

# The Influence of Characteristics of School Financial, Transparency and Experience against the Effectiveness of Financial Management in School and Middle School in the City of Banda Aceh (Study at Sma, Ma and Smk Negeri Kota Banda Aceh)

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**Abstract:** The purpose of this research is to know: (1) the influence of school financial management, transparency, and experience characteristic influence to the effectiveness of financial management at SMA, MA and SMK Negeri in Banda Aceh City; (2) influence of school finance management characteristically partially to effectiveness of financial management at SMA, MA and SMK Negeri in Kota Banda Aceh, (3) the effect of partial transparency (4) the effect of partial experience on the effectiveness of financial management at SMA, MA and SMK Negeri in Kota Banda Aceh. This research will be conducted in SMA, MA and SMK Negeri in Kota Banda Aceh. The population in this research are principal, head of school committee and BOS treasurer, with 75 respondents. The result of the research shows that the test result simultaneously shows that the characteristics of financial management and transparency have an effect on the effectiveness of financial management at Senior High School and equivalent in Banda Aceh City, this implies that with the characteristics of financial managers who have adequate competence and application of the principle of transparency Will have an impact on improving the effectiveness of financial management at senior high schools and equivalent in Banda Aceh City. The results showed that the characteristics of financial managers partially affect the effectiveness of financial management at high school and equivalent in Banda Aceh City and the results of research also proves that transparency and experience partially influence the effectiveness of financial management at senior high schools and equivalent in Banda Aceh City, as well as experience owned by employees has an influence on the effectiveness of financial management.

**Keywords:** Characteristics of Financial Management, Transparency, experience and Management Effectiveness

## INTRODUCTION

School is one of the public sector organizations in the field of education that has an important role in improving the quality of human resources and make a quality generation. The progress of a nation is determined by the quality of human resources that are reliable and qualified. Human resources are largely determined by the quality of education, character, and skills. These three factors can be established through a continuing education process. While the goal of national education is to form young people who have personality, intelligent and have skills (Law No. 20 of 2003). Given the importance of the role of education encourages the school to continue to improve the quality or quality of education for students.

Improving the quality of education should be supported by funds, human and material resources (Hapenciuc et al.2007). School funding sources come from the Central Government, Local Government and the community (Government Regulation Number 48 Year 2008). Management and accountability of school financial funds refers to the management of state finances. UU no. Law No.

17 of 2003 on state finances, Article 3 paragraph (1) concerning the provisions of state financial management states that in principle state financial management by the central and regional governments must be managed in an orderly and lawful manner, efficient, economical, effective, Transparent, and accountable with due regard to justice and compliance.

This information disclosure can result in improved governance within the school. The community and stakeholders will give high trust to the government and will increase the value of the school. As more and more people know about the organization / government, the stakeholders' trust will be higher (Glasgow, 2002). Problems that occur, the absorption of education funds, especially in the city of Banda Aceh is still not maximized. Schools still have to return the funds to the local government coffers, whereas the funds are still needed. The government has allocated substantial funds. Allocation of education fund is determined at least 20% of APBN or APBD.

Based on the financial reports from the school, it turns out that many schools have not been able to make

financial reports from the use of BOS funds in accordance with accounting standards, namely the application of the principle of transparency. Transparent means openness in the financial management of educational institutions, namely the disclosure of financial resources and the amount, details of use, and accountability must be clear so as to facilitate interested parties to find out. Financial transparency is needed in order to increase the support of parents, community and government in the implementation of all education programs in schools. Besides, transparency can create mutual trust between the government, the community, parents and students through the provision of information and ensure ease in obtaining accurate and adequate information.

Problems in managing BOS funds in schools are still not done in a transparent manner, ie all activities that will be carried out in socialization to the school committee or that have been done by the school committee are reported to certain parties as a form of responsibility for the activity.

Transparency or information disclosure is important, especially for public sector agencies. Boy and Hotniar (2009) revealed that the transparency of budget management affects the participation of parents. Siregar (2011) stated different things, that transparency has no effect on the management of APBD. According to Sopanah (2003), the interaction between budgetary knowledge and public policy transparency has no effect on APBD supervision.

