



THE INFLUENCE OF LEADERSHIP STYLE ON THE EFFECTIVENESS OF FINANCIAL MANAGEMENT IN EDUCATION QUALITY ASSURANCE INSTITUTION DEPARTMENT OF EDUCATION

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Abstract. This study aims to find out the effect of leadership style on the effectiveness of financial management at the Educational Quality Assurance Institute (LPMP). The research design used in this research is quantitative research methods. Descriptive statistical analysis is used with the intention of describing the effect of leadership style on financial management. The population as the subject of this research is the budget executor in the work unit in LPMP Gorontalo Province. The sampling method used was Simple Random Sampling. The results showed that the leadership style had a positive and significant effect on the effectiveness of financial management.

Keywords: Performance Management, Leadership Style, Human Resources, Financial Management

Abstrak. Penelitian ini bertujuan untuk mengetahui pengaruh gaya kepemimpinan terhadap efektivitas pengelolaan keuangan pada Lembaga Penjaminan Mutu Pendidikan (LPMP). Desain penelitian yang digunakan dalam penelitian ini adalah metode penelitian kuantitatif. Analisis statistik deskriptif digunakan dengan maksud untuk menggambarkan pengaruh gaya kepemimpinan terhadap manajemen keuangan. Populasi sebagai subjek penelitian ini adalah para pelaksana anggaran pada unit kerja di LPMP Provinsi Gorontalo. Metode pengambilan sampel yang digunakan adalah Simple Random Sampling. Hasil penelitian menunjukkan bahwa gaya kepemimpinan berpengaruh positif dan signifikan terhadap efektivitas pengelolaan keuangan.

Kata Kunci:



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Introduction

The authority to manage regional finances in a more autonomous manner raises various challenges for the regions in terms of implementing accountability in the form of the inability of local governments to realize the budget according to planning, external opinions issued by the BPK (Supreme Audit Agency) and relatively high findings from auditors. In realizing the effectiveness of regional financial management, the availability of human resources (employees) who have high and important competence by pointing to personal characteristics (characteristics), self-concept, values, knowledge or expertise brought by a person with superior performance will minimize the level of mistakes in financial management.

In realizing the effectiveness of regional financial management, performance management, leadership style, and human resources are required. Performance is a broad notion that can be defined as a combination of complementary (and occasionally contradictory) characteristics or indicators that reflect the evaluation process through various types of produced results (Lebas & Euske, 2002). In this sense, success almost always hinges on the development of a causal model that explains how current actions affect future results. Performance is a broad concept that can be defined as a set of complementary (and sometimes contradictory) features or indicators that reflect the evaluation process through a variety of created outcomes (Lebas & Euske, 2002). In this sense, success nearly always depends on the creation of a causal model that explains how current actions influence future outcomes.

According to Dutra (2004), performance is defined as the set of deliverables and results produced by an employee's development, effort, and behavior in the workplace. The employee's level of development is linked to his or her maturity and ability to act independently, and it affects the organization's expectations for his or her performance. The quality of the value added to the organization, however, distinguishes the effort from the amount of progress. Effort is a contingent variable that is tied to an individual's motivation and the favorable conditions supplied by the organization or market at the time. No one can guarantee that a person who is strenuous today will remain so tomorrow. Finally, behavior can influence or not influence an employee's development and effort, and it is linked to a pattern of conduct determined by the organization or group of individuals (Dutra, 2004).

According to Murphy (2008), the optimum method to use performance evaluation is as part of a collection of convergent measures that, when used together, are more likely to capture variation in work performance than if used separately. Fernandes (2013) proposed an integrated model of performance evaluation that encompasses numerous dimensions in this regard. Assessments of inputs and outputs characterize the model. Capabilities, such as knowledge, skills, attitudes, and values, are used to evaluate inputs. Because knowledge and abilities are stored in professional experience in the form of accumulated training that can be confirmed by certificates, they do not require systematic review. Results are measured by indicators within a target system, and outputs are evaluated in terms of skills and goal achievement. The outcomes are evaluated in terms of indicators, then stored and made available in operational systems after being analyzed by self-assessment and superiors.

The leadership style is the next issue to consider when determining the success of regional financial management. One of the most difficult tasks for leaders is to channel human capital's potential toward the attainment of company goals and outcomes. The function of the leader who guides their team develops in importance as the importance of teams grows in the organizational environment. Leaders are unable to fix problems on their own. The complicated world necessitates the collaboration of numerous employees' resources and skills. As a result, a considerable focus is placed on encouraging teamwork and effective leadership (Jones & Rudd, 2008).

Subordinates must agree to the leader's leadership. Leadership in this context only occurs after other members of the group acknowledge it. In their capacity to begin and maintain connection, leaders usually stand out from followers. These leaders help individuals with limited abilities participate more fully, accept a wide range of personalities, and are particularly tolerant of deviations (Bass et al., 2003). The relationship between leaders and followers provides a foundation for the study of transactional leadership in this way (Van & Benati, 2010). A negotiator, the transactional leader makes agreements in exchange for desired outcomes. The transactional leader has the ability to both reward and punish for successful performance (Fonseca et al., 2012).

