turnitin

662-668.pdf
Jul 16, 2021
4766 words / 28014 characters

Su'un

Correlation Relationship between Managerial Competence and ...

Sources Overview

12%

OVERALL SIMILARITY

1	research-advances.org INTERNET	3%
2	jurnal.unigo.ac.id INTERNET	3%
3	docplayer.net INTERNET	3%
4	www.ajbasweb.com INTERNET	2%
5	www.researchgate.net INTERNET	<1%
6	www.researchersworld.com INTERNET	<1%
7	Abdul Hamid Habbe. "The exploration of effect of financial performance to the public welfare", International Journal of Law and Mana... CROSSREF	<1%
8	Syamsul Huda, Wiwin Priana, Zumrotul Fitriyah. "Regional Financial Model Mapping Independence to Fiscal in East Java", International... CROSSREF	<1%
9	rsepconferences.com INTERNET	<1%
10	stisipm-sinjai.ac.id INTERNET	<1%

Excluded search repositories:

- None

Excluded from Similarity Report:

- Bibliography
- Quotes
- Small Matches (less than 8 words).

Excluded sources:

- ajbasweb.com, internet, 71%

Australian Journal of Basic and Applied Sciences, 9(7) April 2015, Pages: 662-668

ISSN:1991-8178

Australian Journal of Basic and Applied Sciences

Journal home page: www.ajbasweb.com

Correlation Relationship between Managerial Competence and Internal Control System on Financial Performance of Provincial Government at Gorontalo - Indonesia

[1]Julie Abdullah, [2]Abdul Rahman Mus, [3]Muhammad Su'un and [4]Lukman Chalid

[1]University of Gorontalo, Faculty of Economics, Indonesia.
[2]University of Muslim Indonesia, Faculty of Economics, Indonesia.
[3]University of Muslim Indonesia, Faculty of Economics, Indonesia.
[4]University of Muslim Indonesia, Faculty of Economics, Indonesia.

ARTICLE INFO

Article history:
Received 12 October 2014
Received in revised form 26 December 2014
Accepted 17 March 2015
Available online 23 April 2015

Keywords:
Gorontalo provincial government, internal control system, managerial competence, government's financial performance,

ABSTRACT

This study objective is to determine the effect of exogenous variables of internal control systems and managerial competence on endogenous variables of improved financial performance. Each variable are measured by five indicators of exogenous variables and six indicators of endogenous variables 6 indicators. This study involved 247 respondents of government finance department staff at Gorontalo Province. Test results with SEM found that managerial competence, through indicators motives, traits, self-concepts, knowledge, insight, and skills have significant effect to increase government's financial performance. Adversely, internal control system is not significant. This provides practical implications for local governments to evaluate and give emphasis on government staff competence, especially in financial section. This study limitation is samples only in government staff at Gorontalo-Indonesian, so it can not be generalized to other government agencies. Therefore, it needs further study related to fill gap.

To Cite This Article: Julie Abdullah, Abdul Rahman Mus, Muhammad Su'un and Lukman Chalid., Correlation Relationship between Managerial Competence and Internal Control System on Financial Performance of Provincial Government at Gorontalo - Indonesia. *Aust. J. Basic & Appl. Sci., 9(7): 662-668, 2015*

INTRODUCTION

There is strong motivation to implement regional autonomy with real, widespread and responsible. Regional autonomy authority has been set up through law No. 32 year 2004 related to local government and law No. 33 year 2004 on financial balance and central area. This becomes a momentum for Gorontalo provincial government to empower and manage potential of Local Revenue (PAD) as local financial support to implement development in various sectors. Gorontalo Province government along with House of Representatives needs to discuss the performance of accounting reports related government agencies financial management. Discussion generally assesses the income source or reception area, targeted budget allocation to use local government budget that allocated efficiently and effectively. It includes the programs design and activities as source of income and expenses to be incurred by local government. To improve government financial performance, it need to understand problems in associated with public sector financial management and implementation of public sector financial management based on accounting behavior.

