

Financial Statements' Quality, Interactions Between Achievement Motivation And Good University Governance (Studies at Private Universities in the city of Bandung and its surroundings)

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Abstract: This research was conducted on private universities in Bandung area. Educational institutions which are very important for the development of a nation are currently still experiencing obstacles, namely the weak accountability to the public in the form of financial reports. This study aims to overcome problem of private universities in Bandung by implementing good university governance (GUG) and being strengthened by employees who have high achievement motivation. This research is an explanatory study with one hundred employees of the financial department related to financial reports as a sample of the study. The study found GUG influenced financial statements' quality, achievement motivation did not influence financial statements' quality, and achievement motivation is proved to be a pure moderator on the relationship between GUG and financial statements' quality. These results can be used as a consideration when recruiting employees. It is better if personality traits are tested in order to obtain employees who have the desire to excel so that they can strengthen the application of GUG in affecting the quality of financial statements.

Keywords: good university governance, achievement motivation, and financial statements' quality

1. Introduction

Higher education institutions have the obligation to carry out financial records and reports in accordance with statutory regulations. Financial statements provide useful information for its users, therefore the financial statements of a university should in line with the standards of PSAK Number 45 (revised 2011). Quality financial reports can be achieved if the organization is well managed. Research that links performance, including the quality of financial reports with good university governance, has been carried out, for example, Khomsiyah, & Rahayu, (2005). (Muhi, 2010) who found that GUG had an effect on performance in general. Findings of research in this field is not consistent. Klai and Omri (2011) found corporate governance negatively influence financial statements' quality. On the other hand, Wahyudin, Nurkhin, & Kiswanto, (2017) found that GUG had no effect on management performance. finance.

There are relatively few researches in the field of GUG and financial statements' quality relating to characteristics of individuals involved in the implementation of GUG. Even though a good system is if it is not supported by individuals with good characteristics, the system will not work. This study intends to see the ability of individual characteristics, especially the role of achievement motivation in enhancing the effect of GUG on financial statements' quality. Organizational behavior theory is used to explain the model built in this study. Nelson & Quick, (2006) said that the interaction between person and situation factors will influence individual behavior. Individual factors are differences in individual characteristics. Achievement motivation is individual characteristic. In this study, the interaction of achievement motivation with GUG (situational factor) will influence financial statements' quality (behavior). The quality of a financial report is a reflection of the behavior of individuals who prepare financial reports.

2. Theoretical Framework

Good University Governance

Higher education institutions as agents of the nation's successor cadres should be managed properly so that they can be accountable for the authority they have. Therefore, a university should apply the GUG principle, in order to achieve what is mandated by government, to implement a national education system that increases faith and devotion to God Almighty and noble morals in order to educate the nation's life which is regulated by law (UU-RI no 20, 2003). Governance is a way when the authority of an organization is used to allocate and manage its resources. Policies, decision-making procedures, controls and directions are things that are done in governance so that management is effective, Carnagie (2009). Governance can be said as a system that is used to direct and control entities. This relates to the structure and processes for decision making, accountability, control, and behavior of the leaders of an entity (Governance Today, 2021). the principle of good governance in higher

education is called GUG. The implementation of these principles through various adjustments based on noble values in the administration of higher education. Shattock (2006) states that university governance is a structure and process when a university manages its own affairs. Basically, GUG contains the principles: transparency, accountability, responsiveness, independence, fairness, quality assurance and relevance, effectiveness and efficiency as well as non-profit (Tamin, 2019; Atik & Erkan, 2019).

Research that links good governance with the quality of financial information has been quite widely carried out in developing countries, for example by Petra (2007); Beekes et al., (2004), Yeo et al., (2002); Han, (2005). These studies were conducted at profit-oriented companies, while research conducted at non-profit-oriented companies, especially in the field of education, was mostly carried out in Indonesia, for example research conducted by Machmuddah, Suhartono (2019). Mariani, Pituringsih, and Hermanto, (2017), Sukirman & Sari, (2012), Anwar & Pratolo, 2012. These previous studies found that GUG influenced financial statements' quality. The discussion above lead to the following hypothesis: good university governance influences financial statements' quality.

3. Achievement Motivation

Motivation is the trigger one's actions, a person's needs and desires strongly impact his/her behavior. Henry Alexander Murray from Harvard University was the first to define the individual's need for achievement. This achievement motivation is a desire to achieve significant achievement, master skills, overcome obstacles to success or to reach high standards quickly, Murray (1938). Mc.Clelland (2013) described achievement motivation as a need for achievement. Need for achievement is the desire to do things better, to be successful, and to feel competent. Our daily lives, all behavior, actions, thoughts and beliefs are influenced by our inner drive to succeed, Rabideau (2005).

Research conducted by Richardson and Abraham (2009) found achievement motivation could explain performance variation. Research conducted by Balogun, Balogun and Onyencho (2017), found that achievement motivation also affects performance. The description above shows that someone with high achievement motivation will have a better performance. In this research, performance define as financial statements' quality. The discussion led to the following hypothesis: achievement motivation influences financial statements' quality.

4. Financial Statements' Quality

Financial statements can be used as a tool used to view the health condition of an organization, if the process of making it in line with PSAK. Financial statements' quality is a written report that provides quantitative information about the financial position and its changes, as well as the results achieved during a certain period. Qualitative characteristics of financial statements should embody in accounting information system. According to McDaniel, Martin and Maines (2002), the quality characteristics of financial statements include three characteristics: relevance, reliability and comparability. In the context of Indonesia, Indonesian authority added one more characteristic, which is understandable. Financial statements are the output of accounting information systems within an organization. Financial reports as a tool of accountability must be of high quality so that they can be used by interested parties. Financial statements' quality can be achieved if the organization manages it properly. Therefore, it is important to apply good governance principle, and for higher education this principle is known as GUG.

