

CHAPTER 3

RESEARCH METHODS

A. Research Scope

The scope of this research was the Local Government of Sleman Regency.

The unit analysis in this study was the (regional work unit) SKPD in the Sleman Local Government.

B. Types of Data

This type of research was quantitative research in which the source of data was obtained from primary data. They were obtained directly from respondents by researchers related to the variable of interest for specific research purposes. Primary data in this study were obtained using instruments in the form of questionnaires given to respondents. The questionnaire consisted of a set of questions and could be asked to each respondent.

C. Sampling Technique

The population of this study was the Local Government of Sleman Regency. The respondents of this study were included employees who carry out financial administrative tasks and functions of SKPD in Sleman Regency who belong to the financial administration officers of the regional work unit (PPK-SKPD). The sampling method used in this study was convenience sampling. Convenience sampling is sampling based on the availability of elements and the ease of getting them. Samples were taken / selected because the samples were in the right place and time. This

method was considered quick because the researchers had the freedom to determine who the respondents were.

D. Data Collection Techniques

Data utilized in this study were primary data. This method was conducted by researchers to collect data from respondents directly at the Sleman Regency Office by using research instruments in the form of questionnaires. The developed questionnaire has five likert-scale as shown in the following:

1. SA (strongly agree) represents point 5,
2. A (Agree) represents point 4,
3. QA (quite agrees) represents point 3,
4. D (disagree) represents point 2,
5. SD (strongly disagree) represents point 1.

E. Operational Definition of Research Variables

The operational definition of a variable explained the variable that was used in this research. There was one dependent variable in this study, one intervening variable and two independent variables, which are explained as follows:

1. Dependent Variable

The dependent variable in the study taken by the researcher was the implementation of accrual-based government accounting standards. This variable was for measuring the extent of the application of the accrual basis in local government financial

statements consisting of recognition of revenue, expenditure, costs, assets, equity, and liability.

The measurement of this variable was assessed using questionnaire taken from Roydiana's research (2018) consisting of several questions which asked to what extent the respondents agreed, by using a five likert-scale, where 1 represented "strongly disagree" while the value of 5 represented "strongly agree".

2. Independent Variables

Independent variables are variables that affect the dependent variable. There were two independent variables utilized by researchers, namely human resources and organizational commitment.

i. Human Resources

Human Resources reflects quality of effort given by someone within certain time to produce goods and services. Weaknesses in financial statements can be avoided from the preparation of the accrual based finance report which requires human resources that can understand accrual-based government accounting standards. The implementation of accrual-based accounting requires human resources who understand and are competent in regional governance financial accounting. Human resources were assessed using questionnaire taken from Roydiana's research (2018) and

was measured using a 1-5 Likert scale, where the value of 1 indicated "strongly disagrees" while a value of 5 indicated "strongly agree".

ii. **Organizational Commitment**

Organizational Commitment is the will or desire and intention to be responsible of the work units. It is basically related to the employees who work as staff in preparing financial reports for the department to make changes according to their existing changes in legislation. The higher commitment each government employee has, the easier the change and improvement will be. Commitment was assessed using a questionnaire taken from Ni'mah's research (2018) and was measured by using the Likert scale 1-5, where a value of 1 is given if the answer is "strongly disagree" while the value of 5 given if "strongly agree".

3. Intervening Variable

Intervening variable used in this study is information technology. Information technology is a general term for any technology that helps people create, change, store, communicate and / or disseminate information. The availability of information technology is referred to as technology that is easy to use, adequate and integrated. Information technology is assessed using

questionnaire taken from the Ni'mah study (2018) and measured using a 1-5 Likert scale, where the value 1 is given if the answer "strongly disagrees" while a value of 5 is given if "strongly agree".

F. Variable Operational

Table 3.1
Variable Operational

| | Variable | Dimension | Indicator |
|--------------------|---|------------------|---|
| Dependent Variable | Implementation of accrual-based government accounting standards | Recording | <ul style="list-style-type: none"> • Recognizing the existence of assets recorded when the transaction occurs or when the event happens. (Mandasari, 2018) • Recognizing the existence of liabilities recorded when the transaction occurs or when the event. (Mandasari, 2018) • Recognizing the existence of equity recorded when the transaction occurs or when the event. (Mandasari, 2018) • Revenue will be recognized when the right to obtain revenue has been fulfilled even though cash has not been received at the regional general cash account. (Mandasari,2018) • Expenses will be recognized when the liabilities that |

