

The Effect of Good Governance, Accounting Information Characteristics, Leadership Style, and Financial Compensation on Financial Administration

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ABSTRACT

This study examines the effect of good corporate governance, accounting information characteristics, leadership style, and financial compensation on financial administration at SKPD in Bima City Government. Furthermore, the study applies quantitatively with an associative approach. A causal relation was applied in order to determine the variables relationship. Moreover, the data were primary. The population consists of SKPD employees in all Bima City Government. The data were collected using purposive sampling. The sample was based on employees who have functional positions in financial administration such as Financial Administration Division, Expenditure Treasurer Division, and Technical Implementers. In line with that, 111 respondents from 37 SKPD were selected as samples. As a result, it shows that accounting financial characteristics and financial compensation have a positive effect on financial administration at SKPD Bima City Government. However, Good Governance and leadership style does not affect financial administration at SKPD Bima City Government. In addition, R-Square value shows 0.533. It means the model belongs to the moderate category. Therefore, Good Governance, accounting information characteristics, leadership style, and financial compensation can explain the effect of financial administration of SKPD for about 53.3%. Meanwhile 46.7% of financial administration of SKPD is explained by other variables outside the research.

INTRODUCTION

The implementation of decentralization in Indonesia grants regional governments the authority to administer financial affairs autonomously, democratically, fairly, and proportionally, in accordance with the respective capacities of each region. This policy aims to

strengthen regional capacity in administering financial affairs in an orderly, transparent, and accountable manner. To maintain a balanced financial relationship between the central and regional governments, Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments provides a legal foundation emphasizing the importance of an accountable financial administration system in supporting regional development. Although fiscal disparities across regions remain a challenge, various recent studies and publications indicate that fiscal decentralization promotes greater regional fiscal independence, particularly when supported by effective and accountable financial administration (Directorate General of Treasury, Ministry of Finance of the Republic of Indonesia, 2024).

Based on the 2025 audit report of the Audit Board of the Republic of Indonesia (BPK) on the 2024 Financial Statements of the Bima Regency Government, weaknesses in capital expenditure management were identified in four Regional Apparatus Work Units (SKPDs): the Regional General Hospital (RSUD), Public Works and Spatial Planning Office (PUPR), Tourism Office, and Education, Culture, Youth, and Sports Office (Dikbudpora). A total of 29 work packages were suspected of deficiencies in work volume, potentially resulting in regional financial losses of IDR 661 million, including the construction of the Great Mosque Park (IDR 192 million), arrangement of Panda Sports Hall (IDR 46 million), and maintenance and improvement of the Talabiu–Dore Road (IDR 82 million) (Katada.id, 2025). These findings indicate that financial performance remains suboptimal and that bureaucratic, human resource, and supervisory issues require improvement (Silvia, 2022).

Financial administration involves the recording, summarizing, reporting, transparency, and accountability of regional financial transactions. Its quality is influenced by human resource competence, administrative systems, regulatory compliance, and information technology. Competent human resources and reliable accounting systems are essential for effective and accountable financial administration (Mardiasmo, 2018). Government Regulation Number 12 of 2019 further establishes orderly financial administration as a fundamental requirement for regional financial accountability.

The implementation of *good governance*, based on transparency, accountability, participation, effectiveness, efficiency, and the rule of law, provides an important foundation for accountable regional financial administration (Sedarmayanti, 2017: 23–25). Transparency encourages accurate and timely financial reporting, while accountability requires officials to take responsibility for the use of public resources (Bastian, 2014: 41–43). Effective implementation of these principles can also strengthen internal control and compliance with financial procedures (Sedarmayanti, 2017: 37). Empirical studies generally show that *good governance* positively affects financial administration and accountability (Mulyani & Suryani, 2019; Pratama & Putri, 2020; Sari & Nugroho, 2021), although Nugraha (2019) found no significant effect on financial managers' performance.

