

THE INFLUENCE OF FINANCIAL MANAGERS' COMMITMENT ON ENHANCING THE ACCOUNTABILITY OF REGIONAL FINANCIAL ADMINISTRATION, WITH KNOWLEDGE AS A MODERATING VARIABLE (A SURVEY OF REGIONAL GOVERNMENT AGENCIES WITHIN THE BOLAANG MONGONDOW REGENCY GOVERNMENT)

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Abstract

This study aims to examine and analyze the effect of financial management commitment on increasing accountability among regional financial management personnel, with financial management knowledge as a moderating variable. The research was conducted within the Regional Government of Bolaang Mongondow Regency. Using an explanatory quantitative survey design, data was gathered from 153 respondents consisting of Financial Management Officials (PPK), Expenditure Treasurers, and Technical Activity Implementation Officials (PPTK) selected via proportionate stratified random sampling. Data analysis was performed using Structural Equation Modeling based on Partial Least Squares (SEM-PLS) with SmartPLS 4. The empirical results show that organizational commitment has a positive but statistically non-significant effect on regional financial accountability ($\beta = 0.084$, $p = 0.372$). Conversely, financial knowledge exerts a strong, positive, and significant direct effect on financial accountability ($\beta = 0.407$, $p < 0.001$). Furthermore, moderation testing reveals that knowledge does not significantly moderate the relationship between financial management commitment and financial accountability ($\beta = -0.155$, $p = 0.096$). These findings indicate that psychological commitment alone is insufficient to drive accountability; rather, direct technical and regulatory knowledge serves as the primary driver in public sector financial management.

Keywords: Financial Accountability, Financial Management Commitment, Financial Knowledge, Moderating Variable, SEM-PLS

1. Introduction

Accountability is a cornerstone of good governance. In the context of regional financial management, accountability is realized through financial administration that is orderly, accurate, transparent, and timely—in accordance with Government Regulation Number 12 of 2019 and Minister of Home Affairs Regulation Number 77 of 2020. Within the framework of Stewardship Theory, financial managers are viewed as "stewards" who act on behalf of the public interest with integrity and a strong sense of moral responsibility.

Although the regulatory framework is comprehensive, practical realities indicate that financial administration within the Bolaang Mongondow Regency Government



continues to face various obstacles. Based on the Audit Reports (LHP) issued by the Audit Board of the Republic of Indonesia (BPK RI) for the North Sulawesi Province representative office covering the 2023–2025 period, recurring recommendations have been identified regarding the management of regional expenditures, delays in the submission of monthly financial report reconciliations, and an increase in the number of "Construction in Progress" (KDP) projects—rising from 6 regional government agencies in 2024 to 15 in 2025. This phenomenon demonstrates that the existence of regulations does not, by itself, fully guarantee the realization of optimal administrative accountability at the operational level.

Both theoretically and empirically, the commitment of financial managers is considered a primary driver for enhancing accountability (Meyer & Allen, 1991; Apiluna et al., 2023). However, some prior studies have yielded inconsistent findings (a research gap), suggesting that high commitment does not always lead to significant accountability if it is not supported by technical capabilities (Sari, 2022; Waoma et al., 2024). Drawing on Knowledge Creation Theory (Nonaka & Takeuchi, 1995), knowledge regarding regulations, Government Accounting Standards (SAP), and the Regional Government Information System (SIPD) serves as a crucial element that can strengthen how commitment is translated into concrete accountability actions. Therefore, this study aims to examine and analyze:

1. The influence of financial managers' commitment on the accountability of regional financial administration;
2. The direct influence of financial managers' knowledge on accountability; and
3. The role of knowledge as a moderating variable in strengthening the influence of financial managers' commitment on accountability.

2. Literature Review

Stewardship Theory

Stewardship Theory (Donaldson & Davis, 1991) posits that government officials act as stewards who prioritize the achievement of organizational goals and the public interest over their own personal interests. This theory suggests that the commitment of individuals managing public finances stems from an internal moral drive to ensure accountability.

Knowledge Creation Theory

Knowledge Creation Theory (Nonaka & Takeuchi, 1995) asserts that knowledge—whether explicit (such as regulations, standard operating procedures, or SIPD modules) or tacit (such as work experience)—serves as a strategic organizational asset. Technical financial knowledge provides the foundation for the cognitive capabilities required by officials to carry out recording, verification, and the preparation of accountability reports.



Hypothesis Development

1. H1: The commitment of financial managers has a positive and significant effect on the accountability of those managing regional financial administration.
2. H2: The knowledge of financial managers has a positive and significant effect on the accountability of those managing regional financial administration.
3. H3: Knowledge positively and significantly moderates the effect of financial manager commitment on the accountability of those managing regional financial administration.

3. Research Method

Type and Object of Research

This study employs a quantitative approach with an explanatory research design. The objects of the research are the commitment of financial managers (X), knowledge as a moderating variable (Z), and the accountability of regional financial administration (Y) within the Bolaang Mongondow Regency Government.

Population and Sample

The population consists of 226 financial managers, comprising Financial Administration Officials (PPK-SKPD), Expenditure Treasurers, and Technical Activity Implementation Officials (PPTK) across 32 regional government agencies. Sampling was conducted using a proportionate stratified random sampling technique. Structured questionnaires were distributed, yielding 153 valid responses that met the criteria for data analysis (an 82.70% response rate).

Data Analysis Method

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (SEM-PLS) with SmartPLS software version 4. The assessment was performed in two stages:

- a. Outer Model (Measurement Model): Evaluation of convergent validity (outer loadings > 0.70 and AVE > 0.50), discriminant validity (Cross-Loadings, Fornell-Larcker criterion, and HTMT < 0.85), as well as construct reliability (Cronbach's Alpha > 0.70 and Composite Reliability > 0.70).
- b. Inner Model (Structural Model): Evaluation of R^2 , effect size (f^2), and predictive relevance (Q^2 predict), along with hypothesis testing using a bootstrapping procedure (5,000 subsamples) with a threshold of t-statistic ≥ 1.96 and p-value ≤ 0.05 .

4. Result

Evaluation of the Measurement Model (Outer Model)

In the first stage of testing, several indicators (X1.1, X1.2, X2.3, and Y1) had loading factors < 0.70 and were therefore eliminated. The results of the re-estimation (second stage) indicate that all remaining indicators have adequately met the criteria for validity and reliability.



Table 4.1: Variable Measurement Model

Construct	Cronbach's Alpha	Composite Reliability
Commitment of Financial Managers (X)	0,922	0,938
Financial Management Knowledge (Z)	0,960	0,966
Administrative Accountability (Y)	0,965	0,969

The HTMT values for all pairs of constructs fall within the range of 0.640–0.756 (< 0.85), confirming that each latent variable possesses good discriminant validity.

Structural Model Evaluation (Inner Model)

- Coefficient of Determination (R^2): The R^2 value for Financial Administration Accountability is 0.670 (Adjusted $R^2 = 0.659$). This indicates that 67.0% of the variance in financial administration accountability is explained by commitment, knowledge, and the moderating interaction between the two, while the remaining 33.0% is influenced by factors outside the model.
- Effect Size (f^2): The Knowledge variable has the largest effect on Accountability ($f^2 = 0.243$, medium category), followed by Commitment ($f^2 = 0.097$, small category) and the interaction between Commitment and Knowledge ($f^2 = 0.039$, small category).
- Predictive Relevance (Q^2 Predict): A Q^2 predict value of 0.637 (> 0) confirms that the model possesses strong predictive relevance.

Table 4.2: Hypothesis Testing Results

Hypothesis	Connection Path	Original Sample (β)
H1	Commitment -> Accountability	0,084
H2	Knowledge -> Accountability	0,407
H3	Knowledge x Commitment -> Accountability	-0,155

5. Discussion

The Influence of Financial Managers' Commitment on Accountability

The results of the first hypothesis (H1) test indicate that the commitment of financial managers has a positive but statistically insignificant effect on accountability ($\beta = 0.084$; $t = 0.892$; $p = 0.372$). Although respondents' descriptive responses indicate that their levels of affective, continuance, and normative commitment fall into the "very high" category, these emotional bonds and senses of obligation are not sufficient to directly drive administrative accountability. In the context of regional financial administration,



accountability is strictly tied to technical regulations, the completeness of supporting documentation, and the verification of transaction workflows. These findings are consistent with the research of Sari (2022) and Waoma et al. (2024), which suggest that psychological commitment requires technical driving variables to have a tangible impact on accountability.

The Influence of Financial Managers' Knowledge on Accountability

The results of the second hypothesis (H2) test demonstrate that the knowledge of financial managers has a positive and significant influence on the accountability of financial administration ($\beta = 0.407$; $t = 5.046$; $p < 0.001$). This path coefficient represents the most dominant direct effect within the model ($f^2 = 0.243$). Officials who possess a deep understanding of financial management regulations, the operational mechanisms of the Regional Financial Information System (SIPD), Government Accounting Standards (SAP), and the requirements for complete administrative documentation are shown to be more capable of minimizing errors and submitting accountability reports in a timely manner. These results support the Knowledge Creation Theory and are consistent with the findings of Harlina et al. (2021) and Sinurat & Sari (2025).

The Role of Knowledge in Moderating the Influence of Commitment on Accountability

The test of the third hypothesis (H3) indicates that the interaction between knowledge and commitment does not significantly moderate the influence of commitment on accountability ($\beta = -0.155$; $t = 1.666$; $p = 0.096$). This suggests that the level of a financial manager's knowledge—whether high or low—does not substantially strengthen or weaken the relationship between commitment and enhanced accountability. In this empirical model, knowledge functions as a strong direct predictor rather than as a moderator. Commitment and knowledge operate through separate, individual pathways in influencing accountability.

6. Conclusion

This study concludes that the improvement in the accountability of regional financial administration within the Bolaang Mongondow Regency Government is significantly driven by the technical and regulatory knowledge possessed by the financial management staff. Meanwhile, organizational commitment does not exert a significant direct influence, and knowledge has not been shown to act as a moderating variable in this relationship.

Practical and Policy Implications

1. **Role-Based Competency Development:** The Bolaang Mongondow Regency Government is advised to focus its technical guidance and training on the operation of the Regional Financial Information System (SIPD), tailored to the specific responsibilities of Financial Administration Officials (PPK), Expenditure Treasurers, and Technical Implementation Officials (PPTK).



2. Enhancement of Corrective Channels: Fostering a culture of transparent reporting and establishing evaluative technical consultation channels will allow administrative errors to be detected and rectified prior to the reconciliation process.

Suggestions for Future Research

Future researchers are encouraged to expand the scope of their study to include multiple local governments (a multi-region approach), incorporate a combination of objective indicators—such as internal audit (APIP) scores and metrics regarding the timeliness of reconciliations—and consider additional independent variables, such as the effectiveness of the Government Internal Control System (SPIP) and organizational culture.

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