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The role of e-government, human resource competency and good corporate governance on the financial performance of the government companies

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A B S T R A C T

Research on e-government and good governance is still rarely carried out, even though e-government and good governance are important factors in government companies. This research aims to analyze the relationship between e-government and financial performance, the relationship between employee competency variables on financial performance, and the relationship that good governance variables have on financial performance. The method of this research is quantitative through surveys, research data was obtained by distributing online questionnaires to 590 managers of government companies who were selected using a simple random sampling method, and an online questionnaire was designed using statements item with a Likert scale from 1 to 7. Data analysis used Structural Equation Modelling (SEM) with the SmartPLS 3.0 software tool to analyze research data. The stages of data analysis are validity testing, reliability testing, and significance testing of hypothesis testing. The results of this research show that e-government had a positive and significant effect on financial performance, and employee competence had a positive and significant effect on financial performance. Moreover, good governance had a positive and significant effect on financial performance. The novelty of this research is the creation of a new model of the relationship between e-government and financial performance, employee competence and financial performance, and good governance and financial performance which has not existed in previous studies. The practical implication of this research is that to improve the financial performance of government companies, we must implement e-government by increasing employee competency and implementing good governance.

1. Introduction

The era of globalization has resulted in increasingly tight competition in the business world, and companies have taken various steps to excel in this competition. The advantages possessed by the companies are expected to increase company value. One of the efforts made by companies in facing competition is to increase the value of each corporation, one of the methods used by these companies is implementing clean and healthy corporate governance named Good Corporate Governance (GCC). According to Berthelot et al. (2010), GCC as a corporate governance system is expected to increase profit from the operational activities (Okoye et al., 2020). The concept of GCG is not something new for corporate management. A good pattern, system, and process can be used by company organs to provide added value to shareholders on an ongoing basis in the long term, by paying more attention to other stakeholders' interest. GCG is a combination of processes and structures implemented by the company to inform, direct, manage, and monitor the organization's activities towards achieving its goals (Abdulazeez et al., 2016).

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Companies need quality financial reports to maintain an efficient and sustainably growing economy. Efforts to maintain and produce quality financial reports are by implementing GCC and human resource competence. According to Zubeltzu et al. (2018), implementing GCG is a must for every company to achieve good company performance. This is important because the aim of implementing GCG is to reduce the opportunistic behavior of managers and increase company value/performance. Human Resources (HR) competency in this case also needs to be considered because it plays an important role in the sustainability of the company. Therefore, human resources who have high competence are needed because high competence will be able to support increased employee work performance. Human resource competency is important in managing and presenting financial information so that financial reports can be prepared on time. Apart from competent human resources, the implementation of Government Accounting Standards also influences the Quality of Financial Reports. Financial reports can clearly show a picture of the company's financial condition. Financial reports which are the result of the company's normal operating activities will provide financial information that is useful for entities within the company itself and other entities outside the company. A financial report is said to be of quality if the information presented in the financial report can be understood, meets the needs of the user in making decisions, is free from misleading meanings, and material errors, and is reliable so that the financial report can be compared with previous periods.

According to Kusuma et al. (2021), another factor that is very important and influences the success of employees in carrying out a job is competency. Several factors can influence employee performance, including competence. Employee competency is an important factor and influences the implementation and completion of work in an organization. Employee competency is defined as the correct work methods or procedures carried out by employees. Thus, to realize the success of the programs that have been established by an organization, every employee within it is required to have the required competency standards. According to Atmadja et al. (2021), competence is knowledge, knowledge, and expertise (skills), or personality characteristics possessed by a person that directly influence his or her performance. Working based on existing competencies will certainly make it easier for employees to carry out their duties. Several previous studies have examined the relationship between competency and employee performance (Mufti et al., 2016). However, other research concluded that competence does not have a significant effect on financial performance. Effective good governance requires good coordination and integrity, professionalism, and work ethic as well as high morals, so implementing good governance in administering state government is a challenge in itself. Even though understanding of good governance varies, at least most of the Indonesian population imagines that with good governance they will be able to have good quality government. Many of them imagine that by having better good governance practices, the quality of public services will become better, the rate of corruption will become lower, and the government will become more concerned about the interests of citizens (Adnan et al., 2011).