Characteristics of school financial managers require people who have certain characteristics in the hope of more effective financial management. Financial managers should know about the planning up to financial reporting. Placement of human resources (HR) must be implemented appropriately in accordance with the competence (Mulyani 2009).

The work experience possessed by individuals greatly determines the effectiveness of financial management within the school organization. Regarding the experience of employees in the field of accounting in performing tasks and functions also become one of the factors that can affect the effectiveness of school financial management, where the higher work experience owned by an employee will provide a valuable experience for an employee in carrying out duties and functions, so that employees already know the ins and outs in performing their duties. Work experience that will be occupied by an employee and always follow the continuing education or training program will provide great benefits for employees and their organizations.

The results of research conducted by Windarti (2015) states that transparency is a demand for each institution for the value of institutions also increased. Disclosure of information and information submitted in a timely and accurate manner is a manifestation of transparency. The results show that transparency affects the effectiveness of school financial management.

## LITERATURE REVIEW

### Characteristics of Financial Managers

School finance managers are people who are involved in financial management activities that exist in a school. The principal as the manager is responsible for the financial management of the school. Financial management in schools can be assisted by other parties such as: treasurer, head of administration, vice principal, school committee, and others. This is as revealed by Herabudin (2009) in Kompri (2014) that the involvement of teachers, administrative officers, other sections or government can support financial management activities.

Educational background is a discipline or a special field taken at the time of study at the level of education both SMA / SMK, In the opinion of Bamber et al. (2010) in Sutaryo (2013) explains that if a manager has a background in financial and accounting education, their understanding of budgets, financial practices and accounting will improve. An understanding of accounting will make it easier to manage finances. This is because financial management is a science that is learned when someone learns about finance and accounting.

In terms of age, older managers are less able to integrate effectively and evaluate new ideas in the decision-making process. Managers tend to be traditional and closed to new developments and stick to old ideas. In contrast, younger managers tend to be more open to changes in existing systems than older managers. Younger managers or CFOs dare to implement new innovations in decision making.

Experience is a learning process and the addition of the development of potential behavior both from formal and non formal education (Kovinna and Betri 2014). A person's length of service can reflect his or her experience. According Purnamasari (2005) in Sukriah et al. (2009) revealed that the advantages possessed by employees who have a high employment period are: detecting faults, understanding mistakes, and finding the cause of the error.

### Transparency

Transparency is a demand for every institution to increase the value of the institution. Disclosure of information and information submitted in a timely and accurate manner is a manifestation of transparency. Institutions that have a high level of transparency will make stakeholders give high confidence to the institution. The results of research conducted by Coryanata (2007) have proved that public policy transparency affects the council's knowledge relationship with local financial supervision.

Transparency is built on the freedom of access to information needed by the community. That is, information relating to the public interest directly can be obtained by those in need (Mardiasmo, 2000). Transparency implies that the annual report is not only made but also open, timely,

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relevant, complete and accessible to the public, because the activities of the government are in order to carry out the mandate of the people. Today, many countries classify records or reports as Top Secret, Secret, Confidential and Restricted, and Official Secrets Acts make unauthorized disclosure of a criminal offense. Cultures generally in many countries, both developed and developing countries, are secrecy (Shende and Bennet, 2004).

Transparency is an important aspect of good governance, an open system of information will be very useful for all parties who will know a certain thing or will make important decisions, such as investment planning or developing a particular business, because information can be obtained effectively and efficiently.

## Experience

Work experience in this case is work experience in managing school organization finances, where experience is experience in performing financial statement audit both in terms of length of time and number of assignments ever handled (Arum, 2007: 79). Experience is a process of learning and increase in professional development behavior of both formal and non formal education or bias is defined as a process that brings someone to a pattern of higher behavior. A lesson also includes a relatively precise change of behavior resulting from experience, understanding and practice (Puji Prasetyo, 2008: 91).

Mariana (2009: 32) states that experienced employees will have an advantage in terms of detecting errors, understanding mistakes and looking for the cause of errors. Thus it can be concluded that more experience will result in more knowledge. Someone who does the work in accordance with the knowledge they have will give more results than those who do not have enough knowledge in the task.

## RESEARCH METHODS

### Research Design

Sekaran (2006: 152) states that the research design is a plan and structure of researchers made in such a way as to obtain answers to research questions. The research plan is a comprehensive program of research covering things that will be done by researchers ranging from building hypotheses and implications professionally to the data analysis.

