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# The Effect Of Financial Management Of Blu, Revenue And Islamic Social Reporting On Financial Performance With Gcg As The Intervening Variable At Uin Alauddin Makassar

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**Abstract:** This research was conducted aimed at: (1) analyzing the influence of BLU, Islamic Revenue and Financial Management Social Reporting on GCG at UIN Alauddin Makassar and (2) To analyze the effect of BLU Financial Management, Revenue and Islamic Social Reporting on Financial Performance at UIN Alauddin Makassar (3) To analyze the effect of GCG on Financial Performance at UIN Alauddin Makassar (4) To analyze The influence of BLU Financial Management on Financial Performance at UIN Alauddin Makassar through GCG, Revenue, Islamic Social Reporting on Financial Performance at UIN Alauddin Makassar through GCG. This study uses a quantitative approach by using primary data through a questionnaire of 210 respondents. The data were analyzed using the AMOS SEM program. The results of this study indicate that: (1) BLU Financial Management has a negative and significant effect on GCG at UIN Alauddin Makassar (2) Revenue has a positive and significant effect (3) Islamic Social Reporting has a positive and insignificant effect on GCG (4) BLU Financial Management has a positive and significant effect on Financial Performance at UIN Alauddin Makassar (5) Revenue has a positive and insignificant effect on Financial Performance (6) Islamic Social Reporting, GCG has a positive and significant effect on Financial Performance (7) Financial Management of BLU and Revenue has a positive and significant effect on Financial Performance at UIN Alauddin Makassar through GCG (8) Islamic Social Reporting has a negative and insignificant effect on Financial Performance at UIN Alauddin Makassar through GCG.

**Keywords:** BLU Financial Management, Revenue, Islamic Social Reporting, Financial Performance, GCG

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## I. Introduction

State financial reform mandates a shift in the budgeting system from traditional to performance-based budgeting so that the use of government funds becomes output-oriented. This change is very important because the need for funds is higher, but government resources are limited, financial statements have an important role in the process of measuring and assessing financial performance and are useful for decision making (Lianto, et al, 2010). The allocation of government budgets whose sources of funds come from the community in the form of tax and non-tax state revenues places the government as the party (agent) that manages public funds for the sake of improving people's welfare. Agency theory explains that agency relationships occur when one person or more employs another person for benefits and delegates decision-making authority to the agent (Jensen and Meckling, 1976). Therefore, the government has developed a pattern for managing state finances to manage public funds for the sake of improving people's welfare. One form of government budget allocation is allocated in the education environment for the sake of educating the citizens of the community. One of the factors that affect the level of financial performance owned by universities in financing each activity is institutional operations. The phenomenon that occurs to the financial performance of UIN Alauddin Makassar has not been fully optimal, this is due to the frequent incompatibility of the budget items that have been made with operational activities that tend to be flexible, as universities are said to be good if between what is planned is in accordance with the level of achievement about financial management. so that the vision and mission can be carried out properly. The level in measuring financial performance with the current ratio is the company's ability to meet its current obligations that must be met immediately. A company will be able to achieve a good level of financial performance if it has large current assets so that it can meet all its current obligations that must be met immediately because the performance-based management system is more performance and result-oriented. Higher education financial performance indicators can be seen from the Budget Realization Report, audit results from independent auditors, government auditors, the level of budget absorption, and others. These indicators show the quality of transparent

and accountable higher education financial management. The audit results mean that the process of managing funds from receipt to allocation or use can be properly accounted for in accordance with applicable regulations. The level of budget absorption shows the effectiveness and efficiency of financial management starting from planning, budgeting, implementation, and evaluation or reporting (Nurkhin, A, 2017).

The measurement of public sector financial performance is carried out to fulfil three purposes. First, public sector performance measurement is intended to help improve government performance. Performance measures are intended to help the government focus on the goals and objectives of the work unit program. This will ultimately increase the efficiency and effectiveness of public sector organizations in the delivery of public services. Second, public sector performance measures are used for resource allocation and decision-making. Third, public sector performance measures are intended to realize public accountability and improve institutional communication (Mardiasmo, 2014:121). Regulation of the Minister of Religion Number 8 of 2016 concerning amendments to the Minister of Religion Number 20 of 2014 concerning the statutes of UIN Alauddin Makassar, part one Funding article 91 that university financial management is managed autonomously, orderly, fair and just, obedient to statutory provisions, efficient, effective, transparent, accountable and responsible, further in Article 92 of UIN Alauddin Makassar, that the financial management of UIN Alauddin Makassar includes planning, budgeting, implementation, supervision and accountability. College management (agents) will carry out their duties in accordance with government contracts or regulations and university statutes if supervisory activities are carried out properly, good corporate governance is a concept based on agency theory, and is expected to function as a tool to provide confidence to investors that they will accept return on the funds they have invested. Corporate governance is related to how investors believe that managers will benefit them and that managers will not steal/embezzle or invest in unprofitable projects related to funds or capital that has been invested by investors (quoted from Aji, 2012). On the other hand, the principle of budget management in government, especially in the world of education, is not returned in the form of financial benefits but the form of services.