Company management based on the principles of GCG is an effort to make GCG a guideline for company management in managing company management. The application of GCG principles is currently very necessary so that companies can survive and be resilient in the face of increasingly fierce competition, and so that they can apply business ethics consistently so that they can create a healthy, efficient, and transparent business climate. GCG is a means of making a company better, among other things, by preventing the practices of corruption, collusion, and nepotism, improving budget discipline, utilizing supervision, and encouraging the efficiency of company management (Chen, 2013). About financial performance, financial reports are a benchmark for measuring how good a company's performance is. Company performance is a description of the financial condition of a company which is analyzed using financial analysis tools so that it can be known about the good and bad financial condition of a company which reflects work performance in a certain period. The development of information technology is implemented in the form of government administration so that the public can know and monitor government performance to realize good governance. According to Rodriguez et al. (2007) One form of government administration uses a technology-based management system, which is popularly called e-government. e-Government is a form of service implementation that can improve the quality of public services based on technology and communication to answer the demands and needs of the public who want fast data processing and accurate information. e-Government is needed to increase efficiency, effectiveness, transparency, and accountability in government administration to increase public trust in the image of government services, especially the bureaucracy (Bertot et al., 2010).

2. Literature Review

2.1 e-government

e-Government is the use of information and communication technology in government processes to increase efficiency, effectiveness, transparency, and accountability in the administration of public services and is the process of using information technology as a tool to help run government systems more efficiently. Bertot et al. (2010) stated that this is a government effort to utilize information technology based on internet applications, improve the quality of public services, and provide easy access for the public, thus facilitating the transformation process from public officials to the public. The implementation of e-government requires changes in the pattern of relations between government and stakeholders, so it requires the role of top-level management in making policies regarding the transformation of these relations. Relationship transformation will require policy changes, SOP changes, and work culture changes (Pérez et al.,2008). These changes require the power of top-level management. One of the roles of ICT is as an enabler, which means that ICT makes it possible for things to happen that were previously impossible. To make it possible for something impossible to happen, requires policies, requires a legal umbrella so that things that are possible to happen can be realized safely. Therefore, the implementation of e-government requires a leader who is able and willing to adopt ICT in running his organization or what is better known as E-leadership. With the strategic role of top-level management, the expected benefits can be realized well. According to Rodriguez et al. (2007), e-government is using information and communication technology (ICT) to promote more efficient government and effective cost reduction, facilitate government service facilities provide access to information for the general public, and make government more responsible to the community, definition of e-Government, namely that each is a new (modern) interaction mechanism between the government and society and other interested groups (stakeholders); where it involves the use of information technology (especially the internet); to improve the quality (quality) of ongoing service (Chen, 2013).

2.2 Human resources competency

According to Kusuma et al. (2021), human resource competency is the ability of an employee or a system to carry out its functions or authority to achieve goals effectively and efficiently. Human resources who are competent in preparing financial reports must have extensive knowledge supported by an accounting educational background, have good skills, a good attitude, and carry out the tasks assigned to them to maximize their abilities to achieve quality financial reports. Competence is a characteristic of a person that can be seen from the skills, knowledge, and abilities has in completing the tasks assigned to him. Competence is the basis for a person to achieve high performance in completing their performance. This is because human resources already have knowledge and understanding of the things that must be done so that the financial reports prepared can be completed and presented on time. The sooner financial reports are presented, the better it will be in terms of decision-making. According to Otoo (2019), competency is defined as the basic abilities and work qualities needed to do a job well. Regional government apparatus competency means the abilities that an apparatus must-have in the form of knowledge, skills, attitudes, and behavior required in carrying out its duties. Competence is very necessary to support the implementation of tasks for the success of the organization. The success of an organization in achieving a goal is largely determined by the quality and ability of Human Resources (HR) within it. In public organizations, the role of HR is more emphasized on the ability to provide the best service to the community, so that the organization maintains a reputation for superior performance and accountability in the eyes of the community. Therefore, HR competency at every level of management is urgent, both at the leadership and government staff levels (Chen, 2013).