Phenomenon in period 2009 – 2013 show financial performance of Gorontalo provincial government has not reached the target. Report the performance evaluation results of local work unit based on measurement inputs, processes, outputs, outcomes, benefits and effect in report of performance accountability of government agencies (LAKIP) decreased and never achieve financial performance above 90%. Realization of government's financial performance shows the percentage of all aspects are decline and far from target of expected performance achievement (source: LAKIP Gorontalo Province Government, 2014). There are various possible causes, but supposedly it is associated with a supervision system and competence of human resources (staff) in financial section of Gorontalo provincial government offices. Controlling activities theory by Boynton and Johnson (2007) state that in order to assess financial activity, it can be controlled via environment control system, risk assessment, communication information activities and monitoring. Control activity internally is very important to support the establishment of good governance and financial performance improvement. Various results of previous studies show that internal control system affects on financial

Corresponding Author: Julie Abdullah, University of Gorontalo, Faculty of Economics, Indonesia

Australian Journal of Basic and Applied Sciences, 9(7) April 2015, Pages: 662-668

performance (Montabon, 2006; Madjid, 2012; and Amelia, 2012). Adversely, Daniesta (2011) argued that internal control system has insignificant and negative effect on governance and financial performance.

Spencer and Spencer (1993) with ability oriented theory suggest that professionalism is manifested in orientation ability called competence. In this case there are five elements to build managerial competence namely motives, traits, self-concept, knowledge and skills. Related with financial performance, previous studies results show that managerial competence has positive and significant effect on governance and financial performance (Risnandar, 2011; Ibn Abbas, 2013). Studies above never specifically investigate government sector, particularly in an effort to increase revenue. Based on description above, these paper objectives are:

1. testing and analyzing the simultaneously effect of internal control systems and managerial competencies to increase government's financial performance at Gorontalo - Indonesia
2. understanding the correlation relationship between these variables in perspective of internal control systems and managerial competencies Gorontalo provincial government to improve financial performance.

Theoretical Overview:

Parameters of government financial management:

Kartiwa (2007) states that governance principle is improvisation unity of interest relationship, cooperation and authority of government, private and public to conduct activities and actions to achieve the goals are aligned with basic principles of governance. Especially for government financial governance, one of parameters is goal achievement of financial performance. Performance can be defined as measured activity of an entity during a particular period as a part measure of job success. Financial performance assessment essentially is an investigation of end results of activities done, starting from inputs, processes, outputs, outcomes, benefits, and effect (Takwil, 2005). This is a process of operational activities assessment by organization to demonstrate its performance. Input activities as revenue sources from income taxes, fees and other legitimate income give contribution to Local Revenue. Process is about budgetary allocations priorities, while output is about dividing the work such as retribution management in form of retribution markets, hotels and restaurants and various types of other levies. Outcome is the profit gains from budget used to get funding or subsidies from government, such as return on capital or revolving funds. Benefit is budget usage on target, while impact is potential for leakage and misuse of funds. Hoffman (2004) states that necessary support and high participation from all parties voluntarily, coordinated and goal-oriented of policy-making related directly or indirectly to provide justification for government, private and public.

Concept of internal control systems and managerial competencies:

Studies on internal control system is very important because it covers a wide range issues related to structure, method and organization size coordination to maintain organization wealth, accuracy checking and accounting data constraints, encourage efficiency and compliance with organizational management policies (Muliadi, 2007). Internal control system development in public sector organization is basically intended to summarize the policies, practices and procedures in applied finance to achieve organizational goals. Hall (2001) stated that there are four purposes of internal control systems application in an organization, namely: 1) maintaining organization's financial assets, 2) ensuring the accuracy and relies on recording and accounting information, 3) promoting the efficient operation of organization and 4) measuring compliance with policies and procedures established in organization management. In relation to financial performance, previous studies of Ashmir Shah (2012) argued that internal control system and financial management provide a positive and significant effect on financial management. Theories sufficiently representative to understand importance of internal control system proposed. Boynton (2008) stated that financial activity must be controlled by control system to include control environment, risk assessment, control activities, information and communication improvement and monitoring activities. There are five systems that can be used to assess the implementation level of financial activities in accordance with systems-based work environment, risk management, and develop the information accuracy and communication activities as well as observation to expand access to financial activities.