In Indonesia, the implementation of Good Corporate Governance practices is still difficult to implement. This is evidenced by the ranking of Good Corporate Governance which is always below Singapore (Daily, 2020). Besides being very influential on companies and investors, the implementation of good corporate governance according to the rules also turns out to be a very effective weapon to fight corruption. This is also followed by the existence of an independent audit committee and board of commissioners as governance implementers. PMK Number 88/PMK.06/2015 concerning the Implementation of Good Corporate Governance in the Company (Persero) under the guidance and supervision of the Minister of Finance, states that Good Corporate Governance is a system designed to direct the management of the company. which is based on the principles of transparency, independence, accountability, responsibility, and fairness, for the achievement of the implementation of business activities that take into account the interests of each party involved in the implementation of business activities, based on laws and regulations and generally accepted practices. Good corporate governance in its development has a very important role for the organization, namely as a management control tool in improving organizational performance and efforts to create a healthy organization. In general, good corporate governance has positive benefits to support the performance of an organization. This argument is supported by the results of empirical studies suggesting that effective corporate governance in the long term will be able to improve company performance and benefit shareholders. This increase is not only for shareholders but also for the public interest in general (Astrina, F, 2016). One of the factors that can influence the level of financial performance is the implementation of Good Corporate Governance (GCG). Currently, every company must implement a Good Corporate Governance program as part of its business strategy, because it will affect investors' assessment of the company. Corporate Governance problems arise because of the separation between ownership and control of the company. This separation is based on Agency Theory, in which management tends to increase their profits more than the company's goals, reinforced by the concept of Emirzon (2017) that GCG is a concept proposed to overcome agency problems, GCG serves to foster investor confidence in The company, in addition to having good financial performance, the company is also expected to have a good quality of implementation of corporate governance. Therefore, the GCG variable is very appropriate to be used as an intervening variable that mediates BLU Management on financial performance, Revenue on financial performance and ISR on performance Finance. Based on the Minister of Finance Regulation Number 129/PMK.05/2020 concerning Guidelines for the Management of Public Service Bodies, CHAPTER 1 in article 24 and article 28 explains that banks used to utilize idle cash are conventional banks or banks based on sharia principles which can be in the form of deposits. In addition, Article 132 further explains that the implementation of asset management at BLU is carried out with the following principles:

- a. Does not interfere with the activities of providing public services to the community
- b. Costs related to the implementation of the cooperation should not be charged to the state budget (pure rupiah)
- c. BLU assets can be used as the basis for issuing securities after obtaining permission from the Minister of Finance.

The ISR index is also a benchmark for the implementation of Islamic corporate social responsibility which contains a compilation of standard CSR items set by AAOFI (Accounting and Auditing Organization for Islamic Financial Institutions) (Maulida et al., 2014). In accordance with the ISR index for Islamic entities because it discloses matters related to Islamic principles such as transactions that are free from elements of usury, speculation and gharar, as well as disclosing zakat, sharia compliance status and social aspects such as *sodaqoh*, *waqof*, *qordul hasan*, the ISR index is believed to be become the starting point in terms of CSR disclosure standards that are in accordance with the Islamic perspective. In contrast to the Islamic Social Reporting (ISR) index which is a disclosure of social responsibility in which there are Islamic principles. One of the principles of Islam related to financial matters is the Word of Allah swt in the letter al-Baqarah verse 275 ...

..... الرِّبَا بَيِّنٌ لِّلَّهِ ...

Meaning: and Allah justifies buying and selling and forbids usury.

Riba is an excess of money loans (interest) made and determined at the time of making the contract. One form of income receipt at UIN Alauddin Makassar which is managed in improving the welfare of the community is from banking interest. The development of Islamic Social Reporting (ISR) is mostly carried out in the Islamic banking sector. The results of research by Irman Firmasnyah (2014) explain that the disclosure of ISR at several Islamic banks in Indonesia is still limited or can only meet less than 50% of the maximum score if all items are fully disclosed. While research by Wulandari (2015) on the disclosure of social responsibility of Islamic banks in Malaysia based on the Islamic Social Reporting Index (ISR Index) shows the highest score of 37% and the lowest score of 20%. Sofyani et al. (2008) in Ahzar and Trisnawati (2015) on a comparative study between banks in Indonesia and Malaysia found that the social performance of Islamic banking in Indonesia in 2014 experienced a significant increase, which was around 10% from the previous year. Meanwhile, the level of social performance in Islamic banking in Malaysia can be said to be stable because it has neither increased nor decreased. This means that the Social Islamic Reporting research has only been carried out in the banking sector so the authors are interested in studying the world of education and especially those with Islamic labels. All of the studies referred to using multiple regression analysis models, correlation analysis and chi-square analysis. The variables studied by previous researchers were adopted as exogenous variables, namely BLU financial management, revenue and Islamic social reporting, GCG variables as intervening, and financial performance as endogenous variables. Thus, it can be seen the novelty/novelty of this research compared to previous research, namely:

- a. This study uses a structural model approach (SEM) and uses AMOS analysis tools which previously only used multiple regression analysis and correlation or chi-square analysis.
- b. Exogenous variable (independent) plus Revenue variable
- c. This study uses GCG as an intervening variable and previous studies did not use GCG as an intervening variable, while financial performance was used as an endogenous variable in this study.
- d. Variable indicators will be developed and adjusted to the needs of the analysis so that comprehensive findings can be obtained to enrich employee work practices and develop knowledge about financial management in the future.

Considering the things above, the authors are interested in conducting research under the title "The Effect of BLU Financial Management, Revenue and Islamic Social Reporting on Financial Performance With GCG as an Intervening Variable at UIN Alauddin Makassar".

## II. Research Methods

This research was conducted using several approaches with a view to answering various problems that have been formulated previously according to the objectives to be achieved through hypothesis testing. Some of the basic reasons include:

- a. This research is an explanatory research, which is a study that seeks to find new relationships, and explanatory research is a research conducted by trying to explain the various symptoms that arise from an object of research.
- b. Viewed from the aspect of research objectives, this research is a causal study that seeks to explain the relationship between endogenous (dependent) and exogenous (independent) variables consisting of BLU Financial Management (X1), Revenue (X2), Islamic Social Reporting (X3), GCG ( Y) and Financial Performance (Z) at UIN Alauddin Makassar.
- c. Judging from the data aspect, this research is ex post facto research, which means research that has passed or has occurred. In other words, research that is a systemic empirical search, where researchers cannot control the independent variables due to events that have passed so that the nature of the data cannot be manipulated.

This study describes and analyzes the influence of BLU Finance, Revenue, Islamic Social Reporting, GCG and Financial Performance at UIN Alauddin Makassar. The research approach is to use quantitative methods and qualitative methods and combine qualitative and quantitative research methods (Sugiyono, 2012). The population is the whole of a collection of elements that have a number of common characteristics, which consist of fields to be studied. In other words, the population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are used by researchers to study which conclusions are then obtained (Sugiyono, 2014). The population in this study are employees at UIN Alauddin Makassar who have contributed to the policy and management of the UIN Alauddin Makassar satker whose numbers are based on data from the UIN Alauddin Makassar Personnel Information System as many as 423 people consisting of 75 senate members, 2 head of the Bureau, 24 deputy deans. the chairperson and secretary of the study program 128 people, the secretary of the Institute 2 people, the head of the center 6 people, the head of the UPT 4 people, the deputy director of PPS 1 person, the finance section 16 people, the personnel section 10 people, the academic section 12 people, the student department 9 people, the 45 people in general, 10 people from the Cooperation section, 48 people from the P2B section, 9 people from KTU, 10 people from SPI, 15 people from Planning and 1 person from PPK. The sample is a selection of all the subjects studied and is considered to represent the entire population, (Alimul A, 2008), the sample in this study were employees at UIN Alauddin Makassar. Determination of the number of respondents in this study using probability random sampling method, namely the entire population has the same opportunity to be used as respondents.

The analytical method used in this study is descriptive analysis and quantitative analysis using structural equation modeling (SEM) models. 1. Descriptive Analysis Descriptive statistical analysis is used to analyze data by describing or describing the data collected as they are without intending to make conclusions that apply to the public (Sugiyono, 2002). In the descriptive analysis, the average, frequency distribution and proportion of research items are calculated. 2. Quantitative analysis Based on the problems and hypotheses stated earlier, the analytical model that will be used to explain all the hypotheses is the SEM (Structural Equation Modeling) Model application of AMOS 4.0.1. (Solimun, 2002). The analytical model used to test the research hypothesis is the path analysis method. The design of the analytical model is formulated through the design of structural equations using the variable symbols and structural equations Jonathan Sarwono (2007:51).