Competence is a characteristic that underlies a person's personality which causes it to be interrelated with criteria for effective behavior or superior performance in a particular job or situation. Financial reports are products produced by human resources in the accounting field (Ramasoyan et al., 2021). So, to be able to produce quality financial reports, human resources are needed who are competent in making financial reports. Likewise, Research shows that human resources influence the value of financial information. HR competency influences financial reports. According to Adnan et al. (2011), competence is a person's characteristics related to aspects of knowledge, skills, and attitudes in carrying out their duties and by established standards. In this way, competence has a relationship with the performance of an organization's human resources. states that human resources are the most important component of an organization because of the potential to achieve the desired goals. Emphasized that human resources are an important factor for organizations because human resources are a combination of intelligence, expertise, and skills that are the characteristics of the organization (Fauzan et al., 2019). Quality human resources are of course used as a benchmark to find out more about quality resources. There are several characteristics of basic competencies possessed by everyone, namely: Character, Motives, Self-Concept, Knowledge, and Skills.

2.3 Good governance

The United Nations Development Program (UNDP) defines Good Governance as the exercise of authority/power in the economic, political, and administrative fields to manage various state affairs at every level and is an instrument of state policy to encourage the creation of conditions of prosperity, integrity, and social cohesiveness in society. This term is often referred to as good governance. Good governance is governance that builds and applies the principles of professionalism, accountability, transparency, excellent service, democracy, efficiency, effectiveness, and supremacy of the law and can be accepted by the entire community. Meanwhile, According to Mukhtaru et al. (2019), good government is carried out transparently from the process of preparing financial reports to the process of accountability for the financial reports that are prepared. Good governance is the most prominent problem in public financial management today. Refers to agency theory which states that there is an agent (local government) to report and explain all activities to the principal/trustee/user of government financial information. In public sector organizations, the agency relationship described by the government as an agent must address what is in the interests of users of financial information as actors.

Good governance is the effective management of all kinds of public affairs through the creation of valid regulations or policies to promote societal values. Kusuma et al. (2021) stated that there are nine principles of good governance according to the UNDP, namely: 1. Participation requires that every citizen has the right and obligation to take part in the state process. 2. Law Enforcement. One of the conditions for democratic life is law enforcement that is carried out fairly and without discrimination. 3. Transparency, the existence of openness that covers aspects of activities involving the public interest starting from the decision-making process, and use of public funds to the evaluation stage 4. Responsiveness, namely the process carried out in each institution must be directed at efforts to serve the various parties involved. 5. Consensus-oriented, namely acting as a mediator for various interests to reach agreement. 6. Fairness, namely providing equal opportunities to men and women to improve and maintain their quality of life. 7. Effectiveness and efficiency, namely all processes and institutions are directed to produce something that truly meets needs through the best use of existing resources. 8. Accountability, namely that decision-makers must be responsible to the public according to the type of decision, both internal and external. 9. Have a strategic vision, namely leaders and society have a broad and long-term perspective in administering government and human development by understanding the historical, cultural, and social complex aspects that underlie their perspective.

According to Lai and Choi (2014), GCG is a way to ensure that management has run the company appropriately and strategically so that it can make the company good. By implementing GCG, relationships will be established between the company's stakeholders in determining the company's direction and goals. Control over the company is absolutely necessary to ensure that management uses company resources as they should. The implementation of GCG in this case can be used as control in the management of all company resources so that there is no misuse which can benefit management. The implementation of GCG in Islamic commercial banks refers to the Bank Indonesia Circular Letter which includes 11 points including (1) implementation of duties and responsibilities of the board of commissioners, (2) implementation of duties and responsibilities of the board of directors, (3) completeness and implementation of committee duties, (4) implementation and responsibilities of DPS, (5) implementation of fund collection and distribution activities as well as services, (6) handling conflicts of interest, (7) implementation of the internal audit function, (8) implementation of the compliance function, (9) implementation of the external audit function, (10) transparency of financial and non-financial conditions, GCG implementation reports and internal reporting, (11) maximum limit for distribution of funds.

2.4 Financial performance

A company is a description of the financial condition of a company that is analyzed using financial analysis tools so that it can be known about the good and bad financial condition of a company which reflects work performance in a certain period. This is very important so that resources are used optimally in facing environmental changes. According to Aggarwal (2013), financial performance assessment is one way that management can fulfill its obligations to funders and to achieve the goals set by the company. Financial performance is one of the factors that shows the effectiveness and efficiency of an organization in achieving its goals. Financial performance measurement can be seen using financial report analysis or ratio analysis and states that ratios are a way to compare and investigate the relationships that exist between various pieces of financial information. Commonly used ratios are liquidity, solvency, and profitability ratios. In the liquidity ratio, the main thing measured is the company's ability to pay off its obligations in the short term without excessive pressure. This ratio focuses on current assets and current liabilities. Solvency is a company's long-term ability to meet its long-term obligations. This solvency measurement can also be called the leverage ratio. Profitability is a measure of a company's ability to generate profits by using its assets and managing its operations efficiently. Profitability Ratio, namely a ratio that shows the company's ability to generate profits. For shareholders (company owners), this ratio shows their level of income from investments.