Another variable which can be considered in realizing the effectiveness of regional financial management is human resources. By pointing to personal qualities (characteristics), self-concept, values, knowledge, or expertise brought by a person with superior performance, the availability of human resources (workers) with high and important competence would limit the amount of financial management blunders. Furthermore, Indika (2020) discovered that human

resource competences had a partial impact on the effectiveness of regional financial management. Human resources, according to (Hotdianty et al., 2016), are a group of people in an organization who own and impact the achievement of organizational goals. Human resource capability can be measured by various things such as education level, soft skills, training, as well as understanding in the field of work.

There have been some earlier research on the impact of leadership style and human resources on budgeting. According to the findings of a study by (Hotdianty et al., 2016) leadership style has a favorable impact on the formulation of performance-based budgeting. This study was backed up by a study conducted by Pratama et al. (2017) on the implementation of performance-based budgets, which found that the transformational leadership style has a beneficial impact on performance-based budget implementation. According to the findings of Hotdianty et al. (2016), human resource competency has a beneficial impact on performance budget implementation. Furthermore, Putri (2021) discovered that the transformational leadership style and human resource competency had an impact on the implementation of performance-based budgets in his research. Previous research has focused solely on leadership styles and performance-based budgets. However, the current study will look at the impact leadership style and on the effectiveness of financial management in the department of education's education quality assurance institution.

Method

The research design used in this research is quantitative research methods. Descriptive statistical analysis is used with the intention of describing the effect of leadership style on financial management. Presentation of research data was presented using a table of frequencies, averages, and percentages. To obtain the objectivity of the conclusions in this study, before statistical analysis was used, the validity and reliability tests were first performed.

This research was conducted at the Education Quality Assurance Agency as the Central UPT of the Ministry of National Education, Gorontalo Province. The Education Quality Assurance Institute (LPMP) is the functionalization of the Education Quality Assurance Agency (LPMP). The population as the subject of this research is the budget executor in the work unit in LPMP Gorontalo Province. The sampling method used was Simple Random Sampling.

The data collection instrument used in this study was carried out by distributing questionnaires (questionnaires). A questionnaire (questionnaire) can be viewed as a written interview method, where samples / respondents are contacted through a list of questions. In this study, the type of questionnaire used was a structured questionnaire.

Results and Discussions

The hypothesis proposed is "there is a significant influence of leadership style on the effectiveness of financial management at the Gorontalo Province Education Quality Assurance Institution". The results of simple regression analysis of the influence of leadership style on the effectiveness of financial management can be seen in the table 2.

From the table above, the regression equation is obtained $y = 1,641 + 1,634 X_2$ Based on the results of a simple linear regression analysis between Leadership Style (X_2) on Financial Management Effectiveness (Y), it is shown that the regression coefficient b is 1.634 and the constant a value is 1.641. Analysis of the t_{count} value of 19,201 with a significance level of 0.000 ($sig < \alpha 0.05$) indicates that leadership style has a positive and significant effect on the effectiveness of financial management.

The hypothesis proposed "there is a significant influence of leadership style on the effectiveness of financial management at the Gorontalo Province Education Quality Assurance Institution" is accepted. This result is supported by Hotdianty et al. (2016) who stated that the leadership style influences the creation of performance-based budgets in a favorable way. In addition, Putri (2021) the introduction of performance-based budgets was influenced by transformational leadership style. Furthermore, the technique of influencing the activities of individuals and groups in order to attain certain goals in specific conditions is known as leadership style (Putri, 2021).

The leadership function of an organization is inextricably linked to its success. The leader's attitude toward his subordinates has the potential to influence how they work in the organization. How the subordinates work in the organization is the factor that can influence the success or the effectiveness of an organization including the effectiveness of financial management in education quality assurance institution department of education.

The results of this study are also supported by Pratama et al., (2018) on the implementation of performance-based budgets found that transformational leadership style had a favorable impact on the implementation of performance-based budgets. Therefore, the success of an organization depends of how the leader manages the organization including the human resources. Collaboration and teamwork must be promoted by leaders. Leaders must respect each other's expertise and discover ways to identify and address complicated problems and obstacles in order to encourage change.

An organization need effective leader to be able to achieve the goal in an organization. Jones & Rudd (2008) effective leadership necessitates encouraging others to think outside the box and seek out new solutions on a regular basis. Therefore, a good leadership is required by an organization. Eckman (2003) Change that is both transformative and long-lasting is fostered by good leadership. It could be moral or organizational in nature. It has the power to define the college's role in the world beyond its four walls, as well as the institution's internal dynamics.

Table 2. Leadership Style Coefficient (X), on Financial Management Effectiveness (Y)

Model	Coefficients ⁸			t	Sig.	
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
1	(Constant) X	1.641	1.020	.950	1.60	.116
		1.634	.085		8	
					19.2	.000

a- Dependent Variable: Y

Conclusions

The results of the partial analysis show that the leadership style has a positive and significant effect on the Effectiveness of Financial Management at the Gorontalo Province Education Quality Assurance Institution. In addition, the result descriptively shows that the implementation of Performance-Based Budgeting in the Gorontalo Education Quality Assurance Agency is inseparable from the influence of the Leadership Style. It is evidenced by the results of the analysis consisting of the Leadership Style is generally in the good category.

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