Influence of Individual Competence And Internal Control System On The Financial Management Performance of The Blu Batara Guru Hospital Luwu Regency

Dewi Safitri M.Djalle[1*)];A. Dahri Adi Patra[2)];Sofyan Syamsuddin[3)]

[1,2)]**Department of Accounting, Faculty of Economics and Business,, Muhammadiyah University of Palopo**

*Correspondent author :dewi24122002@gmail.com

ABSTRACT

Purpose: *This study aims to examine the effect of individual competence and internal control systems on the financial management performance of BLU Batara Guru General Hospital in Luwu Regency.* **Methodology:** *This research adopts a quantitative approach using primary and secondary data collected through structured questionnaires. The sample consists of 79 respondents selected through purposive sampling. Data were analyzed using multiple linear regression with SPSS version 21.* **Results:** *The findings indicate that individual competence has a positive and significant effect on financial management performance. Likewise, the internal control system significantly influences the financial management performance of the BLU hospital.* **Novelty:** *This study integrates human resource competence and internal control mechanisms as key determinants of financial management performance within a public service hospital context.* **Findings:** *Effective financial management performance is achieved when competent individuals are supported by a well-functioning internal control system.* **Originality:** *The originality of this research lies in its empirical evidence from a regional BLU hospital, providing insights into financial governance in the Indonesian public health sector.* **Conclusions:** *Improving employee competence and strengthening internal control systems are essential strategies to enhance accountable, transparent, and efficient financial management performance.* **Type of Paper:** *Empirical Research Paper.*

INTRODUCTION

Economic growth and progress in the health sector require hospitals to manage financial resources effectively. However, many public hospitals, including Batara Guru Hospital in Luwu Regency, face challenges related to individual competence and weak internal control systems,(Hendrawati, 2017).

The implementation of Public Service Agency (BLU) regulations is intended to address this issue, but inefficiencies still occur. This study investigates how individual competencies and internal control systems affect financial management performance at Batara Guru Hospital. The findings of this study aim to provide insights into improving financial practices and ensuring better health service delivery,(Priandini, Errika Al Mufidah, 2023)**.**

Individual competencies include the skills, knowledge, and abilities possessed by each person in the organization, especially those involved in financial management. Individuals who have high competencies in finance, accounting, and risk management tend to be more capable of managing financial resources wisely. They can also make the right decisions based on accurate analysis and understanding of relevant financial regulations and policies,(Sari Fatika Cindy et al., 2023).

An effective Internal Control System (ISC) includes procedures, rules, and policies designed to ensure that financial activities are conducted in accordance with the organization's objectives, reduce the risk of misappropriation of funds, and maintain the integrity of financial reporting. Strong internal controls can prevent fraud, financial mismanagement, and ensure that resources are managed in a transparent and accountable manner.(Maruta, 2016).

Based on the description above, the researcher took the following title: "The Influence of Individual Competence and Internal Control System on the Financial Management Performance of BLU RSUD Batara Guru, Luwu Regency."

METHOD

Analysis Method

This study uses a quantitative research design, using purposive sampling to select 79 employees of Batara Guru Regional General Hospital. Data were collected through a questionnaire that measures individual competency, internal control systems, and financial management performance. Analyzed using SPSS version 21, with multiple linear regression to test the hypothesis and determine the effect of independent variables on the dependent variable.

According to(Sugiyono, 2019)Population in research is defined as the area to be studied by the researcher. Population refers to a generalization area formed from objects and subjects that have specific characteristics and characteristics to be analyzed and concluded. In another sense, population consists of a collection of elements or elements that have specific characteristics that are the focus of research. Meanwhile, the sample is part of the population, which means that the sample is a subset of the totality and characteristics possessed by the population being studied. In this study, the population and sample were taken using the purposive sampling method, where the determination of the sample is carried out based on certain criteria. The purposive sampling method is one type of sampling technique that is generally applied in scientific research, where samples are taken by setting specific criteria. In this study, the researcher used 79 respondents as samples. The respondents involved were employees who used the system at the Regional General Hospital, Luwu Regency, who participated by filling out a questionnaire.

