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**THE INFLUENCE OF INFORMATION TECHNOLOGY AND  
MANAGERIAL COMPETENCE ON ASSET MANAGEMENT  
AND ITS IMPACT ON THE SECURITY OF REGIONAL ASSETS  
IN KARO REGENCY, NORTH SUMATERA, INDONESIA**

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## Abstract

*The security of regional assets is a crucial factor in optimizing their use and utility. In Karo Regency, the management of regional assets faces challenges due to the lack of implementation of asset management regulations and procedures, as well as limited skilled and trained human resources in asset management. Poorly administered regional assets can lead to diminished utility, damage, and loss. This study aims to analyze the influence of information technology and managerial competence on the security of regional assets in Karo Regency, with asset management as a mediating variable. Respondents in this study were asset managers within the Karo Regency Government. The sample size was 120 individuals representing various government departments in Karo Regency. Data processing utilized the Structural Equation Model (SEM) with SmartPLS 4.0. The results of the study concluded that (1) information technology has a positive and significant effect on asset management; (2) managerial competence has a positive but not significant effect on asset management; (3) information technology has a positive but not significant effect on the security of regional assets; (4) managerial competence has a positive but not significant effect on the security of regional assets; (5) asset management has a positive and significant effect on the security of regional assets; (6) information technology significantly affects the security of regional assets through asset management; and (7) managerial competence does not significantly affect the security of regional assets through asset management.*

*Keywords: Information Technology, Managerial Competence, Asset Management, Security of Regional Assets*

## INTRODUCTION

The Minister of Finance of the Republic of Indonesia has emphasized the need to optimize buildings that have been constructed but are not yet fully utilized (Sri Mulyani, 2022). This directive aligns with the strategic importance of managing Regional Government Assets (RGA) to enhance public welfare, economic growth, and national competitiveness (Park et al., 2016). Effective RGA management requires strict supervision and regulation in their use, transfer, administration, maintenance, and security, adhering to relevant regulations (Minister of Finance, 2020).

The autonomy granted to local governments by Law Number 1 of 2022 enables them to manage resources more independently for the benefit of national and community interests. This autonomy promotes efficiency in public services, administration, and development, while preventing unauthorized claims on state assets, including RGAs (Government Regulation of the

Republic of Indonesia Number 28 of 2020). In Karo Regency, the organizational structure of Departments, Agencies, and Districts has been designed to ensure effective governance (Regent Regulation of Karo Number 35 of 2016). Consequently, RGA management not only supports public services and development but also aims to control state spending and boost state revenue.

Despite these frameworks, common challenges in managing Regional Government Assets in Indonesia include the improper application of rules, inaccurate inventories, and a lack of trained human resources. Additionally, corruption, collusion, and nepotism are prevalent, further complicating asset management and threatening the administrative and legal sustainability of regional assets. Research has emphasized the importance of information technology in RGA administration. For example, implementing the Regional Goods Cycle Information Technology Application in the Regional Work Units of Garut Regency has improved RGA management effectiveness (Rachmawati et al., 2018). Information technology can enhance the efficiency and accuracy of bookkeeping, inventory, and reporting (Sulistiawati, 2016; Niu et al., 2017).

Alongside information technology, the competence of human resources is critical in RGA management. Various studies have shown that human resource competence can significantly influence the security and optimization of asset management (Bokingo et al., 2017; Lestari et al., 2020; Wahyuni et al., 2018). However, findings on its significance vary (Riski Eka Nursafitri, 2021). Asset management, including bookkeeping, inventory, and reporting, is regulated to ensure legal certainty, transparency, efficiency, accountability, and value assurance. Studies indicate that proper bookkeeping and reporting significantly influence the security of RGA (Choiruddin et al., 2019), highlighting the need for adequate human resource competence in RGA management.

Given the significant state expenditure involved, the effective management of Regional Government Assets is a crucial responsibility for local governments. Professional and effective management, which considers economic aspects, is necessary to ensure costs comply with regulations and add value to regional development. Regional assets are integral to financial management and closely related to development administration, including asset value recording, optimal utilization, and prioritizing development projects. Addressing asset-related issues is vital, as state and regional assets are a shared responsibility of the government and the community (Kaganova & McKellar, 2006).

Managing Regional Government Assets in Indonesia, including in Karo, is a complex task often confronted with challenges such as unclear regulations, inaccurate inventories, limited trained human resources, and issues of corruption, collusion, and nepotism, leading to

suboptimal asset utilization. This imbalance between regional revenue and asset values has economic implications. Legally, poor administration of regional assets can lead to losses, damage, and disorganization of ownership documents. Effective management of Regional Government Assets aims to make the use and benefits of these assets more efficient and valuable for regional development and public services.

This research focuses on the management of Regional Government Assets (RGA) in Karo Regency, aiming to identify the impact of information technology and the competence of managers on the management and security of regional assets. The effective use of information technology is expected to improve asset management processes, while enhancing the competence of managers is anticipated to contribute significantly to the security of regional asset management.

