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IMPROVING THE TIMELINESS OF FINANCIAL REPORTING: THE CONTRIBUTION OF HUMAN RESOURCE AND IT QUALITY

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Abstract

This study aims to examine the influence of Human Resource (HR) quality and information technology (IT) on the timeliness of financial reporting. Timely financial reporting is a crucial aspect in ensuring transparency and accountability of the company to its stakeholders. In the increasingly developing digital era, the use of information technology is expected to improve the efficiency of the financial reporting process. The data used in this study is primary data. The sampling technique total sampling by distributing questionnaires. The sample of this study consist of the Heads of Financial Affairs within the Election Supervisory Board (Bawaslu) offices at the regional level. The analytical method used includes Partial Least Squares Structural Equation Modelling (PLS-SEM) with Smart PLS to test group differences and simultaneously examine the relationships among variables in the structural model. The variables in this study are Human Resource Quality as an independent variable, Information Technology as an independent variable, and Timeliness of Financial Reporting as the dependent variable. The analysis results show that Human Resource Quality has a significant effect on the timeliness of financial reporting, and Information Technology also significantly affects the timeliness of financial reporting. Furthermore, the Normed Fit Index (NFI) value of 0.748, indicates that the research model fits well with the data used. These findings highlight the importance of improving HR competencies and the adequate implementation of information technology in supporting timely financial reporting processes. The implications of this study for companies and policymakers are the need for investment in HR development and increased use of technology to enhance financial reporting performance.

Keywords: Human Resource Quality, Information Technology, Timeliness of Financial Reporting, Transparency and Accountability, Financial Reporting Performance.

Introduction

Timely financial reporting is a crucial aspect in providing relevant and reliable information to stakeholders for effective decision-making. Timeliness of reporting reflects the efficiency and transparency of an organization in managing financial information. As emphasized by (Sari et al. 2023), "information presented on time is an important factor in presenting reliable information" for decision-making.The development of information technology (IT) has made a significant contribution to accelerating the financial reporting process. Advanced IT systems enable fast and accurate data processing, thus supporting the timely delivery of financial reports. Research shows that "information technology has a positive influence on the timeliness of financial reporting" (Sari et al., 2023). Thus, optimal utilization of technology is one of the keys to success in improving the timeliness of reporting.

However, the existence of technology alone is not enough without being supported by qualified human resources (HR). Quality HR is able to operate and optimize information technology so that the reporting process can run more effectively. (Sari et al. 2023) stated that "human resource quality moderates the relationship between information technology and timeliness of financial reporting" which means that quality human resources strengthen the influence of IT on timeliness of reporting.Human resource quality includes adequate competence, experience, and training. (Wulandari et al. 2024) emphasized that "human resource competence has a positive and significant impact on the timeliness of financial reporting" which shows the importance of

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investing in developing employee capabilities to support the reporting process. Competent human resources can implement accounting systems properly so as to produce quality and timely financial reports.

In addition, other studies also indicate that "good use of information technology will increase the timeliness of financial reporting" (Sari et al., 2023). This shows that the better the utilization of IT, the faster financial reports can be prepared and delivered. However, this success is highly dependent on the ability of human resources to adopt and operate the technology effectively.Another factor that influences the timeliness of reporting is the internal control and supervision system. A study by (Wulandari et al. 2024) revealed that "internal control also has a significant effect on the timeliness of financial reporting" which means that good internal governance and supervision support the effectiveness of the reporting process. Therefore, integration between IT, quality human resources, and internal control is the main foundation in improving the timeliness of reporting.

In the context of government, research conducted by (GAJEB 2019) shows that "human resources, utilization of information technology, internal control systems, and supervision simultaneously affect the timeliness of financial reporting" in local government work units. This finding confirms that these various factors interact with each other and contribute together to improving the timeliness of reporting.Quantitatively, (Sari et al. 2023) found that "the contribution of information technology variables and the quality of human resources to the timeliness of reporting reached 71%". This figure shows the large role of both factors in explaining the variability in the timeliness of financial reporting, so organizations need to optimize both simultaneously. Furthermore, (Shihasale Christin 2018) quoted by (Sari et al. 2023) asserts that "quality human resources are able to accelerate adaptation to information technology, which leads to timely financial reports". This strengthens the argument that developing HR competencies must be a priority in order to support digital transformation in the field of financial reporting.

In practice, the implementation of an accounting information system supported by skilled human resources has been shown to improve the timeliness of reporting and fund management, as found in a qualitative study by research in the field of BOS (School Operational Assistance). This approach emphasizes the importance of collaboration between technology and human resources in achieving optimal reporting goals.Overall, improving the timeliness of financial reporting cannot be separated from the contribution of information technology and the quality of human resources. If these two aspects are implemented properly, then "the resulting financial reports will be of higher quality and more timely" (Sari et al., 2023). Therefore, organizations must make continuous investments in technology development and improving HR competencies.