| | Variable | Dimension | Indicator |
|----------------------|-----------------|------------------------|---|
| | | | <p>result in a decrease have been fulfilled even though cash has not been issued from the regional general cash account or reporting entity. (Mandasari, 2018)</p> <ul style="list-style-type: none"> • The Operational Report presents accrual expense information that can be used to calculate costs per program. (Mandasari,2018) • In accrual-based financial statements, unpaid costs will still be calculated and reduce revenue. (Riyani, 2016) • If they have receivables, the financial statements will recognize the allowance for receivables and present them in the Operational Report. (Riyani, 2016) |
| Independent Variable | Human Resources | Educational Background | <ul style="list-style-type: none"> • The highest level. (Rosydiana, 2018) • Courses taken at their highest level of education. (Rosydiana, 2018) |
| | | Knowledge | <ul style="list-style-type: none"> • Employee have attended a government |
| | Variable | Dimension | Indicator |
| | | | <p>accounting course. (Arif, 2015)</p> <ul style="list-style-type: none"> • Employees have accrual-based accounting |

| | | | |
|----------------------|---------------------------|-----------------------------|--|
| | | | <p>knowledge. (Abdul, 2015)</p> <ul style="list-style-type: none"> • Employees have cash-based accounting knowledge. (Abdul, 2015) |
| | Organizational Commitment | Work Commitment | <ul style="list-style-type: none"> • Punctuality of work when coming to work. (Ni'mah, 2018) • Punctuality of work when returning home. (Ni'mah, 2018) • Maintaining relationships between employees, both superiors and subordinates. (Yuliyanto, 2015) |
| | | Loyalty to the Organization | <ul style="list-style-type: none"> • Able to provide the ability possessed to help the success of the government. (Rosydiana, 2018) • Able to care about the future of the organization. (Yulianto, 2015) • Able to accept all forms of organizational assignment. (Yulianto, 2015) |
| Intervening Variable | Information Technology | Sophistication of Equipment | <ul style="list-style-type: none"> • Agencies prepare adequate software |
| | Variable | Dimension | Indicator |
| | | | <p>to support the implementation of accrual-based government accounting standards. (Rosydiana, 2015)</p> |

| | | | |
|--|--|-----------------------------|---|
| | | | <ul style="list-style-type: none"> • Calculation of financial statements using accounting software. (Rosydiana, 2015) • The preparation of financial statements accounting software. (Rosydiana, 2015) |
| | | Understand the use of tools | <ul style="list-style-type: none"> • The preparation of financial statements using complete computer facilities. (Ni'mah, 2018) • Agencies prepare internet networks that have been integrated with the center so as to provide effective and efficient performance to support the implementation of Accrual-based government accounting standards. (Rosydiana, 2018) |

G. Data Instrument Quality Test

This study utilized a data analysis method which is a technique or procedure for testing research hypotheses. This method utilized research testing such as descriptive statistical analysis, data quality tests (validity and reliability tests) and the classical assumption test which include normality test, autocorrelation test, multicollinearity test and heteroscedasticity test. The test used to test the hypothesis in this study is path analysis.

1. Descriptive Statistics Test

This descriptive statistical analysis aimed to provide a descriptive explanation of general demographics of the research respondents as well as the descriptions of research variables to find out the absolute frequency distribution that shows the minimum, maximum, mean, median value and standard deviation of each variable used by the researcher. Descriptive method is a method of data analysis by describing the data that have been collected without making conclusions in general so that descriptive analysis helps researchers understand the object of research.

2. Data Quality Testing

In this study, the quality of data was determined by validating the questionnaire so that it is valid. Such test aimed to determine whether the instrument was valid and reliable because the truth of the data achieved determined the quality of research results.

a. Validity Test

Validity test is a step of testing carried out on the contents of an instrument, with the aim to determine the accuracy of the instruments used. Validity test is used to measure the validity of result and validity of a questionnaire. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire.

Validity test aims to measure the extent of the accuracy in measuring instrument or internal instruments performing their function and to find out whether the data used can be relevant to the purpose of the study. Validity test is conducted with a correlation test between the scores of the question items with a total score (*Pearson Correlation*). Validity test requirements each viz item must be positively correlated to the total score at a significance level of 5% or α (0.05). All question items can be said to be valid if the Pearson Correlation value > 0.05 .

b. Reliability Test

The reliability test is a test to ascertain whether the research questionnaire that will be used to collect research variable data is reliable or not. The questionnaire is said to be reliable when it generates the same results when it is re-measured. Reliability tests are carried out on questions that are already valid to find out to what extent measurement results remain consistent if

measurements are made again on similar circumstances. The reliability test of the research instrument was carried out by looking at the consistency of the coefficient *Cronbach Alpha* for all variables. An instrument is said to be reliable if the value cronbach $> 0,60$.