### III. Research Results

The structural relationship model test was carried out after the structural model built in this research was in accordance with the observed data and the structural model suitability index. The purpose of testing the structural relationship model is to determine the relationship between the latent variables built in this study. The latent variables built in this study are BLU Financial Management (X1), Revenue, (X2), Islamic Social Reporting, (X3), GCG (Y), and Financial Performance (Z). The estimation results of standardized regression weights, CR (Critical ratio), are equated with the t-test in regression and probability analysis. Furthermore, to determine the direct and total relationship of each variable and the level of significance, based on the facts that became the findings in this study, the hypothesis testing proposed can be accepted or rejected. The significance level of parameter estimation in hypothesis testing is set at 95% or  $p = 0.05$ . Based on the summary of the results of hypothesis testing that have been stated previously, it can be presented in Table 19. The following:

Table 19. Hypothesis Testing Results

Hip	Var. Exogenous	Var. Interv.	var. Endo gene	Direct Effect				
				Standardize	Indirect	Total	P-value	Ket.
1	Financial Management BLU_X1	-	GCG_Y	-0.306	-	-0.306	0.008	Negative Significant
2	Revenue_X2	-	GCG_Y	0.352	-	0.352	0.001	Positive Significant
3	Islamic Social Reporting_X3	-	GCG_Y	0.104	-	0.104	0.306	Positive Not Significant
4	Financial Management	-	Financial Performance	0.324	-	0.324_Z	0.003	Positive Significant

	BLU_X1							
5	Revenue_X2	-	Financial Performance_Z	0.206	-	0.206	0.009	Significantly Positive
6	Islamic Social Reporting_X3	-	Financial Performance_Z	0.220	-	0.220	0.024	Positive Significant
7	GCG_Y	-	Financial Performance_Z	0.492	-	0.492	0.000	Positive
8	Financial	0.174_Y_X1	0.14Y	BLU_X1	Management	Significant	0.021	Positive Significant
9	Revenue_X2	GCG_Y	Financial Performance_Z	0.206	0.173	0.033	0.008	Positive Significant
10	Islamic Social Reporting_X3	GCG_Y	Financial Performance_Z	0.220	0.051	-0.169	0.314	Negative Insignificant

Source: Resultsofprimary data processing 2022

Based on Table 18. of the seven significant paths model, three paths are not significant, while the interpretation of table 15. can be explained as follows: (H1) BLU Financial Management has a negative and significant effect on GCG with a path coefficient of -0.306. With a significance level of 0.008. Thus the hypothesis is rejected. The results of the study indicate that there is a negative and significant relationship between BLU Financial Management and GCG as indicated by path coefficient analysis. supported by data and facts. (H2) Revenue has a positive and significant effect on GCG with a path coefficient of 0.352. With a significance level of 0.001. Thus the hypothesis is accepted. Based on the results of hypothesis testing as shown, it indicates that there is a significant path coefficient between Revenue and GCG. This indicates that Revenue is able to prove a causal relationship both theoretically and empirically on GCG. In other words, there is a significant relationship between Revenue and GCG. Thus the second hypothesis which states that Revenue has a significant effect on GCG. can be proven empirically and supported by data and facts. (H3) Islamic Social Reporting has a positive and insignificant effect on GCG with a path coefficient of 0.104 with a significance level of 0.306 or  $p > 0.05$ . Thus the hypothesis is rejected. The results of the study indicate that there is no significant relationship between Islamic Social Reporting on GCG as shown by path coefficient analysis. and facts. (H4) BLU Financial Management has a positive and significant impact on Financial Performance with a path coefficient of 0.324 with a significance level of 0.003 or  $p > 0.05$ . Thus the hypothesis can be accepted. The results of the study indicate that there is a positive and significant relationship between BLU Financial Management and Financial Performance as indicated by path coefficient analysis, which means that there is an effect of BLU Financial Management on Financial Performance. Thus, the fourth hypothesis which states that there is an effect of the BLU Financial Management variable on financial performance can be proven, so that it is empirically accepted because it is supported by data and facts. (H5) Revenue has a positive and significant effect on financial performance with a path coefficient of 0.206. With a significance level of 0.009. Thus the hypothesis is accepted. Based on the results of hypothesis testing as shown, it indicates that there is no significant path coefficient between Revenue and financial performance. This indicates that Revenue is unable to prove a causal relationship both theoretically and empirically on financial performance. In other words, there is a significant relationship between Revenue and financial performance. Thus the fifth hypothesis which states that Revenue has a significant effect on financial performance can be proven empirically and is supported by data and facts. (H6) Islamic Social Reporting has a positive and significant effect on financial performance with a path coefficient value of 0.220. With a significance level of 0.024. Thus the hypothesis is accepted. This indicates that Islamic Social Reporting is able to prove a causal relationship both theoretically and empirically on financial performance. In other words, there is a positive and significant relationship between Islamic Social Reporting and financial performance. Thus the sixth hypothesis which states that Islamic Social Reporting has a significant effect on financial performance can be proven empirically and is supported by data and facts. (H7) GCG has a positive and significant influence on financial performance with a path coefficient value of 0.492. With a significance level of 0.000. Thus the hypothesis is accepted. Based on the results of hypothesis testing as shown, it indicates that there is a significant path coefficient between GCG and Financial Performance. This indicates that GCG is able to prove a causal relationship both theoretically and empirically on Financial Performance. In other words, there is a significant relationship between GCG and Financial Performance. Thus the hypothesis (Ha) which states that GCG has a significant effect on financial performance can be proven empirically and is supported by data and facts.