The study entitled "Improving the Timeliness of Financial Reporting: The Contribution of Human Resource and IT Quality" aims to improve the timeliness of financial reporting by examining the important role of human resource quality and information technology. This study examines how workforce competence, training, and capability can accelerate the process of preparing financial reports, as well as how a reliable and integrated information technology system supports the efficiency and effectiveness of such reporting. In addition, this study also highlights the synergy between HR and IT quality in accelerating the completion of financial reports without sacrificing data accuracy and quality. With the results of this study, it is hoped that organizations can optimize HR management and the use of information technology to produce timely financial reports, thereby supporting faster and more accurate decision making in a dynamic business environment.
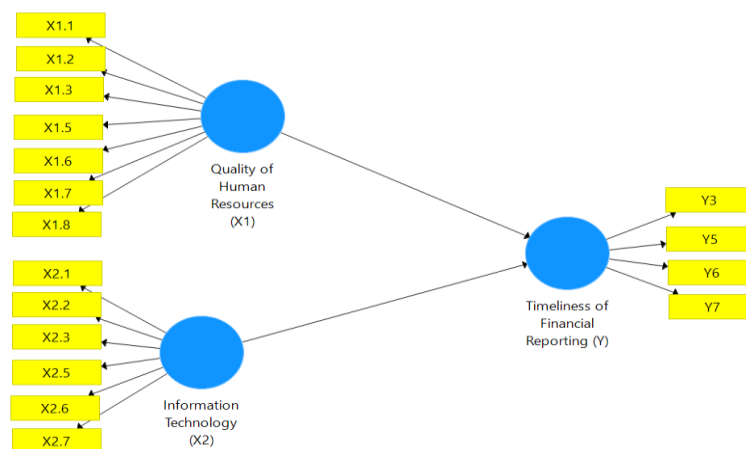

Figure 1

Research Model

Method

This research is a quantitative research that uses primary data collected from respondents through questionnaires distributed to respondents who have been determined in each Bawaslu Regency/City. This research uses a total sampling method, with research respondents being members of the Bawaslu Regency/City of West Sumatra Province who have been determined.

The questionnaire was distributed to respondents directly. The variables in this study were measured using a closed-mode questionnaire where the possible answer choices were determined in advance and respondents were not given alternatives, with each variable measured using a 1-5 point Likert scale, with a gradation from Strongly Disagree (STS) to Strongly Agree (SS) (Table 1). The data processing and analysis techniques in this study used the Structural Equation Modeling (SEM) method by utilizing Partial Least Square (PLS).

Table 1 Definition of The Research Variable

Variable	Description
Dependent Variable	
Timeliness of Financial Reporting (Y)	Availability of information for decision makers when needed before the information loses its ability to influence a decision (Suwardjono 2011:170)
Independent Variable	
Quality of Human Resources (X1)	Human resources capability to carry out the tasks and responsibilities given to them with adequate education, training, and experience (Harahap 2017
Information Technology (X2)	Integrated information system in the form of computers and networks that are related to technology (Harahap 2017)

His analysis explains that in PLS-SEM it is divided into two main stages, namely the assessment of the measurement model (outer model) and the assessment of the structural model (inner model) (ghozali & latan, 2015). The measurement model aims to ensure that the research instrument can measure the intended concept accurately, through validity and reliability testing. This assessment process involves indicator analysis based on convergent validity, discriminant validity, composite reliability, and Cronbach's Alpha value. Meanwhile, the structural model or inner model is used to assess the relationship between latent variables by considering the level of significance and the R-Square value, which shows how well the model is able to predict the dependent variable. To ensure the suitability of the model with the data used, an evaluation is carried out using model fit measures such as the Normal Fit Index (NFI) and Standardized Root Mean Square Residual (SRMR), which also support the comprehensive hypothesis testing process.

Results and Discussion

This study involved 97 Bawaslu administrators as participants. The measurement model (outer model) functions to describe the relationship between each indicator and the latent variable, which reflects the construct validity and reliability of the research instrument used. The main purpose of this model is to ensure that the measuring instrument used in the study can represent concepts such as human resources, information technology, and timeliness of financial reporting accurately and consistently. In addition, this analysis also assesses the consistency of respondents' answers to each item in the questionnaire. Convergent validity testing is carried out to evaluate the similarity of indicators in measuring one construct. Using the SmartPLS 3.0 application, the analysis examines the factor loading value of each indicator which must be more than 0.70 and the Average Variance Extracted (AVE) value which must exceed 0.50. The results of the study show that all indicators meet these requirements, with factor loading values above 0.70 and AVE above 0.50, which indicates that the instrument used has good convergent validity in measuring the accountability of political party financial management.

