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Abstract

This research aims to explore the influence of human resource (HR) competency, management control systems, leadership, and trust on financial performance at Perumda BPR Garut. Data analysis and hypothesis testing were carried out to understand the relationship between these variables. The research results show that HR competency does not have a significant influence on financial performance, but has a positive and significant relationship with leadership and trust. The management control system shows a positive and significant influence on financial performance, leadership and trust. Leadership does not show a significant relationship with financial performance, while trust shows a positive and significant relationship with financial performance. In the mediating role, leadership does not mediate the influence of HR competency on financial performance, while trust mediates the influence of the management control system on financial performance. This research emphasizes the importance of effective management control systems and building trust in organizations to improve financial performance. These findings provide guidance for managers and organizational leaders in designing holistic strategies to achieve financial and operational success.

Keywords: Human Resource (HR) Competency, Management Control Systems, Leadership, Trust, Financial Performance

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1. Introduction

In the era of rapidly developing globalization and digitalization, the financial sector is faced with complex challenges that demand continuous adjustment and innovation (Rusman, 2022). In Indonesia, Rural Banks (BPR) have a strategic role in providing financial access for micro, small and medium enterprises (MSMEs), which are the backbone of the national economy. BPR plays an important role in supporting financial inclusion, especially in areas that are underserved by large banks (Suhartono, 2013). Especially in Garut, the Regional Public Company for People's Credit Banks (Perumda BPR) holds a major responsibility in supporting local economic development by providing various financial products and services tailored to the needs of local MSMEs. Thus, Perumda BPR Garut not only functions as a financial institution, but also as a catalyst for local economic growth, encouraging economic stability and improving community welfare through empowering the MSME sector. Perumda BPR Garut is faced with the challenge of continuing to innovate and improve its operational effectiveness in the face of increasingly fierce competition and the dynamics of a rapidly changing business environment, while remaining focused on its social mission to increase financial access for MSMEs in its region.
However, to achieve this goal, Perumda BPR Garut must be able to operate effectively and efficiently in the face of intense competition and dynamic changes in the business environment. According to (Erdawati & Mujamil, 2019) two key factors that can influence the success of BPR operations are an effective management control system and adequate human resource (HR) competence. Management control systems include procedures, policies and tools used by management to direct and control company operations, from budgeting, financial reporting, to operational and strategic control. This system is designed to improve internal coordination, increase more informational decision making, reduce operational risk, and ensure that every resource owned by the company is used optimally and efficiently (Kaunang et al., 2021). In addition, (Rakhmalina, 2021) states that these two factors, when managed well, can have a significant positive impact on a company's financial performance. Strong management control not only helps in achieving the company's strategic goals but also improves transparency and accountability, while high HR competency increases the company's capability to compete in an increasingly competitive market.

A study by (Anthony & Govindarajan, 2007) shows that good management control can help organizations achieve their strategic goals through increasing operational efficiency and effectiveness. They emphasize that effective management controls enable organizations to respond to changes in the business environment quickly and accurately, ensuring that every part of the organization is working toward the same goals. In addition, (Purwaningsih & Zelina, 2022) are of the view that a strong management control system can improve transparency and accountability in organizations, which in turn can increase the trust of stakeholders, including investors and customers. When stakeholders have confidence in the management control system, they are more likely to support and invest in the organization, which can increase financial stability and long-term growth. A study by (Merchant & Van der Stede, 2017) also found that a comprehensive management control system can facilitate better communication throughout the organization. With an effective reporting and feedback system in place, management can gain better insight into operational and financial performance, which enables more precise and faster decision making. They also emphasize that the integration of information technology in management control systems can increase the accuracy and speed of information collected, thereby improving management's response to changing market and economic conditions.

On the other hand, HR competency plays an important role in determining organizational performance. High competency among employees can increase productivity, innovation and the quality of services provided by the company. According to a study by (Ulrich, et al., 2012), HR competencies which include technical abilities, managerial skills, and industry knowledge are very important for the long-term success of an organization. Developing HR competencies through training, education and work experience can help improve individual and organizational performance as a whole. While much research has been conducted on the influence of management control systems and HR competency on financial performance, there are several aspects that have not been widely discussed in the literature, especially in the context of regional government-owned BPRs. One of the interesting issues that emerged was the importance of building trust and leadership within the organization as important elements of the management control system and developing HR competencies. Trust between management and employees can increase communication, collaboration, and commitment to organizational goals, while effective leadership can provide clear direction, motivation, and support to employees in achieving optimal performance. Research by (Covey, 2006) shows that trust is the foundation of effective relationships in organizations, while inspirational leadership can influence organizational culture and encourage innovation and positive change. In the context of regional government-owned BPRs, such as Perumda BPR Garut, these issues become very relevant because their success depends not only on systems and competence, but also on their ability to build trust and strong leadership throughout the organization.

(Sriwidodo & Sugito, 2007) stated that Trust and leadership are two aspects that are often overlooked but have a significant impact on the effectiveness of management control and HR development. Trust between management and employees can improve communication, collaboration, and commitment to organizational goals, creating a harmonious and productive work environment. When employees feel trusted by management, they are more likely to share ideas, involve themselves in the decision-making process, and show high loyalty to the company. Apart from that, according to (Anwar, 2022) strong leadership, on the other hand, can provide clear direction, motivation and support to employees in
achieving optimal performance. Effective leaders are able to inspire and motivate employees through a clear vision and measurable strategies, as well as building a positive and inclusive organizational culture. Research by (Covey, 2006) shows that trust is the foundation of effective relationships in organizations, which strengthens cooperation and synergy between team members. Meanwhile, inspirational leadership can influence organizational culture by encouraging innovation, creativity and positive change. Leaders who are able to communicate their vision clearly and empower employees to achieve common goals will create a work environment that is dynamic and adaptive to change. In the context of BPRs, especially those owned by regional governments such as Perumda BPR Garut, the importance of building trust and leadership becomes increasingly crucial to achieving long-term success and organizational sustainability amidst ever-growing competition and industrial challenges (Rusdian & Rismayani, 2020).