Accounting information characteristics, particularly relevance, reliability, understandability, and comparability, are also essential for accurate and accountable financial administration (Bastian, 2014: 58–60). Relevant and reliable information supports decision-making, reduces recording errors, and improves financial reporting accuracy (Bastian, 2014: 61). Meanwhile, understandable and comparable information facilitates compliance with accounting standards and continuous financial evaluation (Mardiasmo, 2018: 69). Previous studies found that accounting information quality positively affects financial administration, recording accuracy, reporting, accountability, and transparency (Rahayu & Siregar, 2018; Putri & Haryanto, 2019; Sari & Widodo, 2021). However, Dwiranda (2017) and Juli and Dewi (2021) reported no significant effect on financial managers' performance.

Leadership style is another important human resource factor affecting employee behavior, motivation, compliance, and performance in financial administration (Robbins & Judge, 2017). Participative and transformational leadership can encourage discipline, responsibility, and regulatory compliance, whereas ineffective or authoritarian leadership may reduce motivation and increase the risk of negligence in financial recording and reporting (Hasibuan, 2019: 170–172). Leadership commitment to accountability and transparency also strengthens internal control and reduces administrative errors and financial irregularities (Robbins & Judge, 2017: 255). Previous studies reported positive effects of leadership style on financial management and administration (Suryani & Mulyadi, 2018; Putra & Lestari, 2020; Nugroho & Sari, 2021), while Brownell and Hirst (2016), Toto and Durrotun (2016), and Wiratno et al. (2017) found no significant effect on financial managers' performance.

Financial compensation can also influence employee motivation, discipline, responsibility, and performance in managing regional finances. Fair and adequate compensation is expected to improve the accuracy of financial recording, documentation, and reporting (Hasibuan, 2019: 118–120, 123). Several studies found that financial compensation positively affects government officials' performance and the accuracy and accountability of financial administration (Wulandari & Prasetyo, 2018; Sari & Kurniawan, 2020; Nugraha & Lestari, 2021). In contrast, Rahmawati and Hidayat (2019) found no significant effect, suggesting that internal control and employee competence may have a stronger influence. Nugraha (2021) further indicated that compensation may affect financial administration indirectly through employee motivation.

From the perspective of agency theory, Jensen and Meckling (1976) explain the contractual relationship between the *principal*, who delegates authority, and the *agent*, who performs tasks on the principal's behalf (Jensen & Meckling, 1976: 308). In the public sector, society and the central government act as principals, while regional governments and SKPD officials act as agents. Financial administration represents an accountability mechanism through which agents report the use of public resources to principals (Mardiasmo, 2018: 21–22).

Differences in interests between principals and agents may create *agency problems*, including abuse of authority, regulatory non-compliance, and inaccurate financial reporting. Therefore, orderly financial administration functions as a control mechanism for reducing these problems. Adequate reporting and monitoring systems can reduce agency costs and information asymmetry (Jensen & Meckling, 1976: 323). Consequently, high-quality financial administration plays a strategic role in strengthening control, accountability, transparency, and public trust in SKPDs' management of regional finances.

Based on the aforementioned phenomena and *research gap*, the researcher is interested in re-examining the factors that influence financial administration. The distinction between this study and previous studies lies in the absence of research that comprehensively examines the simultaneous effects of the four factors, the analytical tools employed, and the different research object. Specifically, this study is conducted in West Nusa Tenggara (NTB), particularly in Bima City, because Bima City has experienced an increase in the number of SKPDs encountering problems in budget management, which has an impact on the low quality of public services (BPS Bima, 2022). Furthermore, the novelty of this study lies in the use of constructs that differ from those employed in previous studies. This study seeks to contribute information to the field of regional financial administration as well as public sector accounting.

RESEARCH METHOD

This study employed an associative research design with a quantitative approach aimed at analyzing the effects of *good governance*, accounting information characteristics, leadership style, and financial compensation on financial administration in the Regional Government Work Units (SKPD) of the Bima City Government. The research object was financial administration, which includes the recording, summarization, and reporting of regional financial activities, with the population consisting of all financial administration employees working in 37 SKPDs in Bima City. The sample was selected using *purposive sampling*, with respondents consisting of Financial Administration Officers (PPK-SKPD/Head of Finance Subdivision), Expenditure Treasurers, and Technical Officers, resulting in a total of 111 respondents, or three respondents from each SKPD. Data were collected through a questionnaire using a five-point Likert scale, consisting of strongly agree (5), agree (4), neutral (3), disagree (2), and strongly disagree (1). The data were analyzed using descriptive analysis and *Structural Equation Modeling* (SEM) with the assistance of SmartPLS 3 software.