Table 1. Sample Selection Criteria

No	Employee	Amount
1.	Head of Administration Section	6
2.	Head of Medical and Nursing Services	6
3.	Head of Supervision & Maintenance of Infrastructure	5
4.	SPI Responsible Person	3
5.	Edelweiss Tree	18
6.	Rose Flower	8
7.	Jasmine Flower	19
8.	Karu Lotus	5
9.	Orchid Tree	9
	Total	79

The sources of knowledge obtained for this study consist of initial data and additional data. Initial data is information obtained directly from the origin source or data collected directly from the

person being studied, either individually or in groups. Meanwhile, secondary data is taken from other sources such as journals, books, company information, and descriptions of the company structure. The data collection method is by distributing a questionnaire containing several statements designed to measure the variables studied, each variable is measured using a 5-point Likert scale, in the range of answers from "Strongly Disagree" to "Strongly Agree." This scale was chosen because it allows researchers to capture variations in the intensity of attitudes and perceptions of respondents towards the issues studied in order to be in accordance with the research objectives and is distributed through an open questionnaire, namely a questionnaire that gives respondents the freedom to answer questions or statements made by researchers and is given directly to respondents. In order to obtain accurate data and information. After that, the data obtained was processed with the help of the SPSS version 21 application, including validity testing, reliability testing, classical assumption testing (normality), and multiple linear regression for hypothesis testing purposes. In this way, the objective is to assess the extent to which individual competence and internal control systems influence the financial management performance of the BLU RSUD Batara Guru, Luwu Regency, in order to produce better individual competence and internal control systems for the financial management performance of the hospital BLU in the future.

RESULTS AND DISCUSSION

RESULTS

Validity Test

Validity testing is a method used to evaluate a questionnaire. A questionnaire is considered valid if its questions can represent the concept to be measured. Therefore, in this study, validity was tested by calculating the relationship between the score of each question item and the total score. The calculation process was carried out with the help of the SPSS (Statistical Package for Social Science) program. The criteria for testing validity state that if the calculated r value exceeds the r in the table, then the questionnaire can be considered valid, and vice versa.

The r table value is obtained through the analysis of degrees of freedom (df), calculated using the formula df = nk, where n represents the number of participants and k is the number of independent variables applied. A measuring instrument is considered valid if the value of the r relationship is greater than r table, while if the calculated r relationship value is less than r table, then the measuring instrument is declared invalid. Thus, the value of df = 79 (nk = 79-2) = 0.221. The results of the presentation are shown in the following table:

Table 2. Validity Test Results

Variables	Item	R_{count}	r_{table}
Individual Competence	X1.1	0.755	0.221
	X1.2	0.790	0.221
	X1.3	0.763	0.221
	X1.4	0.349	0.221
	X1.5	0.730	0.221
	X1.6	0.267	0.221
Internal Control System	X2.1	0.552	0.221
	X2.2	0.657	0.221
	X2.3	0.623	0.221
	X2.4	0.658	0.221
	X2.5	0.557	0.221
	X2.6	0.632	0.221
BLU Financial Management Performance	Y.1	0.545	0.221
	Y.2	0.609	0.221
	Y.3	0.566	0.221
	Y.4	0.691	0.221
	Y.5	0.682	0.221
	Y.6	0.627	0.221

Source: Data processed by SPSS21

Based on table 1, it is known that the variables of Individual Competence (X1), Internal Control System (X2), and BLU Financial Management Performance (Y) above show that all statement items for each variable are considered valid. This can be seen from the significance value for each variable which is below 0.05, so that the statement can be declared valid.

Reliability Test

Reliability testing is a technique used to evaluate a questionnaire that acts as a marker of a particular variable. A questionnaire can be considered reliable or dependable if a person's answers to the questions remain stable over time. Therefore, in reliability testing, Cronback's alpha statistical analysis is used with this limit set at 0.60. Furthermore, if the Cronback's alpha value exceeds 0.60, then the questions in the questionnaire can be said to have a good level of reliability and vice versa.

Table 3. Reliability Test Results

Variables	Cronbach Alpha	Information
Individual Competence (X1)	0.669	Reliable
Internal Control System (X2)	0.666	Reliable
BLU Financial Management Performance (Y)	0.678	Reliable

Source: Data processed by SPSS21

Based on the table shown, it can be concluded that Individual Competence, Internal Control System and BLU Financial Management Performance show a level of reliability. This is due to the Cronbach alpha value for these variables which exceeds 0.60, indicating that these variables are worthy of use in further analysis.

Normality Test

The normality test aims to determine whether in the regression model, the second disturbance or residual variable has a normal distribution. This study utilizes Kolmogorov-Smirnov analyzed with SPSS version 21 to assess normality. Assessment of normality results can be determined, namely if the significance value is >0.05, while if the significance value is <0.05, then the data is stated not to follow a normal distribution.