GUG that is applied to an entity could influence financial statements' quality if the individuals involved in it have the incentive to succeed in doing their job. This is in accordance with the theory of vocational choice introduced by Holland (1985) which states that work environment and personality interaction will have an impact on career performance. Furthermore, it is said that a high suitability between personality and work environment will lead to better its role performance. Scholars in motivational studies argued that achievement behavior is the result of the interaction between situational factors and individual motivation (Rabideau, 2005). Several studies that use motivation as a moderating variable, for example research conducted by Bakhtiarvand, et al. (2011) and research conducted by Balogun, Balogun and Onyencho (2017), these studies found that achievement motivation was able to be a moderator. The discussion above lead to the following hypothesis: Interaction between achievement motivation with GUG influence financial statements' quality.

5. Research Method

This research is an explanatory study, which explains the variations that occur in financial statements' quality using GUG and achievement motivation. The population of this research is director and financial staff at six private universities in Bandung and its surroundings, purposive sampling produces 100 samples. GUG is measured using 5 dimensions, namely: governing board, autonomy, accountability, leadership, and transparency (Nurhayati, 2013). Achievement motivation is measured by six dimensions, namely: a strong feeling to achieve goals, responsible, evaluative, taking risks, creative and innovative, and likes challenges (Mc Clelland, 2013). Financial statement' quality is reflected in 4 dimensions, namely: relevant, reliable, comparable and understandable (PSAP No. 71 of 2010). The data collected through questionnaires were processed using moderated regression analysis.

6. Finding and Discussion

Validity and reliability testing show that the scale used is valid and reliable. The results of the descriptive analysis indicate GUG is in the very good category, financial statements' quality is in very good category and the achievement motivation is in the very high category. The classical assumption test performed shows that all meet the requirements. Following are the results of data processing with regression.

Tabel 1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.501 ^a	.251	.243	3.26453

a. Predictors: (Constant), X

Tabel 2
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	349.598	1	349.598	32.804	.000 ^b
	Residual	1044.402	98	10.657		
	Total	1394.000	99			

a. Dependent Variable: Y
b. Predictors: (Constant), X

Tabel 3
Coefficients^a

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Beta		
1	(Constant)	28.077		5.510	.000
	X	.273	.501	5.727	.000

a. Dependent Variable: Y

Tables 1, 2 and 3 show that the first model built in this research is acceptable since the p value is smaller than 0.05. Financial statements' quality is influenced by GUG by 50.1 percent with adjusted R square is 0.243 which means that GUG variable can explain the variable quality of financial statements by 24.3%.

Tabel 4
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.635 ^a	.403	.390	2.93007	.403

a. Predictors: (Constant), Z, X

b. Dependent Variable: Y

Tabel 5
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	19.407	4.895		3.964	.000
X	.148	.050	.273	2.997	.003
Z	.071	.055	.045	1.965	.067

a. Dependent Variable: Y

Tables 4 and 5 show that GUG influence financial statements' quality, while achievement is not influenced financial statements' quality.

Table 6
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644 ^a	.415	.397	2.91364

a. Predictors: (Constant), XZ, X, Z

b. Dependent Variable: Y

Tabel 7
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	579.027	3	193.009	22.736	.000 ^b
	Residual	814.973	96	8.489		
	Total	1394.000	99			

a. Dependent Variable: Y

b. Predictors: (Constant), XZ, X, Z

Tabel 8
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	

(Constant)	-68.966	61.225		-1.126	.263
X	.974	.573	1.790	4.702	.012
Z	1.345	.744	2.244	1.808	.074
XZ	.710	.007	3.877	3.448	.023

a. Dependent Variable: Y

Tables 6, 7 and 8 shows financial statements' quality is influenced by the interaction between GUG and achievement motivation. Achievement motivation can be a pure moderator of the effect of GUG on financial statements' quality.

7. Discussion

This study found achievement motivation was able to strengthen the influence of GUG on financial statements' quality. This finding is in line with interactional psychology approach proposed by Endler and Magnuson (1976) in Nelson and Quick (2008), which states that the situation and characteristics of the interacting individual will influence behavior. These findings are also consistent with Holland's theory of vocational choice, which stated the interaction of work environment and personality will have an impact on career performance (Holland, 1985). Therefore, organizational managers should pay greater attention to individual characteristics factors in an organization so that any system or program implemented in the organization achieves better results. This can occur because individuals with high achievement motivation have a desire to compete fairly with themselves and with others; have a desire to work well; think realistically, know his abilities and weaknesses; has personal responsibility; able to make breakthroughs in thinking; think strategically in the long term; always take advantage of feedback for improvement. (Mc.Clelland, 2013).

8. Conclusions and suggestions

This research results in the conclusion that

1. GUG influence financial statements' quality.
2. Achievement motivation is not influenced financial statements' quality.
3. The interaction between achievement motivation and GUG influenced financial statements' quality.

Suggestion

The results of the research can be used to provide suggestions for companies to put more emphasis on the importance of implementing GUG which could improve financial statements' quality through creating a good communication network, so as to create transparency within the organization and also transparency to the public, increasing the relevance of the organizational structure accompanied by clarity. authority. Employees in an organization are encouraged to foster a sense of pride in themselves when achieving a certain goal by giving awards so that motivation appears to be more accomplished. For further research, it is better to pay more attention to other person factors such as value, ethics, self-esteem and others that can be used to manage the company well which in turn will produce good performance, especially financial reports.

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