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Table 2 Respondent Demographic Data

Information	Description	Number	Percentage (%)
Gender	Number of Respondents	97	100%
	Male	51	53%
	Female	46	47%
Age	Number of Respondents		
	50-60 Years	7	7%
	40-50 Years	24	25%
	30-40 Years	38	39%
	20-30 Years	28	29%
Last Education	Number of Respondents		100%
	High School	9	9%
	D3	6	6%
	D4	1	1%
	Bachelor's Degree (S1)	73	75%
	Master's Degree (S2)	8	9%
Position	Number of Respondents		100%
	Head of Secretariat	3	3%
	Head of Administration Sub-Division	1	1%
	Secretariat Coordinator	14	15%
	Assistant Expenditure Treasurer	18	19%
	Finance Staff	60	62%
term of office	Number of Respondents		100%
	< 3 Years	14	15%
	4-6 Years	65	67%
	7-10 Years	8	8%
	11-13 Years	2	2%
	>15 tahun	8	8%

This study involved 97 Bawaslu administrators consisting of the Head of the Secretariat, Head of Administration Sub-Division, Secretariat Coordinator, Assistant Treasurer of Expenditures, Financial Staff. Based on the characteristics of the gender of male respondents, there were 51 people (53%) and female respondents, there were 46 people (47%). Most of the respondents were male, namely (53%). Based on the characteristics of the age of respondents aged 20-30 years, there were 28 people (29%), respondents aged 30-40 years, there were 38 people (39%), respondents aged 40-50 years, there were 24 people (25%) and respondents aged 50-60 years, there were 7 people (7%). Most of the respondents were respondents aged 30-40 years, namely (39%). Based on the respondents' positions, it can be seen that there are 3 respondents who hold the position of Head of Secretariat (3%), 1 respondent who holds the position of Head of Administration Sub-Division (1%), 14 respondents who hold the position of Secretariat Coordinator (15%), 18 respondents who hold the position of Assistant Expenditure Treasurer (19%) and 60 respondents who hold the position of Finance Staff (62%). Most of the respondents are respondents who hold the position of Finance Staff, which is 62%. Based on the characteristics of the respondents' work period, there are 14 respondents who have worked <3 years (15%), 65 respondents who have worked 4-6 years (67%), 8 respondents who have worked 7-10 years (8%), 2 respondents who have worked 11-13 years (2%), and 8 respondents who have worked >15 years (8%). Most of the respondents are respondents who have worked 4-6 years (67%). Based on the characteristics of the respondents' last education, 9 respondents had a high school/vocational high school education (9%), 6 respondents had a D3 education (6%), 1 respondent had a D4 education (1%), 73 respondents had a S1 education (75%), and 8 respondents had a S2 education (9%). Most of the respondents were respondents whose last education level was S1, which was 75%. This shows that the higher the respondent's education, the higher their ability and the higher their ability to succeed in carrying out financial reporting tasks.

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Table 3 Outher Loading

Latent variable	code	Indicator	Outer loading	AVE
Quality of human resources	X1.1	I have understood the clear roles and functions in financial management.	**0,792**	
	X1.2	I carry out my duties in accordance with the actual accounting function.	**0,784**	**0,671**
	X1.3	I work based on existing accounting process guidelines.	**0,824**	
	X1.5	I have received training to support my ability to work in the accounting field.	**0,792**	
	X1.6	I understand the training materials provided	**0,835**	
	X1.7	The training material that I attended was provided according to my needs as a financial management function.	**0,848**	
	X1.8	I have experience in carrying out tasks in the accounting field.	**0,859**	
Information Technology	X2.1	As a financial/accounting manager, I have used computers to carry out my duties.	**0,722**	
	X2.2	Processing financial transaction data at the agency/institution where I work uses software that complies with regulations.	**0,895**	**0,590**
	X2.3	The accounting reports presented by the agency/institution where I work are generated from a structured information system.	**0,772**	
	X2.5	The place where I work has implemented regular computer maintenance scheduling.	**0,721**	
	X2.6	The place where I work has carried out data collection on obsolete computers in a timely manner.	**0,726**	
	X2.7	As a financial/accounting manager, I have utilized the internet network in my work unit as a link in sending the required information.	**0,757**	
Timeliness of financial reporting	Y.3	Timeliness can explain that financial reports must be presented at certain intervals to influence the decisions of information users.	**0,778**	
	Y.5	Timeliness is very influential in making financial reporting decisions.	**0,734**	**0,639**
	Y.6	timeliness of required information is immediately available when requested.	**0,801**	