Managerial competencies concept is important to affect financial performance of an organization. David McClelland in Martin (2002) states that there is an important basic characteristic in a person who is predicted to realize the success of work. More valuable than academic intelligence, it can become critical vector to distinguish between someone who has the ability and do not have competence ability. Research results related to competencies are proposed by Hayton (2005), that managerial competencies provide a positive and significant effect on performance through the implementation of good governance. Similarly Ibn Abbas (2013) states that financial management and auditor's competence provide significant effect on governance, job satisfaction and financial performance. This is supported by Daniesta (2011) that auditors competence have significant positive effect on governance, it means that auditors competence

Australian Journal of Basic and Applied Sciences, 9(7) April 2015, Pages: 662-668

should be maintained because it provides governance for company's progress.

Research Hypothesis:

There are various factors to affect financial performance of public sector organizations. Financial performance is achievement level of a work in field of local government finance which includes revenues and expenditures by using financial indicators defined through a policy or statutory provisions during the budget period. Financial performance is suspected relate to supervision system and competence of human resources (staff) at financial section. As noted by Boynton and Johnson (2007), financial activity assessment can be controlled via environment control system, risk assessment, communication and monitoring information activities. This opinion indicates that financial performance is related to control system within organization. This is supported other studies to show that internal control system affect on financial performance (Montabon, 2006; Madjid, 2012; and Amelia, 2012). Ashmir Shah (2012) found that internal control system and financial management provide a positive and significant effect on financial management and governance. Adversely, Daniesta (2011) argued that internal control system has insignificant and negative effect on governance and financial performance. Financial activities performance assessment can be done through indicators system of environmental control, risk assessment, communication and monitoring activities (Boynton information and Johnson, 2007). Activities control internally is important to support good governance establishment and improving financial performance. Referring to results of other studies, it can be argued that a good performance improvement should also be supported by managerial competence. Related to financial performance, Risnandar (2011) and Ibn Abbas (2013) shows that managerial competence has positive and significant effect on governance and financial performance. Hayton (2005) states managerial competencies can provide a positive and significant effect on performance through implementation of good governance. This opinion is strengthened by Ibn Abbas (2013) who states that financial management and auditor's competence provide significant effect on governance, job satisfaction and financial performance. Related to ability oriented theory, Spencer and Spencer (1993) suggest that professionalism is manifested in orientation ability called competence. There are five elements to build managerial competence namely motives, traits, self-concept, knowledge and skills. Managerial competence becomes important as advantages ability possessed by auditor in performing governance and performance improvement. Performance assessment indicators from Gordon (2004) show that accountability is central to improve financial performance. Accountability shall include a set of input-process-output-outcome-benefit-impact.

Therefore, we believe that internal control systems development and higher managerial competence is a prerequisite to improve financial performance of organization, especially government sector.

Based on description above, conceptual framework study is shown at Figure 1 and formulation of hypothesis is follows:

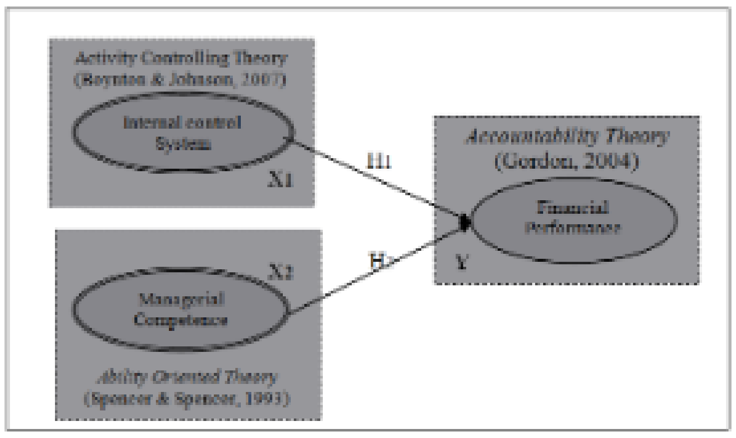

Fig. 1: Conceptual model of research.