The company's financial performance is an important target for the company to increase its value, including in banking institutions. Bank financial performance is the bank's ability to manage and manage the resources it has. According to Mukhtar et al. (2019) Financial performance measurement can be done using ratio analysis, which is a tool for analyzing company financial reports. Ratio analysis aims to describe a relationship between a certain amount and another amount, or between one period and the previous period. By calculating ratio analysis, you will be able to find out about the performance conditions of a company or bank from one period to the next. Performance is the effort achieved in carrying out previously planned activities. If these activities can be carried out as planned or even exceeded, then it can be said that the performance is good and vice versa. Likewise in companies, where management must be able to run the company by the goals that have been set by using all resources effectively and efficiently. According to Berthelot et al. (2010), financial performance is one of the achievements of the company's overall performance. The bank's financial performance will be able to describe the efforts carried out by bank management in carrying out overall operations. Financial performance is carried out to ensure whether the company has run the company by the rules outlined or not. The company's financial performance will be used by investors, creditors, and other parties as a basis for assessing the company's overall condition. Investors want to invest their capital in a company because they want to expect a profit, of course in this case the investor will be very careful in making investment decisions. One way to do this is to analyze the company's financial performance using financial ratios. Measuring financial performance in general can be done using financial ratio analysis including liquidity ratios, solvency ratios, company growth ratios, profitability ratios, etc. Performance measurement in research is by using the profitability ratio, namely Return on Assets (ROA), because in banking companies, Bank Indonesia prioritizes profitability values which are measured by assets originating from public savings funds.

2.5 The relationship between e-government and financial performance

Understanding e-government as a form of implementation of information and communication technology in advancing the performance of previously traditional government functions and services such as the application of work papers and other manual systems. According to Pérez et al. (2008), E-Government is the implementation of the use of information technology by government agencies that seek to transform relations with society, the private sector, and other actors so that they can advance participatory values. More concretely, the government is described as a database, information system, multimedia, automatic facilities, tracking technology, and search engines by public organizations to encourage interaction between stakeholders in the internal and external environment of the government in conveying information on government administration and providing services. to society. Pina et al. (2010) explained that many e-government services have been developed but there seems to be a lack of acceptable attention regarding user aspects and the extent of the quality of these services, so governments and public organizations need to increase attention and quality control in e-government services. Therefore, this requires appropriate handling, namely through institutional arrangements that can maintain the quality of electronic public services (Rodriguez et al.,2007). Based on the analysis, the following hypothesis is formulated.

H1: *e-government has a positive and significant relationship with financial performance.*

2.6 The Relationship between Competency and Financial Performance

Competency has a significant effect on employee performance. Competency has a significant effect on employee performance. Likewise, Atmadja et al. (2021) concluded that competence has a significant influence on employee performance. Competence is a characteristic that underlies a person's personality which causes it to be interrelated with the criteria for effective behavior or superior performance in a job or situation. certain. Financial reports are products produced by human resources in the accounting field. So, to be able to produce quality financial reports, human resources are needed who are competent in making financial reports. According to Ramasoyan et al. (2021), the influence of human resource competency on the quality of financial reports. Show that human resource competency has a positive and significant effect on the quality of regional financial reports. Likewise, research shows that human resources influence the value of financial information. This finding is also supported by previous research conducted by Fauzan et al. (2019) and explained that HR competency influences financial performance. Based on the analysis, the following hypothesis is formulated.