RESULT AND DISCUSSION

Evaluation of the *Outer Model*

Convergent validity describes the extent to which the measurement indicators of each variable are highly correlated with one another. The results of this test can be assessed through

the *outer loading* values of each variable indicator. An indicator is considered to have a sufficient correlation if its *outer loading* value is greater than 0.70 (Hair *et al.*, 2021). However, *outer loading* values ranging from 0.5 to 0.6 are considered acceptable for exploratory or early-stage research (Ghozali and Latan, 2015:74).

Table 1. *Loading Factor Values*

Loading Factor Values									
GG	Value	KIA	Value	GK	Value	KF	Value	PK	Value
GG1	0,600	KIA1	0,714	GK1	0,740	KF1	0,641	PK1	0,711
GG2	0,605	KIA2	0,709	GK2	0,664	KF2	0,757	PK2	0,786
GG3	0,643	KIA3	0,717	GK3	0,717	KF3	0,715	PK3	0,665
GG4	0,707	KIA4	0,675	GK4	0,742	KF4	0,660	PK4	0,714
GG5	0,707	KIA5	0,754	GK5	0,831	KF5	0,702	PK5	0,720
GG6	0,695	KIA6	0,715	GK6	0,757	KF6	0,645	PK6	0,757
GG7	0,734	KIA7	0,734	GK7	0,794	KF7	0,759	PK7	0,729
GG8	0,811	KIA8	0,742	GK8	0,785	KF8	0,736	PK8	0,714
GG9	0,670	KIA9	0,758			KF9	0,736	PK9	0,746
GG10	0,653	KIA10	0,713			KF10	0,670	PK10	0,760
								PK11	0,708
								PK12	0,702

Source: Processed Data, 2026

Based on Table 1, it can be concluded that the validity test results for the variables indicate that the *loading factor* values of the statement items for the *Good Governance* (GG) construct are expected to be greater than 0.70. The highest *loading factor* value for the GG variable is found in item GG8, with a value of 0.811. Meanwhile, the lowest values that meet the validity requirement are found in items GG4 and GG5, each with a value of 0.707. However, statement items GG1, GG2, GG3, GG6, GG9, and GG10 for the GG variable have values below 0.70, namely 0.600, 0.605, 0.643, 0.695, 0.670, and 0.653, respectively. Therefore, these items must be removed from the model because they do not meet the construct validity requirements for *Good Governance*.

The results of the re-estimation after removing the statement items that did not meet the validity requirements are presented in the following table.

Table 2. *Re-Estimated Loading Factor Values*

Loading Factor Values									
GG	Value	KIA	Value	GK	Value	KF	Value	PK	Value
GG4	0,753	KIA1	0,706	GK1	0,725	KF2	0,756	PK2	0,720
GG5	0,764	KIA2	0,718	GK4	0,768	KF3	0,728	PK5	0,712
GG7	0,800	KIA3	0,730	GK5	0,848	KF7	0,757	PK6	0,762
GG8	0,827	KIA5	0,707	GK6	0,773	KF8	0,804	PK7	0,750
		KIA6	0,757	GK7	0,841	KF9	0,828	PK8	0,751
		KIA7	0,737	GK8	0,817			PK9	0,793
		KIA8	0,739					PK10	0,820
		KIA9	0,749					PK11	0,765

KIA10 0,757

PK12 0,726

Source: Processed Data, 2026

Table 2 presents the results of the *loading factor* test for each indicator in relation to its respective variable. The results show that the *loading factor* values of all indicators are greater than 0.70. This indicates that each indicator is capable of measuring its respective variable in the study.