H1: Internal control system has significant effect on government financial performance

H2: Managerial Competence has significant effect on government financial performance

Methodology:

Data Collection:

This study will investigate the phenomenon and characteristic of research object population from individuals and leaders of finance department staff in various government offices in Gorontalo Province. Data is collected by questionnaires randomly to 247 people of staff and leadership at 6 institutions at local government unit by direct visits and delivery by post in April 2014 to June 2014. Testing process is done by structural equation model to analyze the relationship between endogenous and exogenous variables. Samples of 247 respondents are calculated by Slovin formula (Jumble, 1992 in Dionco-Adetayo, 2011). Technical characteristics and data respondents are described in Table 1.

Australian Journal of Basic and Applied Sciences, 9(7) April 2015, Pages: 662-668

Table 1: Technical Specifications of data research.

• Research location	Office of Gorontalo Province Government – Indonesia
• Samples	247 leader and staff at financial region that consist of : 31 secretary, 84 agencies, 27 bodies, 35 officer, 24 inspectorate, and 46 technical institution
• Respondent Characteristic: • Sex • Education • Work duration	 Male = 139, female = 108 Senior High School =31, D3=19, S1=162, S2=35 < 10 years = 104, 11-20 years = 91, 21-30 years = 45, >30 years = 7
• Data collection technique	Observation, questionnaire, interview and document review
• Sampling method	Random sampling
• Confidence level :	95 %
• Data Collection	Direct visit and via post
• Research duration	April 2014 – June 2014

Measurement instruments:

This research measurement instrument is developed by adopting various relevant concepts from previous studies. Measurements for each variable assessment indicators use Likert scale (Likert, 1961), where "5" = strongly agree, "4"= agree, "3" = less agree, "2" = does not agree, and "1" = strongly disagree ". Prior to data collection process, pre-test is performed with aims to obtain feedback related to comprehensibility of content, format, and accuracy of measurement instruments. Therefore, measurement instrument in this study can be considered to be a new proposal measurement instrument. Technical specifications of measurement instruments are shown in Table 2.

Table 2: Variables characteristics and measurement instruments.

Variables measurement	Concept	Indicators assessment
Internal control system (X_1) *(Boynton & Johnson, 2007)*	Control system implementation within organization to create financial plan	• Environment control (X1.1); controlling the activities and financial transactions within organization • Risk assessment (X1.2); controlling various activities and transactions in order to anticipate the organization's financial losses • Control activities (X1.3); attempt to control all activities balance in according with applicable rules • Information and communication (X1.4); providing an explanation and discussion of financial activities of proper and correct • Monitoring (X1.5); examining and assessing all financial activities rightly
Managerial competence (X_2) *(Spencer & Spencer, 1993)*	Professional ability possessed by a financial executive or auditor to manage finance jobs	• Motive (X2.1); required ability to pursue financial field • Nature (X2.2); talent possessed by professional in financial field • Self concept (X2.3); recognizing the ability to manage finance • Knowledge (X2.4); insights on various scientific repertoire in finance • Skills (x2.5); expertise to develop various prospective mastery in finance
Financial performance (Y) *(Gordon, 2004)*	Work achievement in financial sector as government accountability to public	• Input (Y1); budget usage assessment in various programs and activities of government • Process (Y2); assessment of budget management activities implementation in according to priorities and budget platform • Output (Y3); budget utilization achievement in according to results of programs and activities • Outcome (Y4); profit achievement in financial management results • Benefit (Y5); benefit from advantages of right target in designation • Effect (Y6); accountability for various effects of financial management activities

Validity and reliability measurement:

Some assumptions of analysis in this study are relationship between variables are linear, causal, additives, and measuring instruments used are valid and reliable. Homogeneity test is done to evaluate the consistency and validity of instrument measurement by item-total correlation (Anderson and Gerbing, 1988). Instrument is valid if each item scores were positively correlated with total score of items and higher than the intercorrelations between items. According to Bagozzi (1981), indicator with item-total correlation and low loading factor should be discarded. Pearson product moment correlation > 0.4 (Singgih, 2000), while the measurement reliability using Cronbach's alpha > 0.8 (Nunnally, 1979). By using SPSS version 16.0. Test results show valid instruments and reliable measurement (Table 3).