H2: *Competence has a positive and significant relationship with financial performance.*

2.7 The Relationship between Good Governance and Employee Performance

According to Rodriguez et al. (2016) Good management of a public agency involves achieving the goals of the agency together, namely creating a solid and responsible management organization in line with democratic principles, efficiency, and prevention of corruption both politically and administratively. In other words, good governance is the process of administering clean, transparent, and accountable government by government organizations such as government public organizations. According to Leng (2005), effective good governance requires good coordination and integrity, professionalism as well as high work ethic and morals. The application of good governance principles is very important in the implementation of public services to improve employee performance. states that there is an influence of good governance on employee performance. Based on the analysis, the following hypothesis is formulated

H3: *Good Governance has a positive and significant relationship with financial performance.*

3. Method

This research method is quantitative through a survey, research data was obtained by distributing online questionnaires to 590 managers of government companies selected using a simple random sampling method, and the online questionnaire was designed using statement items with a Likert scale of 1 to 7. Data analysis used structural equation modelling (SEM) partial least squares (PLS) with SmartPLS 3.0 software tools to analyze research data. The stages of data analysis are validity testing, reliability testing, and significance testing of hypothesis testing.

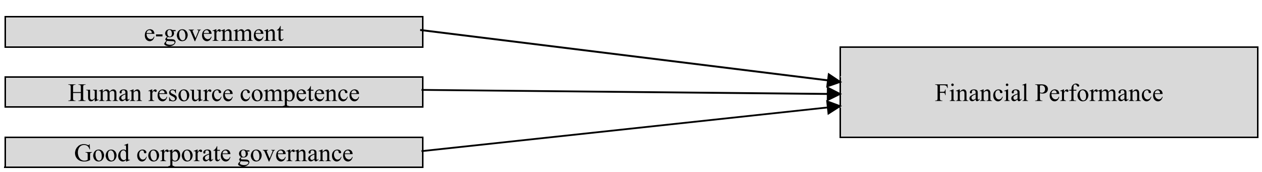

Fig. 1. Research Model

4. Result and discussion

4.1 Convergent validity

Convergent validity of the measurement model can be obtained from the correlation between the item/instrument score and the construct score (loading factor) with the criterion of a loading factor value for each instrument > 0.7. Convergent Validity Convergent validity testing is carried out by looking at the outer loading value of each indicator on the latent variable. An outer loading value >0.7 indicates that a variable has explained 50% or more of the indicator variance. However, according to Chin and Wynne (1999), an outer loading value of 0.5 to 0.6 can be considered sufficient for convergent validity requirements.

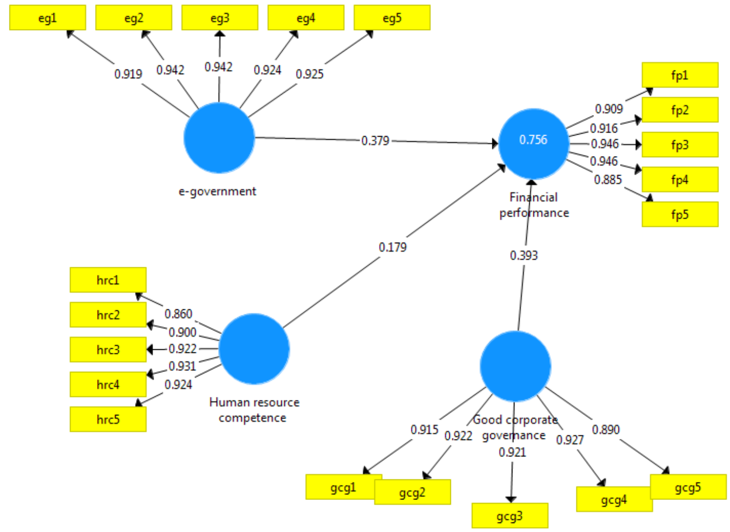

Fig. 2. Validity Testing

Based on Fig. 2, it can be seen that all indicators have an outer loading value of more than 0.7. This indicates that each study variable has been able to be explained by its indicators and meets the requirements for convergent validity. Convergent Validity is carried out by looking at the item reliability (validity indicator) which is shown by the loading factor value. The loading factor is a number that shows the correlation between the score of a question item and the score of the construct indicator that measures that construct. A loading factor value greater than 0.7 is said to be valid. However, according to Hair et al. (1998) for the initial examination of the factor loading matrix, approximately 0.3 is considered to have met the minimum level, and for factor loadings approximately 0.4 is considered better, and for factor loadings greater than 0.5 is generally considered significant. In this research, the loading factor limit used was 0.7. After data processing using SmartPLS 3.0, the loading factor results can be shown in the table. From the results of data processing using SmartPLS shown in Figure 2 the majority of indicators for each variable in this study have a loading factor value greater than 0. 70 and are said to be valid

4.2 Discriminant Validity

The value of the indicator correlation construct must be greater for the associated construct than for other constructs. A larger value indicates the suitability of an indicator to explain the associated construct compared to explaining other constructs. Discriminant Validity is carried out by looking at the cross-loading values of construct measurements. The cross-loading value shows the magnitude of the correlation between each construct and its indicators and the indicators of the other block constructs. A measurement model has good discriminant validity if the correlation between the construct and its indicators is higher than the correlation with indicators from other block constructs.