### Population and Sample Research

Population refers to the overall object of research (Arikunto, 2006: 130). As for the population in this study are all high school and equivalent that includes: SMA, MA and SMK Negeri in Banda Aceh City, amounting to 12 SMA Negeri, 3 MA and 5 SMK. As for the respondents from each school were taken 3 people who include the principal, chairman of the school committee and treasurer of the BOS. The number of respondents in this study is 75 people from 25 schools.

The respondent's retrieval was done by census technique because it involved the entire population being the research respondent.

### Population and Sample Research

The population in this study are all officials Budget Authority, Financial Administration and the Treasurer on Aceh Government Unit, so this study using the technique of the population, because it involves the entire population into research respondents. Sampling at the Department of individualized environment Aceh Government Unit for services that run on government projects for the agency as a source or agency performance factor of the increase, with the number of respondents 51 people.

### Equipment Data Analysis

Testing hypotheses using multiple linear regression analysis with SPSS, with the following formula:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where:

Y=Effectiveness of Financial Management

$\alpha$ = Constant

$X_1$  = Management Characteristics

$X_2$  = Transparency

$X_3$  = Experience

b = Regression Coefficient

$\epsilon_2$  = error term

## Discussion Result

### *Effect Analysis of School Financial Management Characteristics Transparency and Experience on the Effectiveness of Financial Management at Senior High School and equivalent in Kota Banda Aceh*

Based on the formulation of the problems and hypotheses that have been proposed in the previous chapter, this study analyzes the effect of school financial management characteristics ( $X_1$ ) and transparency ( $X_2$ ) as independent variables on the effectiveness of financial management at Senior High School and equivalent in Kota Banda Aceh, As a dependent variable (either dependent variable) either simultaneously or partially.

From the results of statistical calculations using the help of SPSS program as shown in the above table, then obtained multiple regression equation as follows:

$$Y = 2.356 + 0.155X_1 + 0.137X_2 + 0.108X_3 + e$$

From the regression equation above can be seen the results of research as follows:

### Regression Coefficient ( $\beta$ ):

Constant of 2,356 means that if the characteristics of school finance management ( $x_1$ ) and transparency ( $x_2$ ), are considered constant, then the effectiveness of financial management at Senior High School and equivalent in Kota Banda is 2,356 in Likert scale

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$\beta_1 = \beta_2 = 0$ ),  $H_0$  accepted and  $H_a$  rejected. This means that the characteristics of school financial management and transparency do not simultaneously affect the effectiveness of financial management at senior high schools and equivalent in the city of Banda Aceh, this is because the value obtained  $F_{count}$  of 15,892, while  $F_{table}$  at significance level  $\alpha = 5\%$  is 3.110.

The results of the variables characteristic of school financial management obtained the value of coefficient  $\beta_2$  of 0.155, or  $\beta_2 \neq 0$ , so that there is influence of school financial management characteristics on the effectiveness of financial management at senior high schools and equivalent in Banda Aceh City.

The result of transparency variable research is obtained by coefficient value  $\beta_3$  0,137, or  $\beta_3 \neq 0$ , so there is influence of transparency to effectiveness of financial management at Senior High School and equivalent in Banda Aceh City. The results of the study can be explained that the better transparency of transparency conducted by BOS fund managers will have an effect on improving the effectiveness of financial management at Senior High School and equivalent in Banda Aceh City.

The experiential result of the experiential variables obtained by the value of coefficient  $\beta_3$  of 0.108, or  $\beta_3 \neq 0$ , so there is an effect of experience on the effectiveness of financial management at High School and equivalent in Banda Aceh City. The results of the study can be explained that the higher work experience owned by employees owned by BOS fund managers will have an effect on improving the effectiveness of financial management at Senior High School and equivalent in Banda Aceh City.

### Coefficient of Correlation and Determination

The value of correlation coefficient ( $R$ ) = 0.746 indicating that the degree of correlation (correlation) between independent variables with dependent variable equal to 74.6%. This means that the effectiveness of financial management at senior secondary schools in Kota Banda Aceh is closely related to the characteristics of school financial management ( $X_1$ ) and transparency ( $X_2$ ) and experience ( $X_3$ ).