The next step is to assess reliability by examining the *Cronbach's alpha* values, which should be greater than 0.70, as well as the *composite reliability* and *Average Variance Extracted* (AVE) values, which should be greater than 0.50.

Table 3. Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE) Values

Variable	Cronbach's Alpha	Composite Reliability	AVE
GG	0,797	0,866	0,619
KIA	0,893	0,913	0,538
GK	0,884	0,912	0,635
KF	0,834	0,883	0,601
PK	0,906	0,923	0,572

Source: Processed Data, 2026

Based on Table 3, it is known that the *Cronbach's alpha* values for all indicators are greater than 0.70. A *Cronbach's alpha* value greater than 0.90 indicates perfect reliability, while an alpha value ranging from 0.70 to 0.90 indicates high reliability. An alpha value between 0.50 and 0.70 indicates moderate reliability, whereas a value below 0.50 indicates low reliability (Murifah Mardiani Sanaky *et al.*, 2021). Therefore, it can be concluded that the reliability of the GG, KIA, GK, and KF variables is high because their *Cronbach's alpha* values range from 0.70 to 0.90. Meanwhile, the PK variable has perfect reliability because its *Cronbach's alpha* value is greater than 0.90.

The next test was conducted by examining the *composite reliability* value. *Composite reliability* is used to assess the consistency of each indicator for each variable. The general standard for assessing *composite reliability* in research is > 0.70 (Pamungkas *et al.*, 2019). Based on Table 4.10, all variables have values greater than 0.70; therefore, the indicators for each variable can be considered reliable. The level of convergent validity, as indicated by the AVE values, is also greater than 0.50. Overall, the variation in the measurement items for each variable exceeds 53%. The indicators for *Good Governance* account for 61.9% of the item variation, *Accounting Information Characteristics* account for 53.8%, *Leadership Style* accounts for 63.5%, *Financial Compensation* accounts for 60.1%, and *Financial Administration* accounts for 57.2%.

The next test was *discriminant validity*. A variable must be theoretically distinct from other variables and statistically demonstrated to be different. This can be assessed using a

discriminant validity test. The discriminant validity test was conducted by examining *cross-loading* values and the *Fornell–Larcker criterion*. The *Fornell–Larcker criterion* explains that a latent variable should have greater variance associated with its own indicators than with indicators of other variables at the construct level. Meanwhile, *cross-loading* assesses discriminant validity at the individual indicator level (Ghozali, 2016).

Table 4. Fornell–Larcker Criterion Values

	GG	GK	KF	KIA	PK
GG	0,787				
GK	0,487	0,797			
KF	0,397	0,618	0,775		
KIA	0,583	0,662	0,606	0,733	
PK	0,456	0,551	0,668	0,624	0,756

Source: Processed Data, 2026

Table 4 illustrates that the first stage of the *discriminant validity* test was conducted using the *Fornell–Larcker criterion*. The correlation of a construct with its own indicators should be greater than its correlation with other constructs. Based on the statistical test results obtained using SmartPLS, it is known that *Good Governance* has a stronger correlation with its own indicators than with the GK, KF, KIA, and PK variables, with a correlation value of 0.787. Furthermore, the *Leadership Style* variable has a stronger correlation with its own indicators than with the other variables, with a value of 0.797. The *Financial Compensation* variable also has a higher correlation with its own indicators than with the other variables, with a value of 0.775. Likewise, the *Accounting Information Characteristics* variable has a higher correlation with its own indicators than with the other variables, with a value of 0.733.

Table 5. Cross-Loading Values

	GG	GK	KF	KIA	PK
GG4	0,753	0,438	0,354	0,430	0,311
GG5	0,764	0,390	0,291	0,413	0,305
GG7	0,800	0,288	0,332	0,407	0,383
GG8	0,827	0,429	0,283	0,566	0,417
GK1	0,550	0,725	0,482	0,702	0,368
GK4	0,262	0,768	0,345	0,398	0,371
GK5	0,396	0,848	0,470	0,576	0,480
GK6	0,382	0,773	0,508	0,444	0,411
GK7	0,324	0,841	0,601	0,527	0,497
GK8	0,433	0,817	0,521	0,530	0,482
KF2	0,271	0,534	0,756	0,349	0,511
KF3	0,182	0,491	0,728	0,372	0,460
KF7	0,363	0,486	0,757	0,526	0,548
KF8	0,311	0,483	0,804	0,563	0,531
KF9	0,392	0,406	0,828	0,519	0,534
KIA1	0,470	0,461	0,414	0,706	0,482
KIA10	0,448	0,485	0,450	0,718	0,288