4.3 Composite Reliability

A composite reliability value of 0.6 – 0.7 and a Cronbach's alpha value of >0.7 are considered to have good reliability (Sarstedt, et al., 2011). Based on the table above, all constructs have a composite reliability and Cronbach's alpha value of >0.7 so it is concluded that they are reliable. Apart from being measured by assessing convergent validity and discriminant validity, the outer model can also be done by looking at the reliability of the construct or latent variable which is measured by the composite reliability value. A construct is declared reliable if the composite reliability has a value > 0.7, then the construct is declared reliable. SmartPLS output results for composite reliability values can be shown in the table. From the SmartPLS output results in Table, the composite reliability value for all constructs is above 0.70. With the resulting values, all constructs have good reliability by the required minimum value limits.

Table 1
Reliability Test Cronbach's alpha

	Cronbach's Alpha	rho_A	Composite Reliability
e-government	0.934	0.926	0.909
Human resource competence s	0.919	0.924	0.923
Good corporate governance	0.971	0.901	0.910
Financial performance	0.909	0.914	0.945

The next evaluation is by comparing the AVE root value with the correlation between constructs. The recommended result is that the AVE root value must be higher than the correlation between constructs (Yamin & Kurniawan, 2011). The model has better discriminant validity if the square root of the AVE for each construct is greater than the correlation between the two constructs in the model. A good AVE value is required to have a value greater than 0.50. In this research, the AVE value and square root of AVE for each construct can be shown in the table. The table shows that the square root value of AVE for each construct is greater than the correlation value so the construct in this research model can still be said to have good discriminant validity.

Table 2
Reliability Test AVE

	Average Variance Extracted (AVE)
e-government	0.734
Human resource competence s	0.723
Good corporate governance	0.632
Financial performance	0.667

4.4 Hypothesis testing

To find out the structural relationship between latent variables, hypothesis testing must be carried out on the path coefficient between variables by comparing the p-value with alpha (0.005) or a t-statistic of (>1.96). The P-value and t-statistics are obtained from the output in SmartPLS using the bootstrapping method. Hypothesis testing is carried out by paying attention to the original sample estimates (O) values to determine the direction of the relationship between variables, as well as t-statistics (T) and p-values (P) to determine the level of significance of the relationship. Original sample values that are close to +1 indicate a positive relationship, while values that are close to -1 indicate a negative relationship. The t-statistics value is more than 1.96 or the p-value is smaller than the significance level.

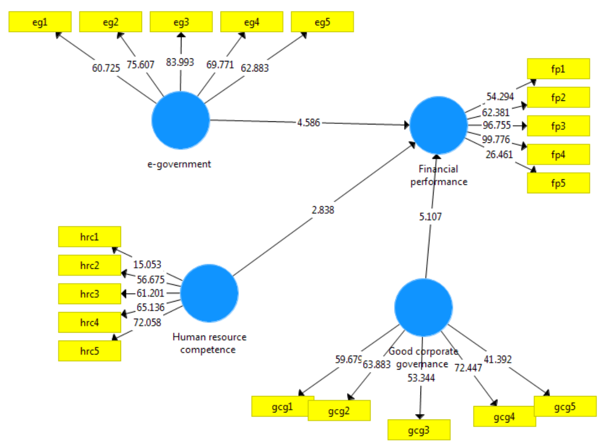

Fig. 3. Hypothesis Testing

Hypothesis testing is carried out based on the results of Inner Model testing (structural model) which includes r-square output, parameter coefficients, and t-statistics. To see whether a hypothesis can be accepted or rejected, including paying attention to the significance values between constructs, t-statistics, and p-values. This research hypothesis testing was carried out with the help of SmartPLS (Partial Least Square) 3.0 software. These values can be seen from the bootstrapping results. The rules of thumb used in this research are t-statistics > 1.96 with a significance level of p-value of 0.05 (5%) and the beta coefficient is positive. The hypothesis testing value of this research can be shown in Table and the results of this research model can be depicted as shown in Fig. 3.