Confirmatory factor analysis:

Structural equation modeling (SEM) and statistical software AMOS 18.0 are used to test structural model fit to data observation. Predictive powers of observation variables are done at individual and construct level through critical value ratio (CR). A latent variable (constructs) of this study consists of a internal control system, managerial competence, and financial performance. Criteria used to test model fit are a) degree of freedom must be positive, b) non-significant chi-square ($p \geq 0.05$) and above the received conservative ($p = 0.10$) (Hair *et al.*, 2006), c) incremental fit above 0.90 for GFI, AGFI, TLI, Cmin/df, CFI, and d) a low RMSEA. Test results are shown in Table 4 and Table 5.

Australian Journal of Basic and Applied Sciences, 9(7) April 2015, Pages: 662-668

Table 3: Validity and reliability of data (n = 247).

Indicators	Score of respondent answer										Mean	Pearson correlation	Description
	1		2		3		4		5				
	F	%	F	%	F	%	F	%	F	%			
X1.1	0	0.0	6	2.4	7	2.8	139	56.3	95	38.5	4.31	0.776	*Valid*
X1.2	0	0.0	0	0.0	13	5.3	78	31.6	156	63.2	4.58	0.861	*Valid*
X1.3	0	0.0	1	0.4	11	4.5	31	12.6	204	82.6	4.77	0.716	*Valid*
X1.4	0	0.0	8	3.2	59	23.9	100	40.5	80	32.4	4.02	0.854	*Valid*
X1.5	0	0.0	10	4.0	37	15.0	117	47.4	83	33.6	4.11	0.693	*Valid*
Cronbach's alpha of Internal control system (X1)												0.874	*Reliable*
X2.1	0	0.0	0	0.0	1	0.4	108	43.7	138	55.9	4.55	0.824	*Valid*
X2.2	0	0.0	17	6.9	22	8.9	102	41.3	106	42.9	4.20	0.903	*Valid*
X2.3	0	0.0	0	0.0	58	23.5	110	44.5	79	32.0	4.09	0.841	*Valid*
X2.4	0	0.0	0	0.0	11	4.5	58	23.5	178	72.1	4.68	0.810	*Valid*
X2.5	0	0.0	0	0.0	53	21.5	53	21.5	141	57.1	4.36	0.872	*Valid*
Cronbach's alpha Managerial competence (X2)												0.787	*Reliable*
Y1	0	0.0	0	0.0	8	3.2	103	41.7	136	55.1	4.52	0.895	*Valid*
Y2	0	0.0	0	0.0	4	1.6	92	37.2	151	61.1	4.60	0.897	*Valid*
Y3	0	0.0	0	0.0	0	0.0	47	19.0	200	81.0	4.81	0.952	*Valid*
Y4	0	0.0	26	10.5	33	13.4	146	59.1	42	17.0	3.83	0.793	*Valid*
Y5	0	0.0	0	0.0	6	2.4	109	44.1	132	53.4	4.51	0.811	*Valid*
Y6	0	0.0	0	0.0	42	17.0	53	21.5	152	61.5	4.45	0.923	*Valid*
Cronbach's alpha of Financial performance (X2)												0.840	*Reliable*

Correlation is significant at 0:01 levels.

Table 4: Critical ratio and probability (p) of each indicator.