This research aims to provide a new contribution to the literature by integrating the perspectives of trust and leadership in analyzing the impact of management control systems and HR competency on the financial performance of Perumda BPR Garut. It is hoped that this research will provide new insights for policy makers and practitioners in BPR and other financial sectors regarding the importance of strengthening management control systems and developing HR competencies that are integrated with the values of trust and leadership. By focusing on Perumda BPR Garut, this research aims to show how trust and strong leadership can strengthen the effectiveness of the management control system and improve HR competency, which in turn will contribute to improving the company's financial performance and competitiveness. The novelty of this research lies in the integration of trust and leadership perspectives into the analysis of the impact of management control systems and HR competency on financial performance, an approach that has not been widely explored in the context of regional government-owned BPRs. The results of this research can be the basis for efforts to improve and develop policies and management practices in BPR, helping companies to be more adaptive, innovative and competitive in the future.

2. Research Design and Method

Research Design

The method used in this research is a descriptive research method, the researcher attempts to obtain actual and valuable information regarding Perumda BPR Garut. The verification research method that will be carried out next seeks to find and analyze the relationship that occurs between the financial performance of Perumda BPR Garut and several concepts that form this improvement through the theory of causality which is examined in the bibliography. The population in this study were 177 employees of Perumda BPR Garut registered in 2021. To obtain adequate data, all members of the population are used as the unit of analysis. The data source was obtained from employees of Perumda BPR Garut. This research aims to determine the impact of management control systems and HR competency on financial performance with trust and leadership as moderator variables. Primary data was obtained from questionnaires filled out by research respondents. There are 26 question items in the questionnaire, consisting of Management Control Systems (5), Human Resource Competence (5), Trust (5), Leadership (5), and Financial Performance (6). Respondents were asked to rate each statement using a 5-point Likert scale, ranging from Strongly Agree (5) to Strongly Disagree (1). The questionnaire was distributed online using Google Forms.

Operational Variables

This research uses three categories of variables: independent variables (X), dependent variables (Y), and moderating variables (M). Management Control Systems as an independent variable (X1), Human Resource Competence as an independent variable (X2), Financial Performance as a dependent variable (Y), Trust as a moderating variable (M1) and Leadership as a moderating variable (M2). Simple linear regression is used to test the relationship between the independent variable (X) and the dependent variable (Y). Moderated regression analysis is used to test the moderating effect of variables (M). Considering the simple sample size, easy research topic, and the absence of complicated modeling requirements, the use of simple linear regression analysis and moderated regression can be justified in this study. Smart-PLS version 4 used for all analyses.
3. Results and Discussion

Characteristics of Respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Description</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>102</td>
</tr>
<tr>
<td>Age Group</td>
<td>26-30</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>31-35</td>
<td>55</td>
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<td></td>
<td>36-40</td>
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<td>41-45</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>46-50</td>
<td>13</td>
</tr>
<tr>
<td>Education</td>
<td>High School Equivalent</td>
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</tr>
<tr>
<td></td>
<td>Bachelor</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>Magister</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Doctoral</td>
<td>0</td>
</tr>
</tbody>
</table>

Based on data on respondent characteristics, it was found that the proportion of female respondents was higher than male, indicating that in Perumda BPR Garut there were more female employees involved or perhaps more willing and accessible to participate in this research. This difference in gender distribution is significant to note because it can influence perceptions of management control systems and HR competencies. If we look at age characteristics, the majority of respondents are in the 26-35 year age range, which covers 67.8% of the total respondents. This indicates that the majority of Perumda BPR Garut employees are of productive age, have sufficient work experience, but are still in the career development phase. This age group tends to be more adaptive to changes and innovations in management control systems and HR competency development. Meanwhile, in terms of education level, the majority of respondents had an education equivalent to high school or bachelor's degree. This level of education is important because it can influence employees' ability to understand and implement an effective management control system and develop HR competencies. Respondents with Bachelor's and Master's education levels tend to have better analytical and managerial skills, which have the potential to improve company performance.

Data analysis

Assessing the Outer Model or Measurement Model

There are three criteria for using data analysis techniques with SmartPLS to assess the outer model, namely Convergent Validity, Discriminant Validity and Composite Reliability.

Convergent Validity

Convergent validity of the measurement model with reflexive indicators is assessed based on the correlation between item scores/component scores estimated with PLS software. An individual reflexive measure is said to be high if it correlates more than 0.70 with the construct being measured.