Table 3
Hypothesis Testing

Correlation	T Statistics	P Values	Conclusion
e-government and financial performance	4.586	0.000	Supported
Human resource competence and financial performance	2.838	0.000	Supported
Good corporate governance and financial performance	5.107	0.000	Supported

4.4.1 The relationship between e-government and financial performance

Based on the results of data analysis using structure; equation modelling results obtained a p-value of <0.50 and the path coefficient value was positive, so it was concluded that there was a positive and significant relationship. Understanding e-government as a form of implementation of information and communication technology in advancing the performance of previously traditional government functions and services such as the application of work papers and other manual systems (Bertot et al.,2010). According to Chen et al. (2013), E-government is the implementation of the use of information technology by government agencies that seek to transform relations with society, the private sector, and other actors so that they can advance participatory values. More concretely, the government is described as a database, information system, multimedia, automatic facilities, tracking technology, and search engines by public organizations to encourage interaction between stakeholders in the internal and external environment of the government in conveying information on government administration and providing services. Rodriguez et al. (2007) explained that many e-government services have been developed but there seems to be a lack of acceptable attention regarding user aspects and the extent of the quality of these services, so governments and public organizations need to increase attention and quality control in e-government services.

4.4.2 The Relationship between Competency and Employee Performance

Based on the results of data analysis using structure; equation modeling results obtained a p-value of <0.50 and the path coefficient value was positive, so it was concluded that there was a positive and significant relationship. Hypothesis test results show that competence can encourage increased financial performance. These results are the results of previous research Ramasoyan et al. (2021) improving financial performance, it is necessary to know what competencies the employee must have because a competent employee will be able to provide the best results to the company so that the company's productivity can increase. The competencies possessed by the employee must be the competencies required in that field which can exceed the minimum level that has been determined. Competence is believed to be a factor that holds the key to a person's success in their work. Identifying the right competencies is considered to have quite good predictive value on an employee's performance. Competencies which include technical and non-technical factors, personality and behavior, soft skills, and hard skills, are then widely used as aspects that are assessed by many companies when recruiting employees into the company. competence is closer to discovery or capability that is applied and produces employees, leaders or officials who show maximum performance. According to Mufti et al. (2016) Competencies can deepen and broaden job opportunities. The more often a person does the same job, the more skilled he is and the faster he completes the job. The more type of work a person does, the richer and broader his work experience becomes, and it is possible to improve his performance (Kusuma et al.,2021).

The results of this research are in line with research conducted by Adnan et al. (2011) found that human resource competence has a significant influence on the quality of financial reports. This is because with human resource competence, the role in planning, implementing, and controlling the organization will run well and activities can be completed professionally, effectively, and efficiently. If human resource competencies are implemented well, the quality of regional financial reports will increase so that good financial reports can meet the qualitative characteristics of financial reports. In this way, human resource competency is demonstrated so that the implementation of organizational tasks and functions to produce quality regional financial reports can be implemented (Fauzan et al.,2019). Human resource competency, it can be seen whether a government has carried out its duties and functions professionally, effectively, and efficiently so that human resource competency can encourage the creation of quality financial reports that are free from material misstatements and misleading understandings. show that human resource competency has a positive and significant effect on the quality of regional financial reports. Likewise, Atmadja et al. (2021) research shows that human resources influence the value of financial information. This finding is also supported by previous research conducted by According to Otoo (2019) explained that HR competency influences financial performance.

4.4.3 The Effect of Good Governance on Financial Performance

Based on the results of data analysis using structure; equation modelling results obtained a p-value of <0.50 and the path coefficient value was positive, so it was concluded that there was a positive and significant relationship. The results of the hypothesis test show that good governance can encourage increased financial performance. These results are to the results of previous research, namely Leng (2005), good governance is a manifestation of acceptance of the importance of a set of regulations or good governance, therefore the principles of good governance are very important in realizing good government. Starting from the meaning of good governance, it is necessary to provide relevant information and describe the performance of the public sector, which is very important in providing accountability for all its activities to all interested parties. According to Rossi et al. (2015) and Ueng (2016) To realize good government administration, the government tries to create a clean and authoritative government or what is known as good governance. Employee performance that reflects the principles of good governance can support the implementation of democratic government and the public can have confidence in employee performance, that every employee's performance that reflects the principles of good governance is expected to provide better public services to the community. According to Rodriguez (2016), Good governance is an order of national and state life in which the attitudes and patterns of action of its actors are based on certain principles and characteristics.