(H8) BLU Financial Management has a positive and significant effect on financial performance at UIN Alauddin Makassar through GCG with a path coefficient value of -0.150. With a significance level of 0.021. Thus the hypothesis can be rejected. The results of the study indicate that there is a significant negative relationship between BLU Financial Management on financial performance through GCG as indicated by path coefficient analysis, rejected because it is not supported by data and facts. (H9) Revenue has a positive and significant effect on financial performance at UIN Alauddin Makassar through GCG through GCG with a path coefficient value of 0.173. With a significance level of 0.008. Thus the hypothesis is rejected. The results of the study indicate that there is a significant relationship between Revenue and financial performance through GCG as indicated by path coefficient analysis, which means that there is an influence on financial performance through GCG. Thus the ninth hypothesis which states that there is an influence of financial performance variables through GCG can be proven empirically and supported by data and facts. (H10) Islamic Social Reporting has a negative and insignificant effect on financial performance at UIN Alauddin Makassar through GCG with a path coefficient value of -0.220. With a significance level of 0.314. Thus the hypothesis is rejected. The results of the study indicate that there is no significant positive relationship between Islamic Social Reporting on financial performance through GCG as indicated by path coefficient analysis. Thus, the tenth hypothesis which states that there is an effect of Islamic Social Reporting on financial performance through GCG cannot be proven, empirically rejected because it is not supported by data and facts.

#### **IV. Discussion**

##### **The Effect of BLU Financial Management on GCG at UIN Alauddin Makassar**

The results of the research based on hypothesis testing as shown in Table 19 show that BLU Financial Management has a significant negative effect on GCG at UIN Alauddin Makassar, with a value ( $P = 0.008$ ) which is significant with a coefficient value of - 0.306, This result shows that there is a significant effect of BLU Financial Management with indicators of Transparency, Accountability, Effectiveness, Efficiency, and Equity, on GCG with indicators of Responsibility, Responsibility, Independence, Fairness and Equality and Fairness. The results of this study conclude reject hypothesis 1 that BLU Financial Management has a significant positive effect on GCG at UIN Alauddin Makassar. BLU Financial Management has a significant negative effect on GCG at UIN Alauddin Makassar. It can be interpreted that the higher the BLU Financial Management value, the lower the GCG value and the effect is significant. This result also holds that the lower the value of BLU Financial Management, the higher the value of GCG and the effect is significant.

These findings explain that the largest contribution of BLU Financial Management indicators that have been met is the Efficiency indicator, the flexibility of BLU financial management patterns is given in the context of budget execution, including revenue and expenditure management, cash management, and procurement of goods/services. The BLU is also allowed to employ non-civil servant professionals as well as the opportunity to provide compensation for services to employees in accordance with their contributions. But as a counterweight, BLU is strictly controlled in its planning and budgeting. Financial management is carried out efficiently and economically to avoid waste and unproductiveness. Likewise, in its accountability, BLU must be able to calculate and present the budget efficiently related to the budget it uses in relation to services that have been realized. in the use of resources to do so. the concept of efficiency in the context of good governance also includes the use of natural resources by taking into account sustainability and environmental protection.

##### **The Effect of Revenue on GCG at UIN Alauddin Makassar**

The results based on the hypothesis test in Table 19 show that Revenue has a significant positive effect on GCG at UIN Alauddin Makassar, with a value ( $P = 0.001$ ) which means significant with a coefficient value of 0.352. These results indicate that there is a significant positive effect on Revenue with indicators of UKT Acceptance, Business Unit Acceptance, Acceptance of banking services, Write-off of receivables and cooperation results, on GCG at UIN Alauddin Makassar with indicators of Responsibility, Responsibility, Independence, Fairness and Equality and Fairness, the results of this study conclude to accept hypothesis 2 that Revenue has an effect on GCG at UIN Alauddin Makassar. Revenue has a positive and significant effect on GCG at UIN Alauddin Makassar. It can be interpreted that the higher the Revenue value, the higher the GCG value and the effect is significant. This result also holds that the lower the Revenue value, the lower the GCG value and the effect is significant.

These findings explain that the largest contribution of the Revenue indicator that has been met is the indicator of acceptance of banking services, as banking services provide convenience for the entire community of UIN Alauddin Makassar through sharia banking services including fund products, financing products, digital applications as well as Islamic financial literacy and inclusion activities, specifically, BNI Syariah facilitates more than 25 thousand academicians of UIN Alauddin Makassar with various services such as receipt of payment of tuition fees, payroll for lecturers and employees, cash management supported by technology and an integrated network with BNI Parent.