Variables	Indicators	Regression Standard	Critical ratio	Probability (p)	Description
Internal control system	X1.1	0.721	10.818	0.000	Significant
	X1.2	0.279	3.960	0.000	Significant
	X1.3	0.135	1.977	0.048	Significant
	X1.4	0.964	Fix	0.000	Significant
	X1.5	0.615	9.279	0.000	Significant
Managerial competence	X2.1	0.670	6.238	0.000	Significant
	X2.2	0.668	Fix	0.000	Significant
	X2.3	-0.063	-0.793	0.428	Insignificant
	X2.4	0.076	0.936	0.349	Insignificant
	X2.5	0.626	6.246	0.000	Significant
Financial performance	Y1	0.760	11.955	0.000	Significant
	Y2	0.880	Fix	0.000	Significant
	Y3	0.632	8.136	0.000	Significant
	Y4	0.053	0.750	0.453	Insignificant
	Y5	0.214	2.950	0.003	Significant
	Y6	0.528	7.786	0.000	Significant

Table 5: Comparison of models fit index and cut-off value.

Criterion	Index fit	*Cut-off Value*	Description	Criterion	Index fit	*Cut-off Value*	Description
Chi-square	363.168	Small	Good	GFI	0,955	≥ 0,90	Good
Probability	0.009	≥ 0,05	Good	AGFI	0,931	≥ 0,90	Good
RMSEA	0,027	≤ 0,08	Good	CFI	0.967	≥ 0,90	Good
CMIN/DF	1,415	≤ 2,00	Good	TLI	0,974	≥ 0,90	Good

Research results/findings:

Table 6 and Figure 2 show hypothesis testing results by AMOS 18.0. There is no sufficient evidence to accept the first hypothesis. In other words, internal control system (X1) does not affect to increase in government's financial performance (Y), with P-value = 0.065 or greater than the required acceptance limits. Adversely, managerial competence (X2) significantly affect on government financial performance (Y) with a P-value = 0.000. Referring to Table 6, structural equation related to government's financial performance increase revealed that more than 95 percent of test results variance can be explained by effect of managerial competence. It is reinforce the conceptual model of this study (Figure 1).

Discussion:

Local autonomy in Indonesia provides more flexibility for local governments to explore and utilize local revenue sources. But it is not anticipated by Gorontalo provincial government. It is apparent from financial performance of Gorontalo provincial government that not reached the target. Performance evaluation report of local work unit based on measurement of inputs, processes, outputs, outcomes, benefits and impact within performance accountability of government agencies are declined and never achieve financial performance above 90%.

Australian Journal of Basic and Applied Sciences, 9(7) April 2015, Pages: 662-668

Related literature review of financial performance show that it is affected by internal control systems and managerial competencies of staff. A factor analysis is performed to 16 indicators related to internal control system, managerial competence and financial performance. This analysis makes a solution to explain effect of these three variables, as shown in Table 6.

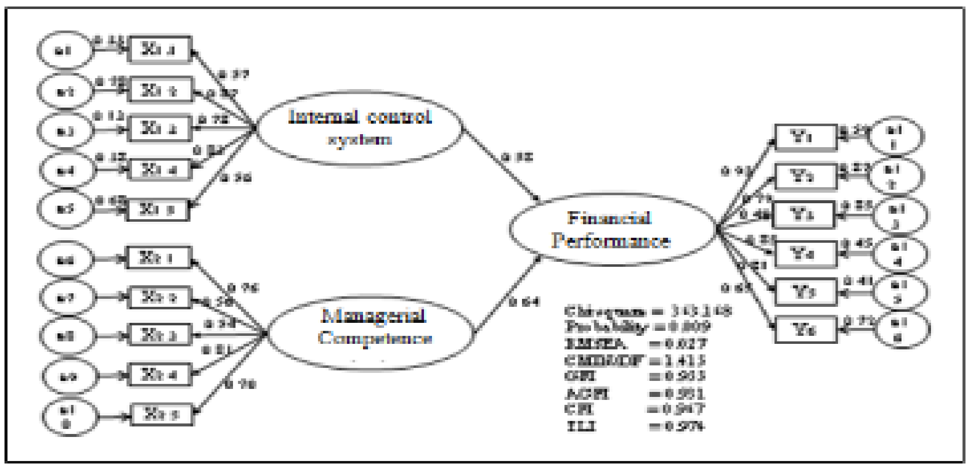

Fig. 2: Model overalls.