KIA2	0,369	0,411	0,457	0,730	0,471
KIA3	0,412	0,544	0,377	0,707	0,547
KIA5	0,362	0,459	0,479	0,757	0,432
KIA6	0,314	0,438	0,431	0,737	0,440
KIA7	0,437	0,559	0,515	0,739	0,466
KIA8	0,534	0,523	0,428	0,749	0,451
KIA9	0,502	0,474	0,459	0,757	0,455
PK10	0,279	0,428	0,505	0,448	0,820
PK11	0,220	0,371	0,541	0,441	0,765
PK12	0,381	0,530	0,552	0,481	0,726
PK2	0,417	0,421	0,542	0,606	0,720
PK5	0,434	0,429	0,546	0,471	0,712
PK6	0,303	0,370	0,526	0,475	0,762
PK7	0,407	0,442	0,434	0,491	0,750
PK8	0,318	0,372	0,389	0,377	0,751
PK9	0,307	0,349	0,457	0,394	0,793

Source: Processed Data, 2026

Based on Table 5, the second stage of the *discriminant validity* test is the *cross-loading* test. *Cross-loading* is an evaluation of *discriminant validity* at the item level, in which each measured item should have a higher correlation with the construct it measures than with other constructs. Based on the data obtained, it is known that each measured item has a higher loading value on its respective construct than on the other constructs. For example, in the GG4 row, the value of GG4 is 0.753, whereas the values for GK, KF, KIA, and PK are 0.438, 0.354, 0.430, and 0.311, respectively. Thus, the indicator or item GG4 has a higher value than those for GK, KF, KIA, and PK. The same pattern is observed from GG5 through PK12. The GG5 through PK12 rows represent the indicators being tested, while the GG, GK, KF, KIA, and PK columns at the top represent the values of each variable for the indicator being tested. Therefore, after examining all *cross-loading* values for each indicator, it can be concluded that the indicators pass the *cross-loading* test.

Evaluation of the Structural *Inner Model*

F-Square

The *F-square* test was conducted to examine the effect of variables at the structural level. The *F-square* value is divided into three categories: a value of 0.02 indicates a low effect, 0.15 indicates a moderate effect, and 0.35 indicates a high effect (Hair et al., 2021). The *F-square* values for each variable are presented below:

Table 6. F-Square Values

Variable	<i>F-Square</i>
GG	0,014
KIA	0,063
GK	0,004
KF	0,218

Source: Processed Data, 2026

Based on Table 6, *Good Governance* (GG), *Accounting Information Characteristics* (KIA), and *Leadership Style* (GK) have *F-square* values that are still classified as low, namely 0.014, 0.063, and 0.004, respectively. As previously explained, an *F-square* value is considered moderate when it is greater than 0.15. Meanwhile, *Financial Compensation* (KF) has a value of 0.218, which is classified as moderate. Therefore, it can be concluded that *Good Governance* (GG), *Accounting Information Characteristics* (KIA), and *Leadership Style* (GK) have a low effect on the structural model, whereas *Financial Compensation* (KF) has a moderate effect.

R-Square

The *R-square* test was conducted in this study using SmartPLS to determine the extent to which exogenous variables are able to explain the endogenous variable. An *R-square* value greater than 0.67 is considered good, a value of 0.33 indicates a moderate level, and a value of 0.19 is classified as weak (Ghazali & Latan, 2015, p. 78). The *R-square* value in this study is presented in the following table:

Table 7. R-Square Value

	<i>R-Square</i>
PK	0,533

Source: Processed Data, 2026

Based on Table 7, the *R-square* value of the model for *Good Governance* (GG), *Accounting Information Characteristics* (KIA), *Leadership Style* (GK), and *Financial Compensation* (KF) is 0.533. An *R-square* value of 0.533 is classified as moderate. Therefore, it can be concluded that *Good Governance* (GG), *Accounting Information Characteristics* (KIA), *Leadership Style* (GK), and *Financial Compensation* (KF) are able to explain 53.3% of the variation in *Financial Administration* of SKPD. The remaining 46.7% of the variation in *Financial Administration* of SKPD is explained by other variables outside the model used in this study.