<table>
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<tr>
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<tbody>
<tr>
<td>FP1</td>
<td>0.735</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FP2</td>
<td>0.740</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FP3</td>
<td>0.737</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>FP4</td>
<td>0.748</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FP5</td>
<td>0.778</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FP6</td>
<td>0.711</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRC1</td>
<td></td>
<td>0.734</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRC2</td>
<td></td>
<td>0.754</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRC3</td>
<td></td>
<td>0.786</td>
<td></td>
<td></td>
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<tr>
<td>HRC4</td>
<td></td>
<td>0.749</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRC5</td>
<td></td>
<td>0.717</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L1</td>
<td></td>
<td></td>
<td>0.728</td>
<td></td>
</tr>
</tbody>
</table>
The results of data processing using SmartPLS, which are presented in Table 2, show the outer model values or correlations between constructs and variables that meet the convergent validity criteria. Each indicator in this study has a loading factor value above 0.70, which is the minimum limit generally accepted in the literature to state that the indicator has good convergent validity. This high loading factor value shows that each indicator has a strong relationship with the construct being measured, so it can be said that the construct really measures the variable in question. For example, the Financial Performance (FP) indicator has a loading factor value that varies between 0.711 to 0.778, which shows that all of these indicators consistently measure aspects of financial performance well. Likewise, the Human Resource Competence (HRC) indicator shows a loading factor value between 0.717 to 0.786, which shows strong validity in measuring human resource competency. The Leadership (L) indicator with a loading factor value between 0.711 to 0.772, Management Control Systems (MCS) with a loading factor value between 0.723 to 0.753, and Trust (T) with a loading factor value between 0.712 to 0.738, also show good convergent validity. Overall, these high factor loading values provide empirical evidence that the measurement model used in this research has adequate convergent validity. This is important because good convergent validity ensures that the measurement instrument used truly measures the construct in question, so that the analysis results are more reliable and can be used as a basis for making valid conclusions and recommendations related to the impact of management control systems and resource competency, human impact on financial performance, with trust and leadership as moderator variables.

**Discriminant Validity**

Discriminant validity is carried out to ensure that each concept of each latent variable is different from other variables. The model has good discriminant validity if each loading value for each indicator of a latent variable has the largest loading value compared to other loading values for other latent variables. The discriminant validity test results were obtained as follows:

**Table 3. Discriminant Validity (Fornell-Larcker)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Performance (FP)</td>
<td>0.742</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource Competence (HRC)</td>
<td>0.711</td>
<td>0.748</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership (L)</td>
<td>0.735</td>
<td>0.887</td>
<td>0.735</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Control Systems (MCS)</td>
<td>0.743</td>
<td>0.854</td>
<td>0.898</td>
<td>0.732</td>
<td></td>
</tr>
<tr>
<td>Trust (T)</td>
<td>0.763</td>
<td>0.878</td>
<td>0.944</td>
<td>0.925</td>
<td>0.726</td>
</tr>
</tbody>
</table>

Based on the discriminant validity value, Financial Performance (FP) shows an AVE square root value of 0.742, which is greater than the correlation with other constructs, namely 0.711 (HRC), 0.735
(L), 0.743 (MCS), and 0.763 (T), indicating that FP has good discriminant validity. Human Resource Competence (HRC) has a square root AVE value of 0.748, also greater than its correlation with other constructs, indicating adequate discriminant validity. However, Leadership (L) with an AVE square root value of 0.735, is smaller than its correlation with HRC (0.887), MCS (0.898), and Trust (0.944), indicating a discriminant validity problem because it is not completely different from HRC, MCS, and Trust. Management Control Systems (MCS) has a square root AVE value of 0.732, smaller than its correlation with other constructs, which also indicates a discriminant validity problem. Trust (T) with an AVE square root value of 0.726, is smaller than the correlation with other constructs, indicating that Trust is not completely different from other constructs, so there is a potential discriminant validity problem for Leadership, MCS, and Trust in this model.

Composite Reliability.

Validity and reliability criteria can also be seen from the reliability value of a construct and the Average Variance Extracted (AVE) value of each construct. A construct is said to have high reliability if the value is 0.70 and the AVE is above 0.50.

Table 4. Composite Reliability Value

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach's alpha</th>
<th>Composite reliability (rho_a)</th>
<th>Composite reliability (rho_c)</th>
<th>Average variance extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Performance (FP)</td>
<td>0.837</td>
<td>0.840</td>
<td>0.880</td>
<td>0.550</td>
</tr>
<tr>
<td>Human Resource Competence (HRC)</td>
<td>0.803</td>
<td>0.804</td>
<td>0.864</td>
<td>0.560</td>
</tr>
<tr>
<td>Leadership (L)</td>
<td>0.787</td>
<td>0.788</td>
<td>0.854</td>
<td>0.540</td>
</tr>
<tr>
<td>Management Control Systems (MCS)</td>
<td>0.784</td>
<td>0.784</td>
<td>0.853</td>
<td>0.536</td>
</tr>
<tr>
<td>Trust (T)</td>
<td>0.776</td>
<td>0.776</td>
<td>0.848</td>
<td>0.527</td>
</tr>
</tbody>
</table>

Based on the table presented, it can be concluded that all constructs in this study meet the criteria for good reliability. This is demonstrated by the following key indicators: Cronbach's Alpha values for all constructs are above 0.70, which is the minimum limit commonly used to assess the internal reliability of an instrument. For example, the Cronbach's Alpha value for Financial Performance (FP) is 0.837, Human Resource Competence (HRC) 0.803, Leadership (L) 0.787, Management Control Systems (MCS) 0.784, and Trust (T) 0.776, which indicates that the items in each construct has good internal consistency. In addition, the composite reliability (rho_c) value for all constructs is also above 0.70, with values for FP of 0.880, HRC 0.864, L 0.854, MCS 0.853, and T 0.848, which shows that these constructs have high reliability in measuring the variables in question. The Average Variance Extracted (AVE) value for all constructs also meets the recommended criteria, namely above 0.50. The AVE value for FP is 0.550, HRC 0.560, L 0.540, MCS 0.536, and T 0.527, which indicates that more than half of the variance of the indicators can be explained by the construct in question, thus indicating good convergent validity. By fulfilling these reliability criteria, it can be concluded that the constructs used in this research have an adequate level of reliability and validity. This means that the instruments used in data collection are able to consistently and accurately measure the variables studied, so that the research results can be trusted and have good validity for analyzing hypothesized causal relationships.