Table 4. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		79
Normal Parametersa,b	Mean	,0000000
	Std. Deviation	1.87260370
Most Extreme	Absolute	,103
Differences	Positive	,103
	Negative	-,072
Test Statistics		.919
Asymp. Sig. (2-tailed)		,367

Based on the available table, it can be seen that the significance value of 0.367 exceeds 0.05, which allows us to conclude that the three variables tested show a normal distribution.

Multiple Linear Regression Analysis

Multiple linear regression was applied in this study to test the hypothesis linking the impact of individual capability variables (X1) and internal control systems (X2) both individually and simultaneously on BLU financial management performance (Y).

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Information:

Y   : BLU financial management performance

X1   : individual competence

X2   : internal control systemal

α   : Constant (value Y if $X_1, X_2 = 0$)

β1, β2 : Regression coefficient (increase or decrease value)

Ɛ   : Standard Error

Table 5. Summary of Test ResultsMultiple Linear Regression

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$			
Variables	**Coefficient**	**t-statistic**	**Sig***
Constants	6,288	2,555	0.013
Individual competencies	,524	5,409	0,000
internal control system	,227	2,288	0.025
BLU financial management performance			

N =79

R2 = 0.468

Adj. R2 = 0.454

F-Statistic = 33.372 Sig. = 0.000b

The Dependent Variable is BLU Financial Management Performance while the Independent Variables are Individual Competence and Internal Control System.

*significance at α = 0.05

$X_1$is individual competence;X_2 is an internal control system;YBLU financial management performance;**α**is a constant,$\beta_1$and β_2 regression coefficients for independent variable items

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Y= 6.288+ 0.524X1 + 0.227X2 + e(1)

From the multiple linear regression equation above, the following conclusions can be drawn:

1. The constant of 6.288 shows that if the individual competency value (X1) and internal control system (X2) are 0 (zero), then the financial management performance of the BLU RSUD Batara Guru, Luwu Regency is 6.288 which is expressed in percentage form.

2. The regression coefficient of individual competency variable (X1) on BLU financial management performance of 0.524 implies that, every 1 unit increase in individual competency (X1) will increase the financial management performance of BLU RSUD Batara Guru, Luwu Regency by 0.524 or 5.24%. This indicates that the better the individual competency of BLU financial management performance indicators.

3. The regression coefficient of the internal control system variable (X2) on the financial management performance of BLU of 0.227 states that, every 1 unit increase in the internal control system (X2) will increase the financial management performance of BLU RUSD Batara Guru, Luwu Regency by 0.227 or 2.27%. This shows that the internal control system is getting better on the financial management performance indicators of BLU hospital.

To ensure that the results of this method are truly valid, this method is equipped with several methods to test the hypothesis, including the partial test, simultaneous test, and coefficient of determination test (R2).

Partial Test (t-Test)

The significance test of individual parameters (t-statistic test) aims to evaluate whether the

variables separately have an impact on the dependent variable assuming that the other independent variables remain at constant values. The test criteria are as follows.

1. When the calculated t value is greater than the t table or the p-value (significance) is less than α (0.05), then the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted. This shows that the independent variable has a significant effect on the dependent variable.
2. If the calculated t is smaller than the t table or the p-value (significance) is greater than α (0.05), then the null hypothesis (Ho) is accepted and the alternative hypothesis (Ha) is rejected. This means that the independent variable does not have a significant effect on the dependent variable.

Hypothesis testing is done by t-test and the results can be seen from the coefficient table in the t column and are significant. The t-table value is 1.665 (df = 79 (nk-1 = 79-2-1)). By using a significance level of 5%, the results of the t-test can be seen in table 10. Based on the data in table 10, it can be observed through the following significance test.

a. The significance value of individual competence on the performance of BLU hospital financial management is 0.000, which means significant because the value is below 0.05. The t-value of 5.409 is greater than 1.665 t-table, so the H1 hypothesis is accepted. This indicates that the individual competence variable has an influence and is significant on the performance of BLU Hospital financial management.
b. The significance value of the internal control system on the financial management performance of the hospital BLU is 0.025, so it is also significant below 0.05. With a calculated t of 2.288 which is greater than 1.665 t table, then H2 is accepted, indicating that the internal control system variable has a significant influence on the financial management performance of the Hospital BLU.

Coefficient of Determination Test (R2)

Based on the table above, it states that the R Square point is around 0.468 or 46.8%. These results prove that the performance of BLU Hospital financial management can be explained by independent variables, namely individual competence and internal control systems of 46.8% while 53.2% is explained by factors outside this study.