Q-Square

Q-square, also referred to as *predictive relevance*, is a test conducted to determine how well the results of observations are represented by the model used in this study, as well as its parameter estimates or predictive capability, using the *blindfolding* procedure (Ghozali & Latan, 2015). The *Q-square* value can be determined using the following formula:

$$Q\text{-square} = 1 - (1 - R^2)$$

Therefore, the calculation of *Q-square* is as follows:

$$\begin{aligned} Q\text{-square} &= 1 - (1 - 0.533) \\ &= 1 - 0.467 \\ &= 0.533 \end{aligned}$$

Based on the calculation above, the *Q-square* value is 0.533. Since the *Q-square* value is greater than 0, the model used in this study is considered to have *predictive relevance*.

Hypothesis Testing

The next stage of *inner model* evaluation involves determining the significance values to examine the relationships between latent variables using the *bootstrapping* method (Ghozali & Latan, 2015). The significance values can be observed from the *p-values* and *t-statistics* in the *path coefficients* table. For a two-tailed hypothesis test (*two-tailed*) at a 95% confidence level (alpha 5%), the critical *t-statistic* value is 1.96. If the *t-statistic* value is greater than 1.96, the hypothesis is accepted. The decision can also be made by examining the *p-value* using a 5% alpha level (0.05). Therefore, if the *p-value* is greater than 0.05, the hypothesis is rejected. In addition, the direction and magnitude of the effect can be determined by examining the *original sample* value. The results of the analysis of the latent variables are presented in the following table:

Table 8. Results of Hypothesis Testing

	Original sampel	T-Statistik	P-Value	Conclusion
GG → PK	0,102	1,093	0,275	Rejected
KIA → PK	0,263	2,400	0,017	Accepted
GK → PK	0,061	0,541	0,589	Rejected
KF → PK	0,431	4,927	0,000	Accepted

Source: Processed Data, 2026

Based on Table 8 and Figure 4, the results of the hypothesis testing analysis can be described as follows:

- The first hypothesis, which states that *Good Governance* has an effect on the *Financial Administration* of SKPD, is rejected. The test produced a *p-value* of 0.275, which is > 0.05 . Another way to determine whether there is an effect is by examining the *t-statistic*. The *t-statistic* is compared with the significance level for a *two-tailed* test at a 95% confidence level and an alpha of 5%, for which the value must be greater than 1.96. The test results show a *t-statistic* of $1.093 < 1.96$. Therefore, it can be concluded that *Good Governance* does not have an effect on the *Financial Administration* of SKPD.
- The second hypothesis, which states that *Accounting Information Characteristics* have an effect on the *Financial Administration* of SKPD, is accepted. The test results show a *p-value* of $0.017 < 0.05$ and a *t-statistic* of $2.400 > 1.96$, with a positive direction as indicated by the *original sample* value of 0.263. Therefore, it is known that *Accounting Information Characteristics* have a positive effect on the *Financial Administration* of SKPD. This effect strengthens the *Financial Administration* of SKPD within the Bima City Government.
- The third hypothesis, which states that *Leadership Style* has an effect on the *Financial Administration* of SKPD, is rejected. The test results show a *p-value* of $0.589 > 0.05$ and a

t-statistic of $0.541 < 1.96$. This means that *Leadership Style* does not have an effect on the *Financial Administration* of SKPD.

- d. The fourth hypothesis, which states that *Financial Compensation* has an effect on the *Financial Administration* of SKPD, is accepted. The test results show a *p*-value of $0.000 < 0.05$ and a *t*-statistic of $4.927 > 1.96$, with a positive direction as indicated by the *original sample* value of 0.431. Therefore, it is known that *Financial Compensation* has a positive effect on the *Financial Administration* of SKPD. This effect strengthens the *Financial Administration* of SKPD within the Bima City Government.