Coefficient of Determination ( $R^2$ ) of 0.556. This means that 55.6% of changes in the dependent variable (effectiveness of financial management at senior secondary schools in Kota Banda Aceh) can be explained by changes in characteristic factors of school financial management ( $X_1$ ) and transparency ( $X_2$ ). While the rest of 44.4% is explained by other variables outside of this study, it means that there are still 44.4% more effectiveness of financial management at Senior High School and equivalent in Banda Aceh City influenced by other factors not included in this research model.

The implications of this study indicate that the characteristics of school financial management sourced from the BOS funds have an impact on improving the

effectiveness of financial management at senior high schools and equivalent in Banda Aceh City either directly or indirectly because BOS fund managers are able to account for each BOS funds spent in Helping teaching and learning process in SMA, MA and SMK Negeri Banda Aceh City.

Transparency is a principle that ensures access or freedom for everyone to obtain information about governance, ie information on policies, processes of manufacture and implementation, and the results achieved. Given the transparency principle undertaken by the managers, it will have an impact on improving the effectiveness of financial management at Senior High School and equivalent in Banda Aceh City.

Characteristics of financial managers in SMA, MA and SMK Negeri Banda Aceh City consists of the level of management education, especially Diploma III, Bachelor, Graduate and education Others. Given the level of adequate education will have an impact on improving the effectiveness of financial management at SMA, MA and SMK Negeri Banda Aceh City. Then about the educational background that most financial managers have the background of financial and accounting education, then the characteristics of financial management respondents can be seen from the age of respondents where with the higher age of respondents will have an impact on improving the effectiveness of financial management because respondents have the maturity of thinking in the management Finance.

While the experience of the respondents also shows that the more experience owned by the school financial management respondents also provides empirical evidence that the more experience a financial manager possesses, it will have a significant impact on improving the effectiveness of financial managers, this is in the presence Sufficient experience, managers will be easier to know the financial management process and the process of preparing the financial statements in the school.

Experience is a financial management firm that is involved in financial management either as principal, head of administration, chairman of the committee, vice principal, and treasurer. Size used is year. Given the experience of senior management and senior management in Banda Aceh City.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

1. Based on the test results simultaneously shows that the characteristics of financial managers and transparency have an effect on to the effectiveness of financial management at Senior High School and Equal in Banda Aceh City.
2. The results showed that the characteristics of financial managers partially affect the effectiveness of financial



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management at senior high schools and equivalent in the city of Banda Aceh..

3. In this study also shows that transparency partially affects the effectiveness of financial management at senior high schools and equivalent in Kota Banda Aceh. Thus Ha is accepted. This means that transparency affects the quality of Education Education Banda Aceh City.
4. The results of this study show that the experience of school finance managers has a partial influence on the effectiveness of financial management at Senior High School and equivalent in Kota Banda Aceh. Thus Ha is accepted, meaning pengalamam make a real contribution in improving the effectiveness of financial management at Senior High School and equivalent in Banda Aceh

### Limitation

This study only uses questionnaire instrument, so the respondent's answer may not be the same as the fact that there is bias in interpretation. Besides, the number of samples of this research is still limited to certain respondents, especially only in school manager of SMA, MA and SMK Negeri In Banda Aceh, only 60 school managers were sampled.

### Recommendations

1. The variables affecting the effectiveness of financial management of high school, MA and SMK Negeri Banda Aceh City in this study are limited to internal factors such as the characteristics of financial management and transparency. Subsequent research is suggested to add the variables that affect the effectiveness of financial management of high school, MA and SMK Negeri Se-Kota Banda Aceh, such as giving compensation to managers and leadership factors
2. Measurement of effectiveness of financial management of SMA, MA and SMK Negeri Banda Aceh in this study is limited to self evaluation method so that the possibility of new respondents working at the school, still can not measure its own performance, so it is expected to further researcher to Combining methods between subordinate evaluations of superiors and superior evaluations of subordinates, so that research can be generalized in order to provide empirical support to the proposed theory.
3. For further research it is expected to prospective researchers to include variable characteristics of financial management and transparency and include other variables such as teacher competence, compensation and leadership.

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