3. Classical Assumption

a. Normality Test

The purpose of the normality test is to find out whether each variable is normally distributed. The researcher conducted a normality test with the *Kolmogorov Smirnov test* with a significance level of 0,05. If p value $< 0,05$ the data are then not normally distributed. However, if p value $> 0,05$ the data are said to be normally distributed.

b. Multicollinearity Test

Multicollinearity test aims to test whether the regression model yields a correlation between independent variables. Good regression model should not generate a correlation between the independent variables. If the variable is freely correlated with each other, these variables are not orthogonal. Multicollinearity test can be seen based on values of *variant of inflation factor* (VIF). If the value of VIF is < 10 and tolerance value is $> 0,1$, it can be said that this research does not occur multicollinearity problem.

c. Heteroscedasticity Test

The heteroscedasticity test aims to test whether the regression model has an inequality of variance from the residuals of an observation to another observation. If the variance obtained from one observation to another observation has fixed residual, this then creates homoscedasticity. A good regression model is homoscedasticity because does not produce heteroscedasticity. If the independent variable or sig value $> 0,05$, then they are free from heteroscedasticity. If one residual observation from another observation, it is then called homokedasticity and if it is different it is then called heteroscedasticity.

4. Hypothesis Test and Data Analysis (Path Analysis)

Hypothesis testing tools were H1, H2, H3, H4, H5, H6 and H7 which were referred to as Path Analysis operated by SPSS program. Path Analysis is performed to see whether there are intervening variables on the relationship between the independent variable and the dependent variable. The path coefficient value is calculated using regression analysis. Path analysis is used to estimate direct and indirect relationships with a confidence level of 95% or α : 5%.

Based on the research title, the path analysis model in this study can be described as follows:

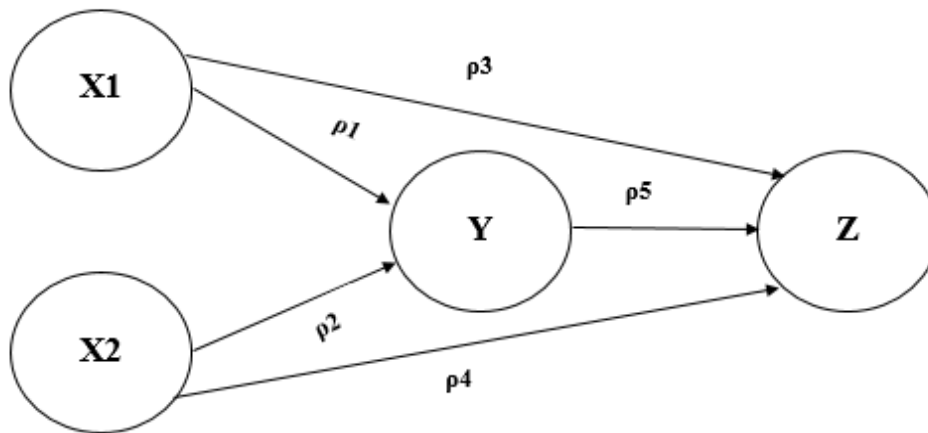


Figure 3.1
Path Diagram

Where:

X1 : Human Resource
X2 : Organizational Commitment
Y : Information Technology
Z : Implementation of Accrual Based

Path analysis in this study used standardized regression coefficient, in which the research model p_1 , p_2 , p_3 , p_4 , p_5 were calculated by making two regression equations that show the hypothesized relationship.

The path diagram in Figure 3.1 can be formulated into the form of equation as follows:

First Substructure Path Equation:

$$IT = p_1HR + p_2OC + \varepsilon \dots\dots\dots (H1, H2)$$

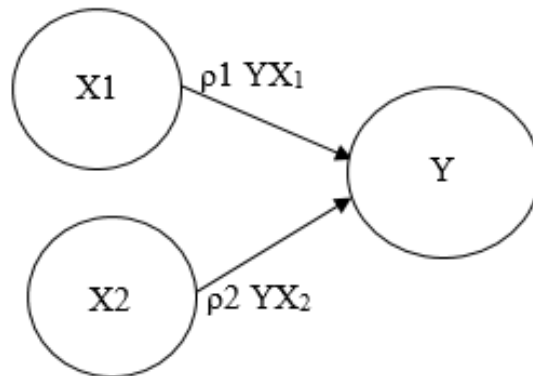


Figure 3.2
Hypothesis Testing for H1 and H2

Where:

- X1 : Human Resource**
- X2 : Organizational Commitment**
- Y : Information Technology**

Second Substructure Path Equation:

$$AB = p_3HR + p_4OC + p_5 IT + \varepsilon \dots\dots\dots (H3, H4, H5)$$

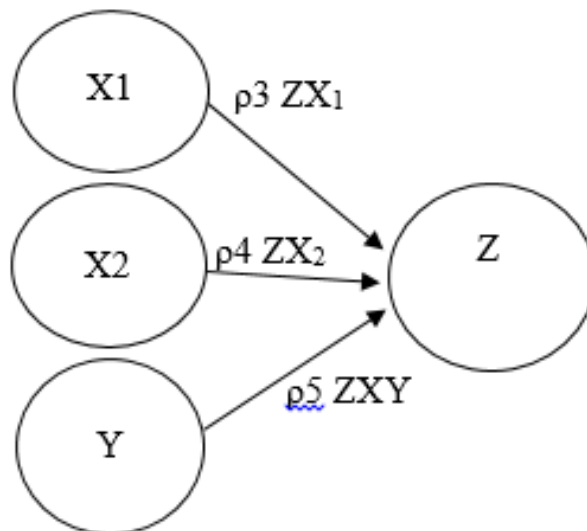


Figure 3.3
Hypothesis Testing for H3, H4 and H5

Where:

X1 : Human Resource

X2 : Organizational Commitment

Y : Information Technology

Z : Implementation of Accrual Based

Hypothesis testing aims to measure the extent to which each independent variable could explain the dependent variable so that it can generate a significance value of 0,05 ($\alpha = 5\%$). If the significance value $< 0,05$ and has a standardized coefficient regression in the direction of the research hypothesis, it can be said that the hypothesis p3 (human resources), p4 (organizational commitment), and p5 (information technology) affect the implementation of accrual based or partially independent variables affect the dependent variable.

In addition, this test also aims to determine the direct effect or indirect effect of the independent variable on the dependent variable. For this test, it can be done by interpreting the path coefficient (path). The test can be said to have a direct effect if (X1) and (X2) influence (Z) and it can be said to have an indirect effect if (X1) and (X2) influence (Z) mediated by (Y) as an intervening variable.

Path Equation:

$$(p1 * p5) \geq p3^2 \dots\dots\dots (H6)$$

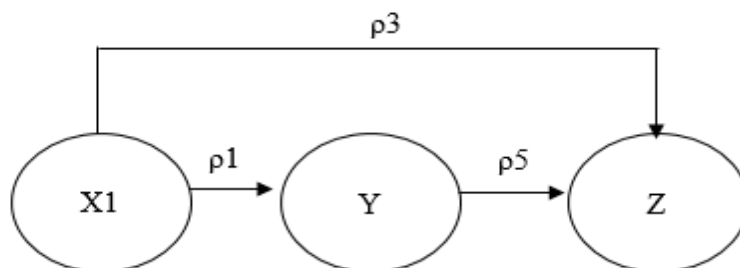


Figure 3.4
Hypothesis Testing for H6

The effect of Y mediating X indirectly occurs if the comparison of indirect effects is standardized coefficient from X to Y. (p_1) is multiplied by the standardized coefficient from Y to Z (p_5) showing that it is greater than the square of the direct effect i.e to Z (p_3).

Path Equation:

$$(p_2 * p_5) \geq p_4^2 \dots\dots\dots (H7)$$

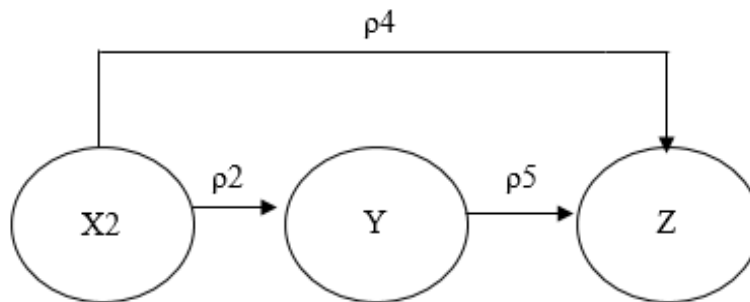


Figure 3.5
Hypothesis Testing for H7

The effect of Y mediating X2 indirectly occurs if the comparison of indirect effects is the standardized coefficient from X to Y. (p_2) multiplied by the standardized coefficient from Y to Z (p_5) showing that it is greater than the square of the direct effect i.e. X2 to Z (p_4).