Table 6: Correlation relationships between variables (hypothesis testing).

Independent variables	Dependent variables	Standardize Direct Effect			
		Standardize	CR	P-value	Description
Intermal control system (X1)	→ Government financial performance (Y)	0.109	1.847	0.065	Insignifikant
Managerial competence (X2)	→ Government financial performance (Y)	0.942	12.113	0.000	Significant

Internal control system (X1):

Test results show variables of internal control systems (X1) has insignificant effect on financial performance with p-value = 0.065. These findings reinforce Daniesta (2011) who found that internal control system has insignificant and negative effect on governance and financial performance. Although the effect of this variable is not significant, but the results of respondents' assessment from five indicators (environment control (X1.1), risk assessment (X1.2), activities control (X1.3), information and communication (X1.4), and monitoring (X1.5)) are high enough with average 4.36. Other studies show that internal control system affect on financial performance (Montabon, 2006; Madjid, 2012; and Amelia, 2012). This test results can become an indication for Gorontalo provincial government to optimize the internal control system. In this case, refers to Boynton and Johnson (2007), it need to supervise activities and financial transactions in order to anticipate financial losses within organization, overseeing all balance activities in according to procedures of applicable rules, gives an explanation and discussion on financial activity precisely and correctly, and examining and assessing all financial activities rightly.

Managerial Competence (X2):

Hypothesis testing result (Table 6) show that variables that significantly and positively increase government's financial performance is managerial competence (X2) with a p-value = 0.000. This variables is assessed by five indicators, namely motifs (X2.1), nature (X2.2), self-concept (X2.3), knowledge (X2.4), and skills (x2.5). Respondents' assessment of each indicators show an average value as follows: X2.1= 4.55, X2.2 = 4.20, X2.3= 4.09, X2.4 = 4.68 and X2.5 = 4.36 (Table 3). This finding is supported by research results of Risnandar (2011) and Ibn Abbas (2013) that managerial competence has positive and significant effect on governance and financial performance. Hayton (2005) states that managerial competencies can provide a positive and significant effect on performance through the implementation of good governance. This test may indicate that Gorontalo provincial government should be able to improve the managerial competence of finance department staff. Spencer and Spencer (1993) suggest that professionalism manifestation from orientation ability is called competence.

There are five elements to build managerial competence namely motives, traits, self-concept, knowledge and skills. Managerial competence becomes important as advantages ability possessed by auditor in performing governance and performance improvement. Performance assessment indicators from Gordon (2004) show that accountability is central to improve financial performance. Accountability shall include a set of inputs (budgets usage assessment for various programs and activities of government), process (assessing the appropriate budget management priorities and budget platforms), output (achievement of budget utilization for appropriate programs and activities), outcomes (financial profit achievement of management), benefits (benefits from advantages of right target), and impact (assessment of various effects of financial management activities). We believe that through improvement of managerial competence with support from development of internal control systems become prerequisite to improve financial performance of organization, especially government sector.

Conclusions:

This study results has a number of practical implications for provincial government of Gorontalo to identify factors to improve local government finance performance. Gorontalo provincial government should able to further improve financial performance related to revenue and expenditure, should give more attention to gradual and sustainable improvement of human resources.

Limitations of this study is sample only in Gorontalo provincial government offices, particularly in finance department, does not involve non-financial and other Provinces. So these findings may not be generalizable to other local governments. Further study is recommended to fill this gap. This can help to strengthen the this study results in order the findings can be generalized.

REFERENCES

Amelia, 2012. "Affect of behavioral accounting toward internal control system, auditor Competence and Performance Financial Public Sector". *International Journal of Accounting*, 75(12): 157-166.