The implementation of Good Corporate Governance has a positive effect on the Quality of Financial Report Information. In a company, it is important to have the role of corporate governance (CG) which influences the quality of the company (Reddy et al., 2010). The implementation of good CG commitments is hereinafter usually called GCG. Bertot et al. (2010) conclude that the implementation of transparency has a significant effect on the quality of financial reports, while the implementation of accounting information systems has a significant effect on the quality of financial reports. Chen et al. (2013) recommend that the use of accounting information systems, apart from continuing to encourage effective performance that can support productivity, must remain a focal point in every organization. In connection with several previous research results and the explanation above regarding the quality of financial reports related to good corporate governance, and the quality of financial reports and information systems, it is said that every variable in this research is proven to influence financial report variables. This is in line with the results of this research (Saidat et al.,2019) that the implementation of GCG has a significant positive influence on the quality of financial report information

According to Kusuma et al. (2021), Human Resource Competency has a positive effect on the Quality of Financial Report Information. Human Resource Capacity or Competency is the ability of human resources to carry out their duties and responsibilities in the organization with adequate education, training, and experience to achieve organizational goals effectively and efficiently. Employees who have high HR capacity will be able to understand accounting logic well and then use their knowledge and understanding in preparing financial reports by established accounting principles and rules so that the resulting financial reports are free from misstatements (reliable) and of high quality. Apart from that, experienced human resources will be able to work quickly, so that the financial reports produced can be timely (relevant) and of high quality This is in line with the results of this research so that HR competency has a significant positive influence on the quality of financial report information (Saidat et al., 2019)

E-government has become an important tool in the modernization and transformation of government in Indonesia. It is important to note that successful e-government implementation depends on good planning, investment in IT infrastructure, human resource training, and supportive political and regulatory support (Makki & Lodhi, 2014, 2015). Additionally, attention must be paid to security and data privacy issues to ensure that eGovernment functions safely and effectively. By the indicators. Three successful elements determine the implementation of electronic government, namely, firstly, Support, which is the most important element in developing e-government. support or political will from public officials and the government is needed so that the e-government concept can be implemented. Secondly, Capacity is a resource needed for the development and development of e-government which aims to ensure that the concept that has been created can be realized. Third, Value is the benefit obtained by the government as a service provider and also the people as recipients of e-government services which determines whether or not the benefits of e-government are the community as service recipients. Therefore, it is necessary to be careful in selecting software that prioritizes people's needs and needs to be prioritized in its development and development (Pina et al.,2010). The application of e-government (electronic government) can be a very effective tool in improving financial performance, but the focus of this research is the application of Integrated Employee Big Data to see the extent of its implementation so that it can improve financial performance.

5. Conclusion

The results of this research show that e-government has a positive and significant relationship to financial performance, and employee competence has a positive and significant relationship to financial performance. Good governance has a positive and significant relationship to financial performance. The novelty of this research is the creation of a new model of the relationship between e-government on financial performance, employee competence on financial performance, and good governance on financial performance which has not existed in previous studies. The practical implication of this research is that to improve the financial performance of government companies, they must implement e-government. -government, increasing employee competency and implementing good governance. Human Resource Competency has a positive effect on the Quality of Financial Report Information. Human Resource Capacity or Competency is the ability of human resources to carry out their duties and responsibilities in the organization with adequate education, training, and experience to achieve organizational goals effectively and efficiently, implementing E-government helps in automating administrative processes, reducing bureaucracy, and eliminating corruption. Good Corporate Governance as a corporate governance system is expected to increase results (profit) from company operational activities. The concept of GCG is not something new for corporate management. A good pattern, system, and process can be used by company organs to provide added value to shareholders on an ongoing basis in the long term, while still paying attention to the interests of other stakeholders. GCG is a combination of processes and structures implemented by the company to inform, direct, manage, and monitor the organization's activities towards achieving its goals.

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