DISCUSSION

1. The Influence of Individual Competence on the Financial Management Performance of Hospital BLUs
    The regression results show that individual competence has a positive and significant effect on the efficiency of BLU Hospital financial management, with a coefficient of 0.524 and a significance of 0.000. This finding is in line with research by Parwati et al. (2020) and Meanwhile, according to(Larasati and Ekawaty, 2023)which emphasizes that competence includes knowledge, skills, and attitudes that have a direct impact on performance. Competent individuals tend to work more effectively and efficiently. This also supports agency theory, which states that competence is a key factor in accountable financial management.
2. The Influence of Internal Control Systems on the Financial Management Performance of Hospital BLUs
    The results of the SPSS analysis show that the internal control system (ISC) has a significant effect on the financial performance of BLU RSUD Batara Guru, with a significance value of 0.025 and a calculated t of 2.288> t table 1.665. This finding supports the hypothesis that ISC improves the effectiveness of financial management and strengthens the influence of individual competence on performance. In accordance with agency theory, ISC helps minimize the risk of deviation and encourages increased organizational performance.(Fish, 2020).

CONCLUSION

Based on the analysis and discussion that has been done regarding the Influence of Individual Competence, Internal Control System on the Financial Management Performance of BLU RSUD Batara Guru Luwu Regency, the researcher concluded that there is individual competence in financial management that greatly influences the financial management performance of BLU RSUD Batara Guru. A good internal control system has a significant influence on the financial management of BLU RSUD Batara Guru. Overall, individual competence and internal control system play an important role in improving the financial management performance of BLU RSUD Batara Guru.

REFERENCE

Ajeng Rivaningrum & Amir Amir Mahmud, 2015. (2015). Public Service Agency. 4(2), 1–7.

Anggraeni and Irviani (2017, 13). (2019). Chapter II Theoretical Basis. Tama, 2018:12, 53(9), 1689–1699.

Aulia, F., Syamsuddin, S., & Sahrir, S. (2023). The Influence of Moral Sensitivity, Transparency and Accountability on Fraud Prevention in Village Fund Allocation Management.

Bairizki, A. (2020). financial management performance.

Ellitan. (2009). Internal Control Systems. 19(19), 19.

Fish, B. (2020). Analysis of Nurse Competence at Raja Ahmad Tabib Regional General Hospital (RSUD) Riau Islands Province (Vol. 2507, Issue February).

Fish, B. (2020). The influence of internal control systems, utilization of information technology, and compliance with accounting standards on the quality of financial reporting at the Ibnu Sina Hospital, Gresik. 2507(February), 1–9.

Hendrawati. (2017). Analysis of Financial Performance at DR. Tadjuddin Chalid Hospital, Mph Makassar. Journal of Accounting, 11.

Kridantika, MFT & WS (2023). Financial Performance and Service Performance in the Implementation of Financial Management Patterns of Public Service Agencies.

Larasati, N., & Ekawaty, N. (2023). The Influence of Competence and Organizational Commitment on the Performance of Employees at Bumiayu Regional General Hospital-Brebes Regency.

Maruta, H. (2016). Internal Control in Accounting Information Systems.

Munawir. (2019). Chapter II Theoretical Basis. 53(9), 1689–1699.

Nurliah Nurliah, ARM (2023). Governance. 10(3), 63–78.

Nurmiati, N. (2022). Implementation of Accounting Information Systems at Batara Guru Hospital, Luwu Regency.

Sari, Dewi Puspita, and DS (2024). Performance Measurement Analysis Based on VFM Concept (Case Study of Aceh Singkil District Financial Management Agency).

Sari Fatika Cindy, Assajad Malik Ibnu, & Ansori Isa Moch. (2023). Individual Competence. Scientific Journal and Student Work, 1(4), 201–214.

Sari, P., Patra, ADA, & Ukkas, I. (2020). The Influence of Internal Control Systems on Financial Management at BLUD Awerigading Hospital, Palopo City. Journal of Business Innovation, 8(1), 52–58.

Sugiyono. (2019). Factors influencing the performance of accounting information systems at the Palopo City Regional General Hospital. Sustainability (Switzerland), 11(1), 1–14.

Ummah, MS (2019). The Influence of Competence and Work Culture on Employee Performance on Employee Performance in the General and HR Division of Karya Dharma Husada Bros Singaraja General Hospital. Sustainability