## LITERATURE REVIEW

### **Security of Regional Government Assets.**

According to the Indonesian Valuer's Code of Ethics and the Indonesian Valuation Standards of 2008, assets encompass natural, human, and economic resources owned or controlled by individuals, entities, or governments. These assets are expected to yield future economic benefits measurable in monetary terms and can be tangible or intangible. Fixed assets, such as land, buildings, equipment, roads, and irrigation systems, with a useful life of more than 12 months, fall within this definition.

Regional Government Assets (RGA), defined by Minister of Home Affairs Regulation Number 17 of 2007, include goods acquired through various means like the Regional Revenue and Expenditure Budget, grants, contracts, laws, or court decisions. These assets are owned by the Regional Government and utilized by entities such as Regional Work Units (RWUs), Agencies, and Regional-Owned Enterprises. Management of RGA adheres strictly to principles like functionality, legal certainty, transparency, efficiency, accountability, and value assurance (Minister of Home Affairs Regulation Number 17 of 2007, Article 4, paragraph 1).

Shabrina (2014) stresses that securing RGA involves comprehensive administrative, physical, and legal controls. Administrative security includes tasks like collecting, recording, and securely storing ownership evidence systematically (Ardianto, 2022). Regular asset inventories, mandated by Government Regulation Number 27 of 2014 and Minister of Home Affairs Regulation Number 19 of 2016, verify the condition of RGA. Ongoing efforts are required to enhance accountability in RGA management (Ardianto, 2022).

Renny (2012) underscores administrative security's pivotal role, advocating for rigorous enforcement of regulations, periodic legal audits, and adequate infrastructure like information technology. This includes activities such as bookkeeping, inventory management, and secure storage of ownership documents for both movable and immovable assets. Legal security involves steps like creating land certificates and ensuring necessary permits for buildings and structures, while official vehicles require proper documentation like Motor Vehicle Ownership Documents (MVOD). Dispute resolution follows established guidelines (Ardianto, 2022).

Regarding physical security, Ardianto (2022) outlines preventive measures like installing boundary markers, nameplates, fences, CCTV systems, and collaborating with security units to safeguard RGA from damage or loss. Minister of Home Affairs Regulation Number 19 of 2016 mandates specific guidelines for physical security, ensuring proper use and storage of assets, including measures such as fencing, guards, secure doors, locks, and alarms.

These measures collectively protect and efficiently manage RGA, ensuring they serve their intended purposes while maintaining legal compliance and transparency (Minister of Home Affairs Regulation Number 19 of 2016).

### **Security of Fixed Assets**

The management of Regional Government Assets, particularly fixed assets, is a significant responsibility of the government in achieving effective, efficient, transparent, and accountable good governance (Usman & Purba, 2018). Fixed assets, which have a useful life of more than 12 months for government activities or public use, require strict regulation in their management (Government Regulation of the Republic of Indonesia, 2005, 2010). Failures in accountability for managing regional assets, especially fixed assets, can result from fraud such as asset misuse, which financially harms and threatens the integrity of governance in both the public and private sectors.

Although many regions receive Unqualified Opinions from the Supreme Audit Agency of Indonesia, there are still administrative and asset management issues leading to disputes and suboptimal asset use. This situation has the potential to erode public trust in local governments and create negative perceptions of those regions. Concrete actions are necessary to ensure that the management of regional assets complies with applicable regulations, thereby supporting local economic growth and optimizing Regional Original Income.

### **Managerial Competence**

Human resources are pivotal for achieving organizational goals, with education, experience, and training significantly impacting success (Shabrina, 2014). Competence, defined

by Wibowo (2011), involves skills, knowledge, and professional attitudes necessary for effective task performance. Spencer and Wibowo (in Sudaryo, 2018) identify five elements of competence—motives, traits, self-concept, knowledge, and skills—that influence work performance. Robbins (2006) describes human capability as encompassing intellectual and physical abilities essential for job tasks. Marwansyah (2012) emphasizes competence comprising knowledge, skills, attitudes, and personal characteristics measurable against standards and improvable through training. McClelland (1993) and Spencer (1993) elaborate on competence as fundamental traits and underlying characteristics predicting superior job performance across contexts.

In public policy implementation, human resources are crucial, as insufficient resources can hinder effective policy execution from planning to implementation (Edward III, 1980). Evaluating organizational resources includes ensuring sufficient skilled staff, empowering them in policy tasks, providing accurate information, and adequate facilities (Edward III, 1980).

Managing regional assets requires competencies in knowledge, skills, experience, behavior, attitudes, and traits (Hastings, 2010). Enhancing these competencies optimizes asset management, including administration, inventorying, and financial reporting for rational decision-making and fostering cooperation among colleagues.