### **The Effect of BLU Financial Management on Financial Performance at UIN Alauddin Makassar**

The results of the research based on hypothesis testing as shown in Table 19 show that BLU Financial Management has a significant positive effect on Financial Performance at UIN Alauddin Makassar, with a value ( $P = 0.003$ ) which means significant with a coefficient value of 0.324. The results of this study indicate that there is a significant effect of BLU Financial Management with indicators of Transparency, Accountability, Effectiveness, Efficiency and Equity. on financial performance with indicators of Planning, Economical, Coordinating, Monitoring and Evaluation. The results of this study conclude accept hypothesis 4 that BLU Financial Management has a significant positive effect on the performance of Financial Performance at UIN Alauddin Makassar. BLU Financial Management has a significant positive effect on Financial Performance at UIN Alauddin Makassar, it can be interpreted that the higher the value of BLU Financial Management, the higher the value of Financial Performance at UIN Alauddin and the effect is significant. This result also holds that the lower the value of BLU Financial Management, the lower the value of Financial Performance at UIN Alauddin Makassar and the effect is significant. These findings explain that the largest contribution of BLU Financial Management indicators that have been met is the Efficiency indicator, Efficiency must be carried out for the survival of Higher Education, and the Efficiency in question is technical efficiency and allocative efficiency. Companies that perform technical efficiency will maximize output by consuming a certain amount of input. Meanwhile, companies that perform allocative efficiency will utilize and minimize input consumption optimally.

A university to assess the level of financial performance can be said to be successful if the college can finance its current obligations (eg employee debt, debt to third parties, and taxes) with current assets (in the form of cash, banks, receivables etc.)

Efficiency according to Mardiasmo in Ariel S. Sumenge (2019: 76) efficiency is closely related to the concept of productivity. Efficiency measurement is done by using a comparison between the output produced and the input used (cost of output). The process of operational activities can be said to be efficient if a certain product or work can be achieved with the lowest possible use of resources and funds (spending well). Efficient use of the budget must achieve the targets that have been prepared previously. The smallest contribution of BLU Financial Management indicators is accountability, accountability for budget use is very important to produce quality education in improving Financial Performance.

### **The Effect of Revenue on Financial Performance at UIN Alauddin Makassar**

The results based on the hypothesis test as shown in Table 19 show that Revenue has a significant positive effect on Financial Performance at UIN Alauddin Makassar, with a value ( $P = 0.009$ ) which means significant with a coefficient value of 0.206, these results show that there is a significant positive effect of Revenue with indicators of UKT Revenue, Business Unit Acceptance, Acceptance of banking services, Write-off of accounts receivable and the results of cooperation on performance with indicators of Planning, Economical, Coordination, Supervision and Evaluation, the results of this study conclude to accept hypothesis 5 that Revenue has a significant positive effect on Financial Performance at UIN Alauddin Makassar. Revenue has a significant positive effect on Financial Performance at UIN Alauddin Makassar, it can be interpreted that the higher the Revenue value, the higher the value of Financial Performance at UIN Alauddin Makassar and the effect is significant. The results of this study also apply to the contrary that the lower the Revenue value, the lower the Financial Performance value at UIN Alauddin Makassar and the effect is significant. These findings explain that the largest contribution of the Revenue indicator that has been met is the indicator of acceptance of banking services, UIN Alauddin Makassar budget allocation is based on two things, namely; first, program priorities; 1) programs to improve access, quality, welfare and subsidies for Islamic universities, 2) increase quality educators and education personnel, 3) procure data processing and communication equipment, and 4) procure office equipment and facilities, so that Financial Reports are prepared periodically, starting from quarterly, semiannual to annual, following Government Regulation number 24 of 2005 jo. number 71 of 2010 concerning Government Accounting Standards (SAP) and SAK (Financial Accounting Standards) Indonesia's Financial statements contain at least:

- a. Statement of Financial Position (Balance Sheet)
- b. Budget Realization Report (LRA)
- c. Operational Report (Surplus/Deficit)
- d. Cash Flow Statement
- e. Notes to Financial Statements

### **The Effect of Islamic Social Reporting on Financial Performance at UIN Alauddin Makassar**

The results based on hypothesis testing as in Table 19 show that Islamic Social Reporting has a significant positive effect on Financial Performance at UIN Alauddin Makassar, with a value of ( $P = 0.024$ ) which means significant with a coefficient value of 0.220, These results indicate that there is a significant



positive effect of Islamic Social Reporting with indicators of Funding and Investment, Products and Services, Employees, Society and Environment on Financial Performance with indicators of Planning, Economical, Coordination, Supervision and Evaluation. The results of this study conclude accept hypothesis 6 that Islamic Social Reporting has an effect on Financial Performance at UIN Alauddin Makassar. These findings explain that the largest contribution of the Islamic Social Reporting indicator that has been fulfilled is the Product and Service indicator, UIN Alauddin Makassar College is one of the state universities that take part in educating the community. Currently, competition between universities is very tight. Competition between higher education institutions in providing educational services to students in the process of producing high/adequate quality graduates, both State Universities (PTN) and Private Universities (PTS), makes these institutions mutually improve each other to provide satisfactory service quality for students.