The relationship between item or instrument scores and construct scores (loading factors) is used to assess convergent validity in the measurement model, with the accepted loading factor value standard being above 0.70. Based on the results of the initial analysis, it was found that one indicator in the information technology variable, namely X1.4 (0.681), did not meet the validity criteria so it needed to be removed from the model. Meanwhile, other indicators such as X1.1, X1.2, X1.3, X1.5, X1.6, and X1.7 showed adequate validity because they had loading factor values above 0.70. In the human resource quality variable, there were two indicators that also did not meet the validity criteria and had to be removed from the model, namely X2.4 (0.688) and X2.9 (0.692). However, other indicators in the variable, namely X2.1, X2.2, X2.5, X2.6, X2.7, and X2.8, met the validity requirements with loading factor values above 0.70. As for the variable Timeliness of financial reporting, it was found that 3 indicators did not meet the validity criteria so they needed to be removed from the model, namely Y1 (0.645), Y2 (0.659) and Y4 (686). Meanwhile, other indicators such as Y3, Y5, Y6, and Y7, showed adequate validity because they had loading factor values above 0.70. Overall, this table shows that indicators with high loading values are the main factors that influence each variable. Furthermore, the results of the validity test show that the Average Variance Extracted (AVE) value for each construct exceeds 0.50, thus confirming that all constructs have valid dimensions and meet the convergent validity criteria.

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Table 1 Cronbach's Alpha and Composite Reliability

	Composite Reliability	Cronbach's Alpha
Human Resources Quality (X1)	**0,935**	**0,918**
Information Technology (X2)	**0,876**	**0,810**
Timeliness of Financial Reporting	**0,896**	**0,859**

Source: Data processed using SmartPLS version 3.0, 2025

Based on Table 4, all Cronbach's Alpha values for the variables in this study exceed 0.70, indicating that each indicator has good reliability in measuring its respective constructs. In addition, the Composite Reliability value for each variable is also above 0.80, indicating that the construct has strong internal consistency and an accurate and precise measurement instrument.

Composite Reliability and Cronbach's Alpha are two metrics commonly used to assess the internal consistency of a construct. Composite Reliability is considered a more valid reliability estimate because it takes into account the actual factor loadings of the indicators, while Cronbach's Alpha provides a lower limit reliability estimate assuming the same indicator loadings.

Table 2. Hypothesis Results

Hypothesis	Original Sample (O)	T Statistics ($|O/STDEV|$)	P Values	Result
Quality of Human Resources (X1) -> Timeliness of Financial Reporting (Y)	0,279	2,784	0,006	Accepted
Information Technology (X2) -> Timeliness of Financial Reporting (Y)	0,568	6,124	0,000	Accepted

Source: Data processed using SmartPLS version 3.0,

The results of the hypothesis testing presented in Table 5 show that the quality of human resources has a significant effect on the timeliness of financial reporting, as well as information technology also has a significant effect on the timeliness of reporting. Based on Table 5, it can be seen that the role of human resources and information technology in shaping the timeliness of financial reporting is relatively high. This finding is in line with previous studies which state that the quality of human resources and the use of information technology have a positive effect on the reliability and timeliness of financial reporting. (Safitri.2016) and other findings also confirm that both the use of information technology and the quality of human resources have a positive and significant effect on the timeliness of financial reporting (Yustanti and Susanti, 2021) and (Sembiring, 2016) concluded that the quality of human resources and internal accounting control have a positive effect on the reliability and timeliness of financial reporting. This strengthens the view that the timeliness of financial reporting depends on human resources and information technology.

Table 3 R-Square

Variable	R-square
Timeliness of Financial Reporting	0,620

Source: Data processed using SmartPLS version 3.0, 2025

In PLS, the R-Square value is used to evaluate the structural model, with 0.75 indicating strong predictive power, 0.50 indicating moderate power, and 0.25 indicating weak power. The R-Square value shows that Timeliness of Financial Reporting is influenced by 62% by the variables in the model, while the remaining 38% is influenced by other factors outside the model. The NFI (0.748) and SRMR (0.075) values indicate that the model has an acceptable level of fit. The results of the study show that both variables have a positive and significant effect on the timeliness of financial reporting. This means that improving the quality of human resources and information technology can improve the timeliness of the preparation and delivery of financial reports. (Zubaidi et al. 2019) showed that human resource competence and the use of information technology have a positive effect on the quality of financial reports. Other studies also show that the quality of human resources and the use of information technology have a significant influence on the timeliness of financial reporting, where quality human resources and adequate technology can increase the speed and accuracy of reporting (Celviana and Rahmawati, 2023)

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