Wibowo (2007) underscores competence as effective task performance based on skills, knowledge, and job-relevant attitudes, including field knowledge, communication skills, creativity, and a strong work ethic. Developing human resource competence in regional asset management is crucial for efficiency, effectiveness, and timely financial reporting, enhancing organizational decision-making (Mardiasmo, 2002). Competence in specific fields reflects professionalism through skills and knowledge, essential for task efficiency and effectiveness.

## **Information Technology**

An information system within an organization integrates daily transaction processing to support operational and managerial functions aligned with the organization's strategic goals (Leitch & Davis, 2005:11). This system receives data and instructions, processes them, and produces relevant outputs (Davis, 1991:91). It gathers information from diverse sources and communicates it through various media (McLeod, 2010). Laudon and Laudon (2000) define information systems as interconnected components that collect, process, store, and distribute information to support decision-making and control within organizations. Information systems involve processes to gather, process, analyze, and disseminate information to achieve specific goals (Hall, 2001).

Computer-based information systems include hardware, software, and human roles to transform data into useful information swiftly and accurately (Bodnar & Hopwood, 2000). These systems leverage information technology to enhance public service accessibility (Wilkinson et al., 2000; Hamzah, 2009). System effectiveness is measured by indicators like data security, response time, accuracy, and report relevance (Bodnar, 2000).

In asset management, information systems play a crucial role by integrating asset lifecycle processes using information technology (Haider, 2011). They encompass formal procedures to classify and process data into useful information distributed to users (Kadir, 2003). E-government systems utilize the internet to deliver government services efficiently (Kadir, 2003:70), aiming to improve institutional effectiveness and provide ease of access for the public and bureaucrats (Cortada, 1995).

The Technology Acceptance Model highlights that successful application adoption hinges on balancing benefits and ease of use (Davis, 1993). Asset Management Information Systems (AMIS) enhance performance, transparency, monitoring, and control in asset management (Siregar, 2004:36, 40). Government Regulation emphasizes local financial information systems to manage regional assets cost-effectively (Grubisic, 2009). Information systems mitigate challenges in budgeting and asset evaluation by providing essential data for effective decision-making (Grubisic, 2009).

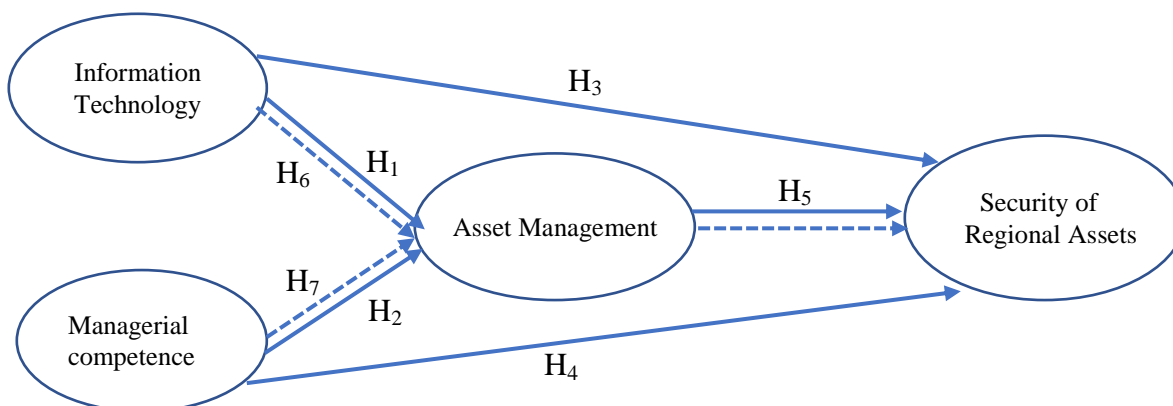
## **Asset Management**

The management of Regional Government Assets in accordance with Regulation of the Minister of Home Affairs Number 19 of 2016 includes activities such as bookkeeping, inventorying, and reporting of RGA. This encompasses the accounting tasks for RGA that support administrative orderliness and the preparation of RGA reports for the local government's balance sheet. The goal is to provide data that supports the management of RGA in line with functional principles, legal certainty, transparency, efficiency, accountability, and certainty of value.

The administration of RGA is an integral part of the RGA management system, supporting administrative, physical, and legal security of RGA as per applicable regulations. Heads of Regional Work Units are responsible for the recording and inventorying of RGA under the supervision of the Supreme Audit Agency to ensure the accuracy of RWU financial reports. Data resulting from RGA administration is used to prepare the local government's balance sheet, plan the needs and budget for RGA procurement, and secure RGA administration to ensure accurate data for planning and budgeting purposes.

## Conceptual Framework

The research framework can be seen in Figure 1.