Higher education as an educational institution can be seen as a process, namely the production process. As a production process, universities are a kind of company or industry in this case the service industry. As an industry, universities must be managed according to the company's economic principles. Therefore, the manager must pay attention to business management, in this case, professional management, resulting in higher education products, namely (Ndraha, 1998): 1) Human added value obtained by the student concerned so that the student is expected to enter the real world and society. Included in this category is the formation and transformation of values. This is the product of higher education as an educational and consideration process (value judgment). 2) Scientific discovery and technological innovation are the products of higher education as a research process.

### **The Effect of Revenue on Financial Performance at UIN Alauddin Makassar through GCG**

The results of the research based on the hypothesis test in Table 19 show that Revenue through GCG has a positive and significant effect on financial performance. These results indicate that GCG can act as a good intervention in the relationship between Revenue and financial performance. Revenue through GCG has a significant positive effect on financial performance. It can be interpreted that the higher the value of Revenue through increasing the value of GCG, the higher the value of financial performance and the effect is significant. This result also holds that the lower the value of Revenue through GCG, the lower the value of financial performance and the effect is significant. The results of the study indicate that Revenue through GCG has a significant positive effect on financial performance. This means that good revenue through GCG with the hope of more optimal financial performance. Responding to this fact, the management in formulating policies to achieve an optimal performance improvement, the implementation of Revenue through GCG is the right solution. Observing the direct relationship between the three variables previously, Revenue has a significant positive effect on GCG, GCG has a significant positive effect on financial performance and GCG has a significant positive effect on performance. This is the key to answering the question: Why does Revenue, which has a significant positive relationship with financial performance, remains significantly positive on financial performance after intervening with GCG? The answers to these questions can be described as follows: The significant positive nature of the direct relationship between Revenue on performance and then intervening with GCG which has the same nature, which is significantly positive on financial performance, will logically strengthen each other.

Good corporate governance by service companies can increase the value of the company. This is because, with good corporate governance, public trust in the company will increase so that the amount of revenue earned will also increase and in the end will increase the company's financial performance (Darwin, 2018).

### **The Effect of Islamic Social Reporting on Financial Performance at UIN Alauddin Makassar through GCG**

The results of the research based on hypothesis testing indicate that Islamic Social Reporting through GCG has an insignificant negative effect on financial performance. This indicates that GCG is not a good intervention in the relationship between Islamic Social Reporting and financial performance. It is interesting to observe as well as the findings in this study that GCG as an intervention can influence or change the influence of Islamic Social Reporting on financial performance from a significant to an insignificant effect. Companies that have social reporting not only include the company's role in economic terms but also its role in upholding spiritual values by providing relevant information by disclosing the specified Islamic Social Reporting (ISR) items. In addition to good social reporting, of course, choosing issuers that have good governance values by applying the principles of Good Corporate Governance (GCG). If the implementation of Good Corporate Governance (GCG) and Islamic Social Reporting (ISR) is good, the price of the shares will increase which will result in financial performance.

Islamic Social Reporting is also important for the reputation and performance of higher education Islamic financial institutions because by disclosing ISR, higher education Islamic financial institutions that can disclose their ISR very well will be seen as institutions that can be trusted by the Muslim community in channelling their funds. . Several studies have been conducted regarding Islamic Social Reporting (ISR),

including Astuti (2018) which examines Islamic Social Reporting on Financial Performance at Islamic Banks in Indonesia through GCG. The results of the study indicate that Islamic Social Reporting has a positive and significant impact on Financial Performance at Islamic Banks in Indonesia through GCG. Research conducted by Ratna Aditya Ningrum et.al (2017), shows that institutional ownership affects the disclosure of Islamic Social Reporting (ISR), while the type of industry is not an important factor that significantly affects Islamic Social Reporting (ISR) Candra K (2019) results The research shows that Islamic Corporate Governance has a positive effect on Islamic Social Reporting and Financial Performance, Financial Performance has a negative effect on Islamic Social Reporting, and Financial Performance cannot mediate the influence of Islamic Corporate Governance on Islamic Social Reporting.

## V. Research Findings

1. The first finding in this study is based on the results of hypothesis testing and discussion, namely that GCG can influence the relationship between BLU financial management well and financial performance. BLU financial management directly has a significant negative effect on GCG, and BLU financial management has a significant positive effect on financial performance, but with GCG as an intervening, the influence turns into a significant positive. The change in direction and significance of the GCG intervening effect is real.
2. The second finding in this study is that GCG can significantly influence Islamic Social Reporting on financial performance. Islamic Social Reporting directly has a significant positive effect on financial performance but with the presence of GCG as an intervening, the influence turns negative and insignificant. The direction of the relationship has changed to negative but the significance has changed from significant to insignificant as the effect of GCG intervening.
3. GCG was able to intervene in the relationship between BLU's financial management and Islamic Social Reporting on financial performance. Caring is in the form of Responsibility, Responsibility, Independence, Fairness Equality, and Justice. The most dominant caring influences are Responsibility, Independence, Fairness, Fairness and Equality and Responsibility.
4. Among the independent variables that have a direct effect on GCG and Financial Performance, the dominant one is Revenue.

## Novelty Research

The variables studied by previous researchers were adopted as exogenous variables by adding revenue variables. This study uses a structural model approach (SEM) and uses AMOS analysis tools, which previously only used Path Analysis, multiple regression and correlation analysis or chi-square, The method of data collection in this study is through observation, interviews, questionnaires and documentation while previous research has collected data through secondary data, namely financial reports, the GCG variable is used as an intervening variable while in previous studies using GCG as an exogenous variable, variable indicators were developed and adjusted to analysis needs so that comprehensive findings can be obtained to enrich the work practices of BLU employees and develop financial management knowledge in the future.

## Limitations of the Research The

writing of this dissertation has tried to be the best, but the author is fully aware that this dissertation still has many limitations. Some of these limitations that can be identified include:

- a. This study only focuses on employees of UIN Alauddin Makassar who have policies and/or are involved in managing the public service agency of UIN Alauddin Makassar.
- b. The variables observed are only limited to aspects of BLU Management, Revenue, Islamic Social Reporting, GCG and Financial Performance which are important studies to determine the level of Employee Performance at UIN Alauddin Makassar.
- c. The sample of respondents only took samples that were represented from the classification of employees and did not take samples as a whole with a focus on employees who were involved in managing the public service agency of UIN Alauddin Makassar which became the object of research.

## VI. Conclusion

1. BLU Financial Management has a negative and significant effect on GCG at UIN Alauddin Makassar. This means that the better the BLU Financial Management, the worse GCG will be.
2. Revenue has a positive and significant effect on GCG at UIN Alauddin Makassar. This shows that the higher the Revenue, the better GCG will be.
3. Islamic Social Reporting has a positive and insignificant effect on GCG at UIN Alauddin Makassar. This means that the lower the value of Islamic Social Reporting, the better GCG.

4. BLU Financial Management has a positive and significant impact on Financial Performance at UIN Alauddin Makassar. This shows that the better BLU Financial Management, the better the Financial Performance at UIN Alauddin Makassar.
5. Revenue has a positive and insignificant effect on Financial Performance at UIN Alauddin Makassar. This shows that the higher the Revenue, the better the financial performance at UIN Alauddin Makassar.
6. Islamic Social Reporting has a positive and significant effect on Financial Performance at UIN Alauddin Makassar, this shows that the better Islamic Social Reporting, the Financial Performance at UIN Alauddin Makassar will be better.
7. GCG has a positive and significant effect on Financial Performance at UIN Alauddin Makassar, this shows that the better GCG, the Financial Performance at UIN Alauddin Makassar will be better.
8. BLU Financial Management has a positive and significant impact on Financial Performance at UIN Alauddin Makassar through GCG. This shows that BLU Financial Management can improve Financial Performance through GCG.
9. Revenue has a positive and significant effect on Financial Performance at UIN Alauddin Makassar through GCG. This shows that Revenue can improve Financial Performance through GCG.
10. Islamic Social Reporting has a negative and insignificant effect on Financial Performance at UIN Alauddin Makassar through GCG. This means that Islamic Social Reporting cannot improve Financial Performance through GCG.

## VII. Suggestion

1. For UIN Alauddin Makassar to continue to improve financial management, BLU maintains flexibility in managing its finances so that it can provide flexibility to optimize its services.
2. For UIN Alauddin Makassar to continue to increase revenue apart from government assistance, alumni contributions, and private contributions from corporations.
3. BLU's financial performance on services to the community also needs to be improved in various aspects to improve the quality of education
4. It is necessary to pay attention to the governance of the implementation of Islamic Social Reporting (ISR) to further increase the influence on improving the image of universities, so that with improvements both from the Implementation of Islamic Social Reporting (ISR) and facing increasing competition in the future.
5. For further researchers, it is expected to conduct research, especially on the Revenue variable as a comparison material, reference and as consideration for further deepening further research.

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