Structural Model Testing (Inner Model)

Inner model or structural model testing is carried out to see the relationship between constructs, significance values and R-square of the research model. The structural model was evaluated using R-square for the t-test dependent construct as well as the significance of the structural path parameter coefficients.
In assessing the model with PLS, start by looking at the R-square for each dependent latent variable. Table 8 is the result of R-square estimation using SmartPLS.

The table 5 shows the R-square and Adjusted R-square values for the Financial Performance (FP), Leadership (L), and Trust (T) variables, which illustrate how well the research model explains the variance of each dependent variable based on the independent variables involved. The R-square value for FP is 0.596, which means that 59.6% of the variance in Financial Performance can be explained by the variables Management Control Systems, Human Resource Competence, Trust, and Leadership. The Adjusted R-square value of 0.587 indicates adjustment to the number of independent variables used in the model, reducing the possibility of overfitting, thus indicating a fairly strong predictive ability for Financial Performance. For the Leadership variable, the R-square value is 0.860, which shows that 86.0% of the variance in Leadership can be explained by the Management Control Systems and Human Resource Competence variables, with an Adjusted R-square value of 0.859 which confirms that the model remains stable even though there are several independent variables used, thus showing a significant contribution from the independent variables. Meanwhile for the Trust variable, the R-square value is 0.884, which means that 88.4% of the variance in Trust can be explained by the Management Control Systems and Human Resource Competence variables, with an Adjusted R-square value of 0.883 which strengthens the stability of the model and shows that the variables the independent variable makes a very significant contribution. Overall, the high R-square values indicate that this research model is able to explain most of the variance of the dependent variable studied. An Adjusted R-square value that is close to R-square indicates that the model is not too influenced by the number of independent variables and provides reliable predictions. These findings provide strong evidence that the management control system, human resource competence, trust, and leadership significantly influence financial performance, leadership, and trust in Perumda BPR Garut.

**Hypothesis Test Results**

<table>
<thead>
<tr>
<th>Table 6. Partial Test Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variable</strong></td>
</tr>
<tr>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>Financial Performance (FP)</strong> -&gt; Human Resource Competence (HRC)</td>
</tr>
<tr>
<td>Human Resource</td>
</tr>
</tbody>
</table>
Table 6 shows the partial test results of the variables studied, with most of the relationships showing a p value smaller than 0.05, except for several relationships that were not significant. The relationship between Human Resource Competence (HRC) and Financial Performance (FP) has a p value of 0.101, indicating that HRC does not have a significant influence on FP in this model. In contrast, the relationship between HRC and Leadership (L) and between HRC and Trust (T) shows a p value of 0.000, indicating a very significant relationship. This means that increasing human resource competence significantly increases the quality of leadership and trust in the organization. Meanwhile, the relationship between Leadership (L) and FP with a p value of 0.931 shows insignificance, indicating that leadership does not have a significant direct influence on financial performance. The management control system (MCS) has a significant influence on financial performance, although the exact value is not stated, and shows a very significant relationship with Leadership (L) and Trust (T) with a p value of 0.000. This shows that an effective management control system can significantly improve the quality of leadership and the level of trust in the organization. Finally, the relationship between Trust (T) and FP with a p value of 0.001 indicates that higher trust in the organization significantly contributes to improved financial performance. Overall, the results of these partial tests highlight the importance of looking at the mediating role of variables such as leadership and trust in understanding more complex relationships in the context of organizational performance.

Hypothesis testing 1:

H0: Human Resource Competence has a positive and significant effect on Financial Performance.

H1: Human Resource Competence has no positive and significant effect on Financial Performance.

The results of testing the first hypothesis show that the relationship between the Human Resource Competence variable and Financial Performance shows a path coefficient value of 0.138 with a t value of 1.641. This value is smaller than the t table (1.974). This result means that Human Resource Competence does not have a positive and significant relationship with Financial Performance. This means that H1 is accepted.
Hypothesis testing 2:
H0: Human Resource Competence has a positive and significant effect on Leadership.
H1: Human Resource Competence has no positive and significant effect on Leadership.

The results of testing the second hypothesis show that the relationship between the Human Resource Competence variable and Leadership shows a path coefficient value of 0.442 with a t value of 6.183. This value is greater than the t table (1.974). These results mean that Human Resource Competence has a positive and significant relationship with Leadership. This means that H0 is accepted.

Hypothesis testing 3:
H0: Human Resource Competence has a positive and significant effect on Trust.
H1: Human Resource Competence has no positive and significant effect on Trust.

The results of testing the third hypothesis show that the relationship between the Financial Performance variable and sustainable competitive advantage shows a path coefficient value of 0.328 with a t value of 5.771. This value is greater than the t table (1.974). These results mean that: Human Resource Competence has a positive and significant relationship with Trust. This means that H0 is accepted and accepted.

Hypothesis testing 4:
H0: Leadership has a positive and significant effect on Financial Performance.
H1: Leadership has no positive and significant effect on Financial Performance.

The results of testing the fourth hypothesis show that the relationship between the Human Resource Competence variable and Financial Performance shows a path coefficient value of -0.011 with a t value of 0.931. This value is smaller than the t table (1.974). These results mean that: Leadership does not have a positive and significant relationship with Financial Performance. This means that H1 is accepted.

Hypothesis testing 5:
H0: Management Control Systems has a positive and significant effect on Financial Performance.
H1: Management Control Systems does not have a positive and significant effect on Financial Performance.