Note: ———> Direct influence between variables    - - - - -> Indirect influence between variables

Figure 1. Research Conceptual Framework

## Development of Hypotheses

### ***The Influence of Information Technology on Asset Management***

Information systems serve as foundational links integrating the processes of gathering, processing, storing, and disseminating crucial information for organizational decision-making (Yunita & Devitra, 2017). In community health centers and local government asset management in Bantul Regency, electronic systems, including information technology, significantly enhance the speed and accuracy of information management (Subrata et al., 2018). These systems enable efficient asset recording, reporting, and timely information dissemination.

Furthermore, information systems play essential roles in auditing and performance control within government agencies, improving the accuracy and reliability of asset management practices (Yunita & Devitra, 2017; Syahputra et al., 2018). Direct integration of these systems positively impacts local government asset management, enhancing the quality and expediency of reporting processes (Bharranti, 2017; Arnan, 2018; Azhar, 2013).

Utilization of information technology streamlines local government asset reporting and elevates overall report quality (Subrata et al., 2018). Leveraging applications throughout the local government asset lifecycle significantly enhances asset management quality, as affirmed by recent research (Nadia & Budiarto, 2021; Mila Karmila, 2021). Thus, information systems play a pivotal role in enhancing efficiency and effectiveness in managing local government assets. Building on the preceding discussions, the hypothesis can be articulated as follows:

H1: Information technology has a positive and significant influence on asset management in Karo Regency Government.



## **The Influence of Managerial Competence on Asset Management**

Achieving an organization's vision and mission heavily relies on competent human resources dedicated to local asset governance (Niu et al., 2017). The proficiency of local government officials, encompassing skills, education, training, and adherence to regulatory frameworks, is crucial in managing assets effectively (Syahputra et al., 2018). Laws such as Law No. 1 (2004) emphasize prudent local asset management, necessitating ongoing training, mentoring, and evaluation to enhance officials' competence (Astini, 2018; Fathiyah, 2018).

Local governments, operating through entities like community health centers, play pivotal roles in public service and asset management, essential for optimizing state revenues (Government Regulation No. 23 of 2005). Strict regulatory frameworks are essential to govern organizational activities involving human resources, ensuring adherence to rules and minimizing conflicts of interest (Subrata et al., 2018; Stigler, 2012). Regulatory theories tailored to public or collective interests are critical in setting standards and managing organizational finances effectively (Scott, 2015).

Government Regulation No. 60 of 2008 establishes the Government Internal Control System (GICS), crucial for ensuring accountability and transparency in state asset management by local governments (Sari, 2014; Budiarto et al., 2020; Muna & Haris, 2018). GICS not only mitigates fraud but also strengthens overall organizational governance (Subrata et al., 2018; Astini, 2018).

Competent human resources are pivotal in enhancing the quality, accuracy, and reliability of local government asset reports (Subrata et al., 2018). Continual skill development and adherence to regulatory frameworks are essential for improving asset management practices within local government settings. Drawing from the preceding discussions, the hypothesis can be framed as follows:

H2: Managerial competence has a positive and significant influence on asset management in Karo Regency Government.

## **The Influence of Information Technology on Security of RGA**

The research confirms that information systems significantly influence the management of local government assets (Nadia & Budiarto, 2021). Respondents' adequate knowledge of these systems and their high level of education facilitate effective operation, especially when supported by reliable internet networks. Quality information systems streamline asset management processes and aid auditors in evaluating local asset management practices (Sulistawati, 2016). These systems are crucial for maintaining accurate asset data, essential for reporting on the management of local government assets.

Robust information systems enable the effective implementation of applications in community health centers (Gaffar, Hasanuddin, & Kusumawati, 2017). Integrating information technology into financial and local asset management enhances transaction processing efficiency, improves calculation accuracy, and ensures timely report preparation (Laksamana, 2002). Information technology also reduces the time required to transition financial reporting from a cash basis to an accrual basis (Macmillan, 2003). Studies by Hullah (2012) and Karmila (2014) underscore its positive impact on the reliability of financial reporting.

Furthermore, well-implemented information technology supports the preparation of high-quality reports on local government assets, as demonstrated by research findings (Darno, 2012; Haryanto, 2013). Drawing from the aforementioned discussions, the hypothesis can be articulated as follows:

H3: Information technology has a positive and significant impact on local government assets in Karo Regency.

### **The Influence of Managerial Competence on Security of RGA**

Haryanto (2013) asserts that human resource capabilities positively impact the quality of local asset reporting. Similarly, studies by Andriani (2010), Wansyah (2012), and Nurillah (2014) highlight that the understanding, skills, and abilities of employees enhance the quality of local financial reports. These findings underscore the importance of investing in human resource development to improve local asset management.

Additionally, research by Bokingo et al. (2017) shows that human resources play a significant role in securing local government assets in Buol Regency's Regional Working Units. This indicates that competent managers' capabilities are crucial for maintaining the security and integrity of local assets.

In summary, these research findings collectively demonstrate that human resource capabilities positively influence the management and security of local government assets. Hence, the research hypothesis is as follows:

H4: Managerial competence has a positive and significant impact on local government assets in Karo Regency.