The following is Figure 1, which presents the PLS *bootstrapping* diagram showing the *path coefficients* of this study.

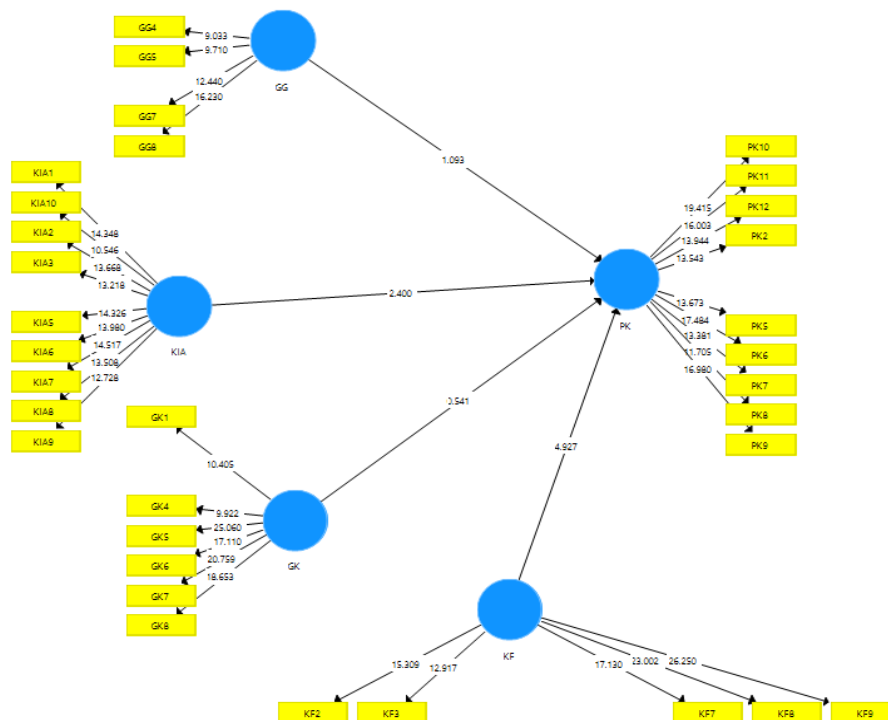


Figure 4. Path Coefficients

CONCLUSION

Based on the results of the study, the following conclusions can be drawn:

1. *Good Governance* does not have an effect on the *Financial Administration* of SKPD in the Bima City Government. This indicates that the implementation of the principles of transparency, accountability, participation, responsiveness, and effectiveness does not

directly affect the quality of financial administration. Financial administration is more strongly influenced by compliance with regulations, internal control systems, and formally established administrative mechanisms.

2. *Accounting Information Characteristics* have a positive effect on the *Financial Administration* of SKPD in the Bima City Government. This indicates that the better the characteristics of accounting information, including *broad-scope*, *timeliness*, *aggregation*, and *integration*, the better the quality of financial administration. High-quality accounting information assists government officials in accurately recording transactions, preparing reports on time, and ensuring compliance with applicable procedures and regulations.
3. *Leadership Style* does not have an effect on the *Financial Administration* of SKPD in the Bima City Government. This indicates that leadership styles encompassing *telling*, *selling*, *participating*, and *delegating* do not directly affect the quality of financial administration. This is because financial administration is technical in nature and has been systematically regulated through applicable regulations and standard operating procedures, and therefore is not directly influenced by the leadership style of managers.
4. *Financial Compensation* has a positive effect on the *Financial Administration* of SKPD in the Bima City Government. This indicates that the better the financial compensation, including salaries, bonuses, insurance, allowances, pension compensation, and old-age savings, the better the quality of financial administration. Adequate financial compensation can increase the motivation, responsibility, and professionalism of government officials in carrying out transaction recording, preparing financial reports, and complying with applicable procedures and regulations.

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