable is <0.8, then there is no multicollinearity. Shows that the Variance Inflation Factor (VIF) value in each dependent variable is <10 and the tolerance value in each variable is > 0.01 so it can be concluded that there is no correlation or multicollinearity for each independent variable.
Heteroscedasticity Test

The heteroscedasticity test is used to test whether there are differences in the variance of the residuals between different observations in the regression model. The residual is

the difference between the actual value of the dependent variable and the value predicted by the regression model. Heteroscedasticity testing in this study was carried out by Spearman rank correlation by looking at the correlation coefficient where the Spearman correlation has a value between -1 to 1. The closer to 1 the stronger the correlation while the closer to zero the lower the correlation between the two variables. While the sign of the correlation coefficient shows the direction of the relationship. Negative sign (-) indicates the opposite relationship. The (+) sign indicates a unidirectional relationship. Then a multiple regression equation is obtained with a standard error of 0.05.

Hypothesis testing
t test

The t test is used to explain how far the independent variables influence individually in explaining the dependent variable with a significant level value of > 0.05. Shows that the significant value for the variable Competency of Human Resources, Internal Control Systems, Utilization of Information Technology is > 0.05, which means that the variables of Competence of Human Resources, Internal Control Systems, Utilization of Information Technology have no partial effect on the Quality of Financial Reports.

F test

The F test is used to determine the overall effect of all independent variables on the dependent variable. Shows a significant value > 0.05, which means that there is a simultaneous influence between the independent variables on the dependent variable.

Coefficient of Determination (R2)

The coefficient of determination (R2) is used to test how much the percentage of the independent variable affects the dependent variable. Shows that the Adjusted R Square value is 0.265 or 27%, so the influence of the independent variable on the dependent variable is 0.265 or 27%. Influenced by the variables of the Internal Control System, Competence of Human Resources, Utilization of Information Technology.

Discussion

The Effect of Human Resource Competence on the Quality of Financial Statements

The descriptive variable explains that UD central Buana Motor has good human resource competence in carrying out the tasks being carried out or operating the system in accordance with the abilities or skills possessed by an employee. In this variable from each statement it can be seen that the respondent's answer with the highest is the second statement namely being able to prepare and present notes on financial statements properly and present a Cash Flow Report properly. It can be concluded that Central Buana Motor Bondowoso employees know clearly how they should work so that this can improve the performance of each individual at UD Central Buana Motor Bondowoso.

The results of the study show that the Human Resources Competency variable has a positive relationship and partially influences the Quality of Financial Statements. Human Resource Competency functions to identify every person in UD Central Buana Motor. Knowing the ability of employees to understand the technical work performed, able to present good financial reports, able to set an example, able to complete tasks properly and on time.

The results of this study are in line with previous research conducted by (Gasperz, 2019; Mahayani et al, 2017; Loveli et al, 2022; Gafar, 2019; Anggreani & Dewi, 2022) which shows that human resource competency affects the quality of financial reports. The results of the hypothesis stating that there is an influence of Human Resource Competence on the Quality of Financial Statements are accepted. Meanwhile, research conducted by (Ernawati & Budiono, 2019; Aminah et al, 2020) states that human resource competence does not affect the quality of financial reports.

The Effect of the Internal Control System on the Quality of Financial Statements

The descriptive variable explains that UD central Buana Motor Bondowoso has carried out the tasks carried out or operated the system according to the abilities or skills pos-

sessed by an employee. In this variable from each statement it can be seen that the highest respondent's answer is the fourth statement (4), namely employees get segregation of duties in the finance section. It can be concluded that Central Buana Motor Bondowoso employees already know clearly how the system should be used so that this can improve each existing internal control system at UD Central Buana Motor Bondowoso.

The results of the study show that the Internal Control System variable has a positive relationship and partially influences the quality of financial statements. The Internal Control System functions to determine the internal quality of companies at UD Central Buana Motor. Work according to policy, control the processing of risk assessment information, employees review at the end of each month, get segregation of duties.

The results of this study are in line with previous research conducted by (Shinta & Erawati, 2017; Mahayani et al, 2017; Sari et al, 2022; Loveli et al, 2022; Anggreani & Dewi, 2022) which shows that the Internal Control System affects Report Quality finance. The results of the hypothesis state that there is an influence of the Internal Control System on the Quality of Financial Statements accepted. Meanwhile, research conducted by (Ernawati & Budiono, 2019) states that the internal control system does not affect the quality of financial reports.

Effect of Utilization of Information Technology on the Quality of Financial Statements

The descriptive variable explains that UD central Buana Motor Bondowoso has adequate information technology equipment to produce quality financial reports. In this variable from each statement it can be seen that the highest respondent's answer is the third statement namely the company is equipped with adequate equipment to produce quality financial reports. It can be concluded that UD Central Buana Motor Bondowoso already has sufficient and adequate equipment so that this can increase the respective utilization of existing information technology at UD Central Buana Motor Bondowoso.

The results of the study show that the variable Information Technology Utilization has a positive relationship and partially influences the quality of financial statements. Utilization of Information Technology functions for the internet network and equipment that is used adequately at UD Central Buana Motor. Knowing that the computer used is adequate, a good network has been installed, the equipment used is adequate, the software used is supported.

The results of this study are in line with previous research conducted by (Meliani & Werastuti, 2022; Gasperz, 2019; Mahayani et al, 2017; Sari et al, 2022; Gafar, 2019) which shows the use of information technology affects the quality of financial reports. The results of the hypothesis state that there is an influence of Information Technology Utilization on the Quality of Financial Statements accepted. Meanwhile, research conducted by (Ernawati & Budiono, 2019) states that the use of information technology does not affect the quality of financial reports.

The Influence of Human Resource Competence, Internal Control Systems, Utilization of Information Technology on the Quality of Financial Reports

The descriptive variables explain that UD central Buana Motor Bondowoso produces quality financial reports. In this variable, from each statement it can be seen that the highest respondent's answer is the fourth statement, namely the information contained in the financial statements that I have compiled can always be compared with the financial statements of the previous period. It can be concluded that UD Central Buana Motor Bondowoso has produced quality financial reports supported by reports that have been prepared that can be compared with the financial reports of the previous period so that this can increase the quality and useful financial reports that exist at UD Central Buana Motor Bondowoso. The results of the study show that the variables of Competence of Human Resources, Internal Control Systems, Utilization of Information Technology have a negative relationship and influence on the Quality of Financial Statements.

The results of this study are in line with previous research conducted by (Ernawati & Budiono, 2019) which showed Human Resource Competence, Internal Control Systems, Utilization of Information Technology did not affect the quality of financial reports. The results of the hypothesis state that Human Resource Competence, Internal Control Systems, Utilization of Information Technology do not simultaneously influence the quality of acceptable financial reports. Meanwhile, research conducted by (Mahayani et al, 2017) states that Human Resource Competence, Internal Control Systems, Information Technology Utilization affect the quality of financial reports.

Conclusion and Suggestions

This study discusses the influence of Human Resource Competence, Internal Control Systems, Utilization of Information Technology on the Quality of Financial Statements using Multiple Regression with 30 respondents. Based on the explanation in the previous chapter, it can be concluded that the quality of financial reports is influenced by the competence of human resources, internal control systems, and the use of information technology.

Suggestions for UD Central Buana Motor are expected to be able to maintain existing Human Resource Competence, be able to improve the internal control system and maximize the use of available information technology so that the resulting financial reports will have even better quality. For further researchers, they can change the search for qualitative use data in order to obtain more valid data and add Accounting Information System variables so that the discussion is more extensive and makes it easier for companies to carry out most of the company's activities by providing precise and accurate information, production costs can be reduced and become more effective and efficient. The sampling used is more selective in order to obtain more optimal data.

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