### **The Influence of Asset Management on Security of RGA**

Bokingo et al. (2017) highlight that human resources, asset management practices, and effective supervision collectively significantly impact the security of local government assets in Buol Regency's Regional Working Units. Their study underscores the importance of high-quality human resources, well-managed asset practices, and rigorous supervision in enhancing asset security.

Choiruddin et al. (2019) confirm that asset management activities such as bookkeeping, inventorying, and reporting play a crucial role in securing local government assets. This finding is supported by research from Mefitri (2009), Rahayu (2012), and Saregar (2008), which collectively emphasize the positive influence of these practices on asset security.

Moreover, Sarlim and Rahayu (2019) assert from their study on local government asset management in South Sulawesi Province that comprehensive asset management aspects, including planning, implementation, management, guidance, supervision, and control, contribute significantly to enhancing asset security.

In conclusion, these research findings collectively demonstrate that effective asset management practices are pivotal in enhancing the security of local government assets across various organizational units. This research proposes the following hypotheses:

H5: Asset Management has a positive and significant impact on local government assets in Karo Regency.

H6: Information technology has a significant impact on local government assets in Karo Regency through asset management.

H7: Managerial competence has a significant impact on local government assets in Karo Regency through asset management.

## **RESEARCH METHOD**

### **Research Design**

The design of this research aims to guide the researcher in collecting the necessary data to achieve the research objectives. This study employs a causal associative approach, which, according to Erlina (2011), refers to research that explores the relationships between variables with the aim of testing hypotheses and identifying cause-and-effect relationships. The focus of this research is to analyze how information technology and managerial competence influence asset management and its implications for the security of regional government assets in Karo Regency.

### **Operational Definition of Variables**

The operational variables in this research refer to the methods of measurement and operation of the involved variables. The main variables studied include the Security of Regional Government Assets, Asset Management, Information Technology, and Managerial Competence. The Security of Regional Government Assets is operationalized through administrative, legal, and physical aspects. Asset Management consists of bookkeeping, inventory, and reporting of goods in accordance with regulations. Information Technology is measured through the availability of hardware, software, and personnel proficient in IT.

Meanwhile, managerial competence is understood through knowledge, skills, and attitudes related to asset management.

### **Types and Sources of Data**

This research utilizes primary data collected through questionnaires aimed at managers of Regional Government Assets in Karo Regency. The questionnaires are structured with closed questions focusing on variables including information technology, managerial competence, asset management, and the security of Regional Government Assets (RGA). The researcher personally delivers these questionnaires to the respondents for data collection.

The Likert Method is employed to measure respondent attitudes. This method requires respondents to indicate their agreement or disagreement with statements or questions. Responses are measured on a scale ranging from Strongly Agree (score of 5) to Strongly Disagree (score of 1). This approach aligns with established theories on attitude measurement as explained by Ghozali (2016) and Sugiyono (2018).

Each variable identified by the researcher is broken down into specific indicators, which form the basis for constructing questionnaire items. These self-designed items are used to collect data through questionnaires related to regional asset management and security.

### **Population, Sample, and Sampling Method**

The population in this study refers to a group of managers of Regional Government Assets in the government agencies of Karo Regency, as stipulated in the Regulation of the Regent of Karo No. 35 Year 2016 regarding the Position, Organizational Structure, Duties and Functions, as well as Work Procedures of Regional Work Units. This population consists of units of analysis or observation objects that share relevant characteristics related to the research problem under study.

The sample in this research is a subset of the population selected to represent the overall characteristics of the population. The sampling approach in this study uses Structural Equation Modeling (SEM), as recommended by Hair (2017), with a sample size of 5-10 times the number of indicators. Therefore, the sample size in this study is 5 times the number of indicators, which totals 120 respondents.

### **Instrument Validation and Reliability Testing**

The research instrument has been tested for its validity and reliability prior to data collection. Validity of the instrument was assessed using 30 respondents who are managers of

Regional Government Assets, with the criterion that the calculated correlation coefficient ( $r$ ) should be greater than the table value of  $r$  at a significance level of 95%. The results indicated that all indicators for each research variable (Security of Regional Government Assets, Asset Management, Information Technology, and Managerial Competence) were found to be valid.

Reliability of the instrument was measured using Cronbach's Alpha ( $\alpha$ ), with a standard reliability criterion considered good if  $\alpha > 0.70$ . The reliability test results showed that all research variables had Cronbach's Alpha values greater than 0.70, confirming that the instruments used are reliable for consistently measuring these variables.

## Data Analysis

The data analysis in this study involved processing collected questionnaire data using a causal model approach, specifically employing multivariate Structural Equation Modeling (SEM) techniques to test hypotheses. SEM is a robust method enabling examination of complex variable relationships within a model, including structural and measurement testing, factor analysis, and identification of measurement errors.

Prior to SEM analysis, descriptive statistical analysis was conducted to outline the frequency distribution of study variables, including maximum and minimum values, mean, and standard deviation. Standard deviation, reflecting data dispersion around the mean, was assessed, with values typically considered acceptable not exceeding 20% of the mean.

For SEM analysis, Partial Least Squares Structural Equation Modeling (PLS-SEM) was utilized with SmartPLS ver. 4.0 software. PLS-SEM focuses on variance to predict and test models, differing from classical SEM which emphasizes covariances. This approach enabled thorough examination of causal relationships between exogenous (independent) and endogenous (dependent) variables, alongside rigorous assessment of instrument validity and reliability in this study.

## RESULTS

### Characteristics of Respondents

Table 1 presents the demographic characteristics of the respondents in the study. A total of 120 respondents participated, comprising 64 males (53.33%) and 56 females (46.67%). In terms of education level, the majority of respondents held a Bachelor's degree (63 respondents, 52.5%), followed by those with a Master's degree (34 respondents, 28.33%). Fewer respondents had a Diploma (14 respondents, 11.67%) or completed High School/Equivalent (9 respondents, 7.5%).

Regarding age distribution, the respondents were spread across various age groups. The largest groups were in the 45-48 years (20 respondents, 16.67%) and 49-52 years (26 respondents, 21.67%) categories. The age groups of 41-44 years (14 respondents, 11.67%) and 53-56 years (13 respondents, 10.83%) also had significant representation. The smallest groups were in the youngest age category (21-24 years) and the oldest (57-60 years), each comprising only 1% of the total respondents.

The result provides a snapshot of the gender distribution, education levels, and age demographics of the respondents involved in the study, reflecting a diverse sample in terms of these demographic characteristics.

Table 1. Characteristics of Respondents

| Characteristic         | Number | Percentage |
|------------------------|--------|------------|
| Gender                 |        |            |
| Male                   | 64     | 53.33%     |
| Female                 | 56     | 46.67%     |
| Total                  | 120    | 100%       |
| Education Level        |        |            |
| High School/Equivalent | 9      | 7.5%       |
| Diploma                | 14     | 11.67%     |
| Bachelor's Degree      | 63     | 52.5%      |
| Master's Degree        | 34     | 28.33%     |
| Total                  | 120    | 100%       |
| Age                    |        |            |
| 21 - 24 years          | 1      | 0.83%      |
| 25 - 28 years          | 3      | 2.5%       |
| 29 - 32 years          | 5      | 4.17%      |
| 33 - 36 years          | 8      | 6.67%      |
| 37 - 40 years          | 17     | 14.17%     |
| 41 - 44 years          | 14     | 11.67%     |
| 45 - 48 years          | 20     | 16.67%     |
| 49 - 52 years          | 26     | 21.67%     |
| 53 - 56 years          | 13     | 10.83%     |
| 57 - 60 years          | 13     | 10.83%     |
| Total                  | 120    | 100%       |

### Descriptive Statistical Analysis

Table 2 presents descriptive statistics for key variables: Security of Regional Assets (SRA), Asset Management (AM), Information Technology (IT), and Managerial Competence (MC), all indicating high overall mean scores. SRA achieved a mean of 3.79, with robust reporting processes (SRA3) scoring highest at 3.94, while security protocols (SRA6) showed room for improvement at 3.63. AM also scored 3.79, with strong adherence to standards, highlighted by high scores in periodic reporting (AM5, 3.88) and a need for improved inventory updates (AM4, 3.68). IT scored slightly lower at 3.51 but remained high, with effective

application availability (IT3, 3.66) and a need to bolster IT expertise (IT5, 3.34). MC achieved a score of 3.69, showcasing high competence overall, particularly in asset bookkeeping (MC3, 3.80), with opportunities for enhanced regulatory compliance (MC5, 3.59). These insights emphasize strengths and areas for improvement across categories to enhance operational effectiveness in managing regional assets.

Table 2. Descriptive Statistics

| Variable | Mean | Category | Top Indicator   | Bottom Indicator                                 |
|----------|------|----------|---|--|
| SRA      | 3.79 | High     | SRA3: Implementation of reporting (3.94)                | SRA6: Asset security methods (3.63)              |
| AM       | 3.79 | High     | AM5: Compliance with periodic reporting methods (3.88)  | AM4: Inventory card renewal (3.68)               |
| IT       | 3.51 | High     | IT3: Availability of asset inventory application (3.66) | IT5: Availability of IT-skilled personnel (3.34) |
| MC       | 3.69 | High     | MC3: Asset bookkeeping (3.8)                            | MC5: Compliance with regulations (3.59)          |

## Inferential Statistical Analysis

### Outer Model Testing

Table 3. Loading Factor

| Variable | Dimension             | Indicator       | Loading Factor | Conclusion |       |
|----------|-----------------------|-----------------|----------------|------------|-------|
| SRA      | Administrative Aspect | SRA1            | 0.914          | Valid      |       |
|          |                       | SRA2            | 0.907          | Valid      |       |
|          |                       | SRA3            | 0.932          | Valid      |       |
|          | Legal Aspect          | SRA4            | 0.966          | Valid      |       |
|          |                       | SRA5            | 0.967          | Valid      |       |
|          |                       | Physical Aspect | SRA6           | 0.948      | Valid |
|          |                       |                 | SRA7           | 0.949      | Valid |
| IT       | Hardware              | IT1             | 0.960          | Valid      |       |
|          |                       | IT2             | 0.960          | Valid      |       |
|          | Software              | IT3             | 0.922          | Valid      |       |
|          |                       | IT4             | 0.910          | Valid      |       |
|          | Personnel             | IT5             | 0.936          | Valid      |       |
|          |                       | IT6             | 0.936          | Valid      |       |
| MC       | Knowledge             | MC1             | 0.898          | Valid      |       |
|          |                       | MC2             | 0.931          | Valid      |       |
|          | Skills                | MC3             | 0.974          | Valid      |       |
|          |                       | MC4             | 0.975          | Valid      |       |
|          | Attitude              | MC5             | 0.946          | Valid      |       |
|          |                       | MC6             | 0.943          | Valid      |       |
| AM       | Bookkeeping           | AM1             | 0.929          | Valid      |       |
|          |                       | AM2             | 0.938          | Valid      |       |
|          | Inventory             | AM3             | 0.948          | Valid      |       |
|          |                       | AM4             | 0.951          | Valid      |       |
|          | Reporting             | AM5             | 0.965          | Valid      |       |
|          |                       | AM6             | 0.963          | Valid      |       |

Table 3 displays loading factors for indicators across four variables: Security of Regional Assets (SRA), Information Technology (IT), Managerial Competence (MC), and Asset Management (AM). Each indicator surpasses the threshold of 0.7, indicating strong validity in measurement. For SRA, indicators in administrative, legal, and physical aspects exhibit robust validity (0.907 to 0.967). IT dimensions—hardware, software, and personnel—demonstrate high reliability (above 0.9). MC indicators in knowledge, skills, and attitude also show strong validity (0.898 to 0.975). Asset Management dimensions—bookkeeping, inventory, and reporting—confirm high validity (exceeding 0.9), emphasizing rigorous management practices.

Table 4. Cronbach's Alpha (CA), Rho\_a, Composite Reliability (CR), and Average Variance Extracted (AVE) Values

| Variable | Dimensions            | CA    | Rho_a | CR    | AVE   |
|----------|-----------------------|-------|-------|-------|-------|
| SRA      |                       | 0.960 | 0.960 | 0.967 | 0.806 |
|          | Administrative Aspect | 0.906 | 0.906 | 0.941 | 0.842 |
|          | Physical Aspect       | 0.888 | 0.888 | 0.947 | 0.899 |
|          | Legal Aspect          | 0.929 | 0.929 | 0.966 | 0.934 |
| IT       |                       | 0.951 | 0.952 | 0.961 | 0.803 |
|          | Hardware              | 0.914 | 0.914 | 0.959 | 0.921 |
|          | Software              | 0.809 | 0.812 | 0.913 | 0.839 |
|          | Personnel             | 0.859 | 0.859 | 0.934 | 0.876 |
| MC       |                       | 0.946 | 0.950 | 0.958 | 0.792 |
|          | Knowledge             | 0.806 | 0.826 | 0.911 | 0.836 |
|          | Skills                | 0.947 | 0.948 | 0.974 | 0.950 |
|          | Attitude              | 0.879 | 0.880 | 0.943 | 0.892 |
| AM       |                       | 0.958 | 0.959 | 0.966 | 0.827 |
|          | Reporting             | 0.924 | 0.925 | 0.964 | 0.930 |
|          | Bookkeeping           | 0.852 | 0.855 | 0.931 | 0.871 |
|          | Inventory             | 0.890 | 0.891 | 0.948 | 0.901 |

Table 4 presents high levels of reliability for the constructs Regional Government Asset Security, Information Technology, Managerial Competence, and Asset Management. Composite Reliability (CR) and Cronbach's Alpha ( $\alpha$ ) values exceed the accepted threshold of 0.7, indicating robust internal consistency. Specifically, Regional Government Asset Security demonstrates strong reliability (CR = 0.960,  $\alpha$  = 0.960) and good convergent validity across its administrative ( $\alpha$  = 0.906), physical ( $\alpha$  = 0.888), and legal aspects ( $\alpha$  = 0.929). Information Technology shows high reliability (CR = 0.951,  $\alpha$  = 0.951) for hardware ( $\alpha$  = 0.914), software ( $\alpha$  = 0.809), and personnel ( $\alpha$  = 0.859). Managerial Competence exhibits strong reliability (CR = 0.946,  $\alpha$  = 0.946) in knowledge ( $\alpha$  = 0.806), skills ( $\alpha$  = 0.947), and attitude ( $\alpha$  = 0.879). Asset Management confirms reliability (CR = 0.958,  $\alpha$  = 0.958) across reporting ( $\alpha$  = 0.924), bookkeeping ( $\alpha$  = 0.852), and inventory ( $\alpha$  = 0.890). These findings underscore the validity and



reliability of the study's measurement tools, supporting robust analysis and interpretation of the observed constructs.

Table 5. Fornell-Larcker Criterion

| Variable | MC           | AM           | SRA          | IT           |
|----------|--------------|--------------|--------------|--------------|
| MC       | <b>0.890</b> |              |              |              |
| AM       | 0.608        | <b>0.909</b> |              |              |
| SRA      | 0.473        | 0.677        | <b>0.898</b> |              |
| IT       | 0.637        | 0.844        | 0.599        | <b>0.896</b> |

Note (s): Managerial Competence (MC); Asset Management (AM); Security of Regional Assets (SRA); Information Technology (IT)

The results of discriminant validity testing using the Fornell-Larcker Criterion, as recorded in Table 5, show that the relationships between variables have lower correlation levels compared to the square root of the Average Variance Extracted (AVE) of each variable. These findings indicate that the measurement tools used to assess constructs in this study have adequate discriminant validity.

### **Inner Model Testing**

#### *Direct effects*

Table 6. Direct effects

| Path                 | $\beta$ | Mean  | Std. Dev | t-statistics | p-values |
|----------------------|---------|-------|----------|--------------|----------|
| MC $\rightarrow$ AM  | 0.117   | 0.122 | 0.082    | 1.434        | 0.151    |
| MC $\rightarrow$ SRA | 0.087   | 0.090 | 0.107    | 0.809        | 0.419    |
| AM $\rightarrow$ SRA | 0.574   | 0.572 | 0.132    | 4.356        | 0.000    |
| IT $\rightarrow$ AM  | 0.769   | 0.764 | 0.066    | 11.688       | 0.000    |
| IT $\rightarrow$ SRA | 0.059   | 0.059 | 0.113    | 0.521        | 0.603    |

Note (s): Managerial Competence (MC); Asset Management (AM); Security of Regional Assets (SRA); Information Technology (IT))

Table 6 demonstrates several conclusions can be drawn regarding the analysis of the relationships between variables in this study. First, the coefficient of the influence of Managerial Competence (MC) on Asset Management (AM) is 0.117, with a p-value of 0.151, indicating that the influence of MC on AM is not statistically significant. Second, the coefficient of the influence of MC on Security of Regional Assets (SRA) is 0.087, with a p-value of 0.419, showing no significant influence of MC on SRA. However, third, the coefficient of the influence of AM on SRA is 0.574, with a highly significant p-value of 0.000, indicating a significant influence of AM on SRA. Fourth, the coefficient of the influence of Information Technology (IT) on AM is 0.769, with a significant p-value of 0.000, showing that IT has a strong influence on AM. Finally, fifth,

the coefficient of the influence of IT on SRA is 0.059, with a p-value of 0.603, indicating no significant influence of IT on SRA.

#### *Indirect effects*

Table 7. Indirect effects

| Path          | $\beta$ | Mean  | Std. Dev | t-statistics | p-values |
|---------------|---------|-------|----------|--------------|----------|
| MC → AM → SRA | 0.067   | 0.069 | 0.050    | 1.350        | 0.177    |
| IT → AM → SRA | 0.442   | 0.439 | 0.112    | 3.934        | 0.000    |

Note (s): Managerial Competence (MC); Asset Management (AM); Security of Regional Assets (SRA); Information Technology (IT)

Table 7 shows the indirect effects among the variables studied: Managerial Competence (MC), Asset Management (AM), Information Technology (IT), and Security of Regional Assets (SRA). The indirect influence of Managerial Competence (MC) on Security of Regional Assets (SRA) through Asset Management (AM) is not statistically significant ( $\beta = 0.067$ ,  $p = 0.177$ ), indicating that MC's impact on SRA through AM is not supported by the data.

In contrast, Information Technology (IT) exhibits a highly significant indirect influence on SRA through AM ( $\beta = 0.442$ ,  $p < 0.001$ ), highlighting IT's substantial effect on SRA through its impact on AM processes.

Overall, these findings emphasize that Information Technology (IT) plays a more significant role in indirectly influencing the Security of Regional Assets (SRA) through Asset Management (AM) compared to Managerial Competence (MC) within the scope of this study.

#### *Total effect*

Table 8. Total effects

| Path     | B     | Mean  | Std. Dev | t-statistics | p-values |
|----------|-------|-------|----------|--------------|----------|
| MC → AM  | 0.117 | 0.122 | 0.082    | 1.434        | 0.151    |
| MC → SRA | 0.154 | 0.159 | 0.112    | 1.371        | 0.170    |
| AM → SRA | 0.574 | 0.572 | 0.132    | 4.356