Anderson, J.C. and D. Gerbing, 1988. "Structural modeling in practice: a review and recommended two-steps approach", *Psychological Bulletin*, 103(3): 411-23.

Ashmir Shahm, 2012. "The affect of internal control system toward finance management and corporate governance in increasing of performance". *International Journal of Performance Management*, 18(8): 133-154.

Bagozzi, R., 1981. "Evaluating structural equations models with unobservable variables and measurement error: a comment", *Journal of Marketing Research*, 18(3): 375-81.

Boynton, A.A., Johnson, K. James, 2007. "Auditing pendekatan terpadu", Edisi Indonesia oleh Amir Abadi Yusuf, *Penerbit Salemba Empat*, Jakarta.

Boynton, A.A., 2008. "Fundamental of management accounting", Fourth Edition, *Richard D. Irwin Inc*, Homewood, Illinois.

Daniesta, Sofie, 2011. "Affect of internal control system, auditor competence and evaluation toward corporate governance and financial performance". *International Journal of Performance Management*, 28(9): 215-225.

Dionco-Adetayo, E., 2011. "Guide to business research and thesis writing", 2nd Edition, *Rasmed Publications Limited*, Ibadan, Nigeria.

Gordon, Lincoln, 2004. "Competence and management", *Routledge and Kegan Paul*, London.

Hair, J., W. Black, B. Babin, R. Anderson, R. Tatham, 2006. "Multivariate data analysis (6th ed)", *Uppersaddle River, N.J.*: Pearson Prentice Hall.

Hair, 2008. "Using of AMOS as quantitative problem solve", *Englewood Cliffs*, Prentice Hall, New Jersey.

Hall, W.E., 2001. "Perspective the human resource management", *Harper and Row*, New York.

Hayton, C., James, 2005. "Internal control system and managerial competence toward corporate governance and performance". *Journal of Human Resource Management*, Review, 15: 21-41.

Hoffman, J., 2004. "Building resilient leaders", *Leadership*, Vol.34, p.35-38.

Hoffman, J., Dean, 2004. "Basic Statistic for Social Research", *MacMillan*, New York.

Ibnu Abbas, 2013. "Affected of financial management and auditor competence toward corporate, satisfaction and financial performance". *Journal of Business Research*, xxx: xxx-xxx.

Kartiwa, 2007. "Prinsip - prinsip tata kelola keuangan", *PT. Gramedia Pustaka*, Jakarta

Likert, R., 1932. "A technique for the measurement of attitudes", *Archives of Psychology*, 140: 5-53.

Madjid, Hasrul, 2012. 'Pengaruh kompetensi auditor dan sistem kontrol internal terhadap manajemen keuangan sektor publik dalam tata kelola dan peningkatan kinerja keuangan perusahaan Samsung Elektronik Jakarta', *Jurnal Akuntansi Perilaku dan Manajemen Keuangan*, 12-8.

Martin, Jones, 2002. "Auditing and financial of company", *Published by John Wiley and Sons*, New York.

Montabon, Frank, 2006. "An examination of corporate reporting, environmental management practice and firm performance". *Journal of Operation Management* xxx (2006) xxx-xxx.

Muliadi, S., Munawir, 2007. "Pengendalian internal perusahaan", Edisi Revisi, Cetakan Kedua Puluh, *Liberty*, Yogyakarta.

Nunnally, J., 1979. *Psychometric Theory*, McGraw-Hill, New York, NY.

Risnandar, 2011. "Pengaruh tata kelola, kompetensi auditor, akuntansi keprilakuan terhadap kebijakan dan kinerja keuangan perusahaan Goodyear Automobil Jakarta". *Jurnal Akuntansi dan Perilaku*, 4-7.

Singgih, Santoso, 2000. *Statistik Parametrik*, PT Elex Media Komputindo, Jakarta.

Spencer and Spencer, 1993. "The Principle of Good Governance". *Prentice Hall International*, New York.

Takwil, M., 2005. "Risk and system based internal auditing", *PT. Elex Media Komputindo*, Jakarta.