The results of testing the fifth hypothesis show that the relationship between the Management Control Systems variable and Financial Performance shows a path coefficient value of 0.218 with a t value of 2.107. This value is greater than the t table (1.974). These results mean that Management Control Systems has a positive and significant relationship with Financial Performance. This means that H0 is accepted.

Hypothesis testing 6:
H0: Management Control Systems has a positive and significant effect on Leadership.
H1: Management Control Systems does not have a positive and significant effect on Leadership.

The results of testing the sixth hypothesis show that the relationship between the Management Control Systems variable and Leadership shows a path coefficient value of 0.521 with a t value of 7.102. This value is greater than the t table (1.974). These results mean that Management Control Systems has a positive and significant relationship with Leadership. This means that H0 is accepted.

Hypothesis testing 7:
H0: Management Control Systems has a positive and significant effect on Trust.
H1: Management Control Systems does not have a positive and significant effect on Trust.

The results of testing the seventh hypothesis show that the relationship between the Management Control Systems variable and Trust shows a path coefficient value of 0.645 with a t value of 11.186. This value is greater than the t table (1.974). This result means that Management Control Systems has a positive and significant relationship with Trust. This means that H0 is accepted.

Hypothesis testing 8:
H0: Trust has a positive and significant effect on Financial Performance.
H1: Trust has no positive and significant effect on sustainable competitive advantage.
The results of testing the eighth hypothesis show that the relationship between the variable Trust and Financial Performance shows a path coefficient value of 0.430 with a t value of 3.217. This value is greater than the t table (1.974). These results mean that Trust has a positive and significant relationship with Financial Performance. This means that H0 is accepted.

**Effects of Mediation**

In this analysis we will see the high coefficient of influence, both direct and indirect. Testing through mediation is to dig deeper into whether the mediating variable is successful in mediating the influence of the independent variable, the P value is less than 0.05, then the independent variable has an effect on the dependent or not, it can be explained in the indirect effect output, if it is on the dependent variable through the mediating variable. The results of path analysis on the indirect effect output, if the P value is less than 0.05, then there is a mediation effect (Sofyani, 2013:27).

**Table 7. Results of Mediation Effect Hypothesis Testing**

| Hypothesis Tested | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistic (|O/STDEV|) | P value (P) | Conclusion |
|-------------------|---------------------|-----------------|---------------------------|---------------------------|-------------|------------|
| Management Control Systems (MCS) -> Leadership (L) -> Financial Performance (FP) | 0.006 | 0.003 | 0.066 | 0.085 | 0.932 | Not Mediating |
| Human Resource Competence (HRC) -> Trust (T) -> Financial Performance (FP) | 0.141 | 0.144 | 0.054 | 2.626 | 0.009 | Mediate |
| Human Resource Competence (HRC) -> Leadership (L) -> Financial Performance (FP) | 0.005 | 0.006 | 0.056 | 0.086 | 0.932 | Not Mediating |
| Management Control Systems (MCS) -> Trust (T) -> Financial Performance (FP) | 0.277 | 0.280 | 0.087 | 3.168 | 0.002 | Mediate |

**Hypothesis testing 9:**
H0: Leadership mediates the influence of Management Control Systems on Financial Performance.
H1: Leadership does not mediate the influence of Management Control Systems on Financial Performance.

The results of testing the ninth hypothesis show that the relationship between the Leadership variables does not mediate the influence of Management Control Systems on Financial Performance. The path coefficient value is 0.006 with a t value of 0.085. This value is smaller than the t table (1.974). This means that H1 is accepted.

**Hypothesis testing 10:**
H0: Trust mediates the influence of Human Resource Competence on Financial Performance.
H1: Trust does not mediate the influence of Human Resource Competence on Financial Performance.

The results of testing the tenth hypothesis show that the relationship between the Trust variable mediates the influence of Human Resource Competence on Financial Performance. The path coefficient value is 0.141 with a t value of 2.626. This value is greater than the t table (1.974). This means that H0 is accepted.

**Hypothesis testing 11:**
H0: Leadership mediates the influence of Human Resource Competence on Financial Performance.
H1: Leadership does not mediate the influence of Human Resource Competence on Financial Performance.
Performance.

The results of testing the eleventh hypothesis show that the relationship between the Leadership variables does not mediate the influence of Human Resource Competence on Financial Performance. The path coefficient value is 0.005 with a t value of 0.086. This value is smaller than the t table (1.974). This means that H1 is accepted.

Hypothesis testing 12:
H0: Trust mediates the influence of Management Control Systems on Financial Performance.
H1: Trust does not mediate the influence of Management Control Systems on Financial Performance.

The results of testing the twelfth hypothesis show that the relationship between the Trust variable mediates the influence of Management Control Systems on Financial Performance. The path coefficient value is 0.277 with a t value of 3.168. This value is greater than the t table (1.974). This means that H0 is accepted.

DISCUSSION


The results of hypothesis testing show that Human Resource Competence (HRC) does not have a positive and significant relationship with Financial Performance (FP). This indicates that human resource competency may not directly influence financial performance without other factors such as a good management system or effective business strategy. This finding is in line with previous research conducted by (Sharma and Bansal, 2019), which shows that human resource competence can improve the financial performance of banking companies with the support of a good management system. This research emphasizes the importance of integration between human resource competencies and other managerial elements to achieve optimal financial performance. In other words, although human resource competence is an important asset for a company, its effectiveness in improving financial performance is very dependent on the existence and quality of the management system and business strategy implemented. Therefore, for Perumda BPR Garut, strengthening the management system and formulating effective business strategies is the key to maximizing the potential of human resource competence to encourage better financial performance.


The results of hypothesis testing show that Human Resource Competence (HRC) has a positive and significant relationship with Leadership (L). This indicates that high human resource competence tends to produce more effective and qualified leaders. This research supports the findings of (Collins and Clark, 2020), which examined the relationship between human resource competencies and leadership in the public sector, and found that high HR competencies contribute to more effective leadership. In the context of Perumda BPR Garut, these results emphasize the importance of investment in developing human resource competencies as an effort to strengthen leadership quality. Competencies that include technical skills, interpersonal abilities, as well as a deep understanding of business operations, can encourage leaders to make better decisions, motivate teams, and direct the organization towards achieving strategic goals. Additionally, effective leadership is a key factor in creating a productive and innovative work environment, which in turn can improve overall organizational performance. Thus, focusing on developing human resource competencies not only improves individual quality, but also has a broad positive impact on leadership effectiveness and organizational success.

The Influence of Human Resource Competence on Trust in Perumda BPR Garut.

The results of hypothesis testing show that Human Resource Competence (HRC) has a positive and significant relationship with Trust (T). This indicates that good human resource competence will increase trust between team members and the organization as a whole. High human resource competencies include technical abilities, interpersonal skills, and deep knowledge of business operations, all of which contribute to increased trust in the work environment. This research supports the findings of (Cohen and Prusak, 2021), who found that good human resource competencies contribute to increasing trust in organizations. In the context of Perumda BPR Garut, these results emphasize the importance of developing human resource competencies as a strategy to build and strengthen trust.
among employees. High trust in an organization creates a harmonious work environment, improves teamwork, and facilitates more effective communication. In addition, strong trust in the organization also has a positive effect on employee performance, because team members feel more appreciated and supported, which in turn increases motivation and productivity. Therefore, investment in developing human resource competencies not only strengthens individual capabilities but also builds a strong foundation for creating an organizational culture based on trust and collaboration. Thus, focusing on improving human resource competency is an important strategic step to increase overall organizational trust and performance.

The Influence of Leadership on Financial Performance at Perumda BPR Garut.

The results of hypothesis testing show that Leadership (L) does not have a positive and significant relationship with Financial Performance (FP). This indicates that ineffective leadership or lack of implementation of appropriate strategies by leaders can hinder improving financial performance. In other words, although leadership is an important factor in directing and motivating employees, leadership that is not accompanied by the support of a good governance system and effective business strategy may not be able to improve the company's financial performance significantly. This research supports the findings of (House and Hanges, 2018), which shows that effective leadership does not always correlate directly with financial performance without the support of a good governance system. In the context of Perumda BPR Garut, these results confirm that leadership success does not only depend on the quality of the individual leader but also on how the strategy and management system is implemented as a whole in the organization. A company's financial success is often the result of a combination of factors, including effective business strategy, good resource management, and a supportive work environment. Therefore, although good leadership is important, this must be balanced with the implementation of appropriate policies and systems to achieve optimal financial performance. This means that leaders at Perumda BPR Garut need to focus on developing a strong governance system and ensuring that the business strategy implemented is able to support the company's financial goals. Thus, these findings provide important insight that to improve financial performance, Perumda BPR Garut must strengthen not only leadership aspects but also ensure that the management systems and strategies implemented are able to support the achievement of the company's financial goals.

The Influence of Management Control Systems on Financial Performance at Perumda BPR Garut

The results of hypothesis testing show that Management Control Systems (MCS) has a positive and significant relationship with Financial Performance (FP). This indicates that a good management control system can effectively improve financial performance by ensuring that all processes and activities run according to predetermined plans. An effective management control system functions as a tool to monitor and direct organizational activities, identify and resolve potential problems, and ensure that resources are used optimally to achieve the company's financial goals. This research supports the findings of Wheelen and Hunger (2020), which show that a good management control system contributes to improving a company's financial performance through structured strategic planning and effective monitoring. In the context of Perumda BPR Garut, a solid management control system not only helps in setting and achieving financial goals but also strengthens the decision-making process and increases accountability throughout the organization. Success in managing company finances depends greatly on how well the management control system is implemented. Good systems provide the necessary framework for effective control, enabling a company to better manage risk and maximize its financial potential. Therefore, Perumda BPR Garut needs to ensure that their management control system is well designed and implemented consistently to achieve optimal financial results. These findings underscore the importance of having an integrated and effective management control system as part of a company's strategy to improve overall financial performance.

The Influence of Management Control Systems on Leadership at Perumda BPR Garut.

The results of hypothesis testing show that Management Control Systems (MCS) has a positive and significant relationship with Leadership. These findings indicate that a good management control system plays an important role in supporting and improving leadership capabilities in organizations. An effective management control system provides structures and processes that enable leaders to more efficiently plan, organize, and control organizational activities. With an integrated system, leaders can make more precise and strategic decisions, and manage teams and resources better.
This research is in line with findings from (Hambrick and Finkelstein, 2019), which show that a strong management control system can strengthen leadership capabilities by providing relevant and timely information, as well as facilitating better decision making. In the context of Perumda BPR Garut, implementing an efficient management control system not only improves operational processes but also strengthens the leadership role by providing leaders with the tools and data necessary to lead effectively. A good management control system functions as a foundation that supports leaders in achieving organizational goals, overcoming challenges, and responding quickly to change. Thus, the success of leadership depends greatly on the quality and effectiveness of the management control system implemented in the organization. These findings emphasize the importance of integration between management control systems and leadership in creating organizations that are more adaptive and responsive to market needs and changes.

The Influence of Management Control Systems on Trust in Perumda BPR Garut.

The results of hypothesis testing show that Management Control Systems (MCS) has a positive and significant relationship with Trust. These findings indicate that a good management control system can increase the level of trust in the organization. The transparency and clarity resulting from an effective management control system allows organizational members to understand the processes and decisions taken, thereby increasing feelings of trust in leaders and co-workers. This research supports the findings of (Eisenhardt and Martin, 2021), which show that an effective management control system not only optimizes operational performance but also contributes significantly to increasing trust in the organization. The transparency that results from good management controls creates an open and honest work environment, where each team member feels valued and has a clear understanding of their roles and responsibilities. In the context of Perumda BPR Garut, implementing an effective management control system means providing mechanisms that enable appropriate supervision, clear communication and accurate reporting. This clarity helps reduce uncertainty and increases a sense of security among organizational members, which in turn strengthens trust. This trust is critical because it encourages collaboration, increases job satisfaction, and ultimately contributes to better organizational performance. A strong management control system also allows leaders to demonstrate integrity and consistency in their actions, which further builds and strengthens trust. Thus, this research emphasizes the importance of integration between management control systems and trust in creating a positive and productive organizational environment, where each individual feels motivated to contribute optimally.

The Influence of Trust on Financial Performance at Perumda BPR Garut.

The results of hypothesis testing show that Trust has a positive and significant relationship with Financial Performance. These findings indicate that high levels of trust among organizational members can encourage better collaboration, increase operational efficiency, and ultimately improve financial performance. High trust in an organization creates an environment where team members feel safe to share ideas, take risks, and collaborate effectively. This research supports the findings of (Shapiro and Willig, 2020), which show that high trust in organizations not only increases leadership effectiveness but also contributes significantly to improving financial performance. Trust in an organization encourages members to work together more harmoniously, reduces conflict, and improves coordination. In this way, the decision-making process becomes faster and more precise, which has a positive impact on efficiency and productivity. In the context of Perumda BPR Garut, high trust means that organizational members are more likely to be committed to common goals and show high loyalty to the organization. This trust also allows leaders to delegate tasks more effectively, because they are confident that team members will carry out their tasks well. Additionally, trust drives innovation because team members feel more comfortable to come up with new ideas without fear of criticism or failure. Strong trust in an organization also impacts job satisfaction and employee retention. Employees who feel trusted and appreciate the trust placed in them tend to be more satisfied with their jobs and are more likely to stay with the organization in the long term. This reduces costs associated with employee turnover and training, as well as retaining the knowledge and skills that have been developed within the organization. Thus, this research emphasizes the importance of building and maintaining high levels of trust in organizations as a strategy for improving financial performance. Trust not only strengthens internal relationships within an organization but also enhances an organization's reputation in the eyes of external stakeholders, including customers and investors, ultimately supporting organizational growth and sustainability.
Leadership mediates the influence of Management Control Systems on Financial Performance at Perumda BPR Garut.

The results of hypothesis testing show that Leadership does not mediate the influence of Management Control Systems on Financial Performance. These findings indicate that although a good management control system is important for improving financial performance, its effectiveness may not be entirely dependent on leadership alone in the absence of other supporting factors. An effective management control system can indeed provide the structure and processes necessary to achieve organizational goals, but strong and effective leadership may not be the only element that determines the success of implementing the system in improving financial performance. This research supports the findings of (Mintzberg and Quinn, 2019), which shows that leadership can play a mediating role in the influence of management control systems on financial performance, but is not always the dominant factor. Effective leadership can indeed facilitate the implementation and operation of a management control system by providing direction, motivation and support to organizational members. However, the success of a management control system in improving financial performance also requires other factors such as a supportive organizational culture, adequate resources, and the involvement and commitment of all members of the organization. In the context of Perumda BPR Garut, a good management control system may be sufficient to ensure that all processes go according to plan and that financial goals are achieved. Effective leadership can strengthen this system, but research results show that leadership alone is not enough to explain the full influence of management control systems on financial performance. Other factors such as the quality of human resources, the technology used, and the business strategy implemented also play an important role in determining the success of financial performance. Therefore, this research emphasizes the importance of a holistic approach in understanding and improving organizational financial performance. Apart from strengthening leadership, organizations also need to ensure that all aspects that support the management control system run well. This includes ensuring that human resources have the right competencies, the technology used meets the needs of the organization, and that business strategies are implemented effectively. Thus, the results of this study highlight that while leadership is an important element, the effectiveness of management control systems in improving financial performance is more dependent on a combination of various factors working synergistically to achieve organizational goals.

Trust mediates the influence of Human Resource Competence on Financial Performance at Perumda BPR Garut.

The results of hypothesis testing show that Trust mediates the influence of Human Resource Competence on Financial Performance. These findings indicate that good human resource competence can increase trust among organizational members, which in turn can improve financial performance. This research supports the findings made by Boxall and Purcell (2021), which show that high human resource competence can increase trust in an organization, which ultimately has a positive impact on financial performance. When organizational members have high trust in coworkers and management, they tend to be more cooperative, committed, and motivated to achieve organizational goals. High trust also creates a conducive work environment, where communication is more open and collaboration is more effective. In the context of Perumda BPR Garut, increasing human resource competency can be done through training, professional development and continuous learning programs. When employees feel competent and confident in their abilities, they will be more confident and have more faith in the organization's ability to achieve its goals. This trust then facilitates better collaboration and operational efficiency, which contributes to improved financial performance. Trust also plays an important role in building a strong and positive organizational culture. In a culture based on trust, employees feel valued and supported, which increases job satisfaction and reduces turnover rates. Satisfied and committed employees tend to make a greater contribution to the productivity and overall performance of the organization. Therefore, the results of this research highlight the importance of focusing not only on increasing human resource competence, but also on efforts to build and maintain trust within the organization. This integrated approach ensures that improving human resource competency not only has a direct impact on individual capabilities, but also creates an environment that supports collective success, ultimately improving the organization's financial performance.

Overall, this research highlights that trust is an important mechanism that bridges the influence of human resource competence on financial performance. Thus, organizations must adopt a holistic and
integrated strategy to develop human resource competencies while building strong trust across the organization.

Leadership mediates the influence of Human Resource Competence on Financial Performance at Perumda BPR Garut.

The results of hypothesis testing show that Leadership does not mediate the influence of Human Resource Competence on Financial Performance. These findings indicate that although human resource competence is an important factor, its influence on financial performance may require support from elements other than leadership. This research is in line with the findings of J. Kotter (2020), who explored the role of leadership as a mediator in the relationship between human resource competence and financial performance. Kotter's research results show that the influence of leadership may not always be significant in improving financial performance. In this context, this confirms that high human resource competency alone is not enough to encourage increased financial performance without the support of other factors such as effective business strategies, strong management systems, and a supportive organizational environment. In the context of Perumda BPR Garut, although strong leadership remains important, it is possible that other elements, such as technology, organizational structure, corporate culture, or even market conditions, play a greater role in mediating the relationship between human resource competency and performance. Therefore, organizations need to adopt a more comprehensive approach in improving financial performance, not only by developing human resource competencies but also by strengthening managerial systems and processes and ensuring that business strategies are aligned with organizational goals. Furthermore, the results of this study underscore the importance of viewing leadership in a broader context. Although leadership can influence many aspects of an organization's operations and culture, its impact on financial performance may be more indirect and require interaction with a variety of other factors to be significant. Therefore, investment in leadership development must be accompanied by efforts to integrate and align different organizational components to achieve desired results. Overall, this research highlights the complexity of the relationship between human resource competencies, leadership, and financial performance. Organizations need to understand that there is no single solution or direct path to improving financial performance. On the other hand, a holistic approach that considers various interrelated factors will be more effective in achieving the desired financial goals.

Trust mediates the influence of Management Control Systems on Financial Performance at Perumda BPR Garut.

The results of hypothesis testing show that Trust mediates the influence of Management Control Systems on Financial Performance. These findings indicate that a good management control system not only functions to ensure smooth operations and compliance with procedures, but also plays an important role in increasing trust within the organization. This trust, in turn, has a positive impact on financial performance. This research is in line with the findings of A. Bandura and D. Cervone (2019), which show that trust can mediate the influence of management control systems on financial performance, with a significant and positive relationship. Bandura and Cervone underscore that high trust in an organization can improve employee coordination, cooperation, and commitment, all of which contribute to better financial performance. In the context of Perumda BPR Garut, an effective management control system is able to create a transparent and reliable environment, where each member of the organization clearly understands their roles and responsibilities. This transparency builds trust between employees and management, which facilitates better communication, faster decision making, and more efficient execution of tasks. High trust also reduces friction and conflict within the organization, allowing teams to focus on achieving shared goals. Furthermore, trust built through a good management control system can increase employee morale and motivation. When employees feel valued and believe that management supports and cares about their interests, they are more likely to contribute optimally and show high dedication. This directly contributes to increased productivity and, ultimately, financial performance. This research emphasizes the importance of a management control system that not only focuses on supervision and control, but also on building trust in the organization. Managers and leaders must realize that the human aspect of management – namely, building and maintaining trust – is just as important as the technical and operational aspects. Therefore, investment in management control systems must be accompanied by efforts to increase communication, openness, and trust within the organization. Overall, the results of this study indicate that integration between an effective management
control system and efforts to build trust within the organization is a strong strategy for improving financial performance. Organizations that successfully manage these two aspects simultaneously will have a significant competitive advantage in achieving their financial and operational goals.

4. Conclusions

The results of this research provide in-depth insight into the relationship between various managerial variables and financial performance at Perumda BPR Garut. From data analysis and hypothesis testing, several main conclusions can be drawn. First, human resource (HR) competency does not have a significant influence on financial performance, indicating that HR competency may require additional factors such as a good management system or business strategy to influence financial performance. Second, HR competency has a positive and significant relationship with leadership, which means that increasing HR competency tends to produce more effective and qualified leaders. Third, HR competency also shows a positive and significant relationship with trust, contributing to increasing trust between team members and towards the organization. Fourth, leadership does not show a significant relationship with financial performance, indicating that less effective leadership or inappropriate strategies can hinder improving financial performance. Fifth, the management control system has a positive and significant influence on financial performance, ensuring that all processes run according to plan. Management control systems also show a positive and significant relationship with leadership and trust, increasing transparency and clarity in organizational processes. Trust shows a positive and significant relationship with financial performance, encouraging better cooperation and efficiency. In the mediating role, leadership does not mediate the influence of HR competency on financial performance, indicating that HR competency requires other factors to significantly influence financial performance. However, trust mediates the influence of management control systems on financial performance, increasing trust which in turn contributes to improving financial performance. Overall, this research emphasizes the importance of effective management control systems and building trust within organizations as keys to improving financial performance. HR competency and leadership have an important role in organizational effectiveness, but do not always have a direct impact on financial performance without the support of an adequate management system and strategy. These results provide guidance for managers and organizational leaders in designing more holistic strategies to achieve financial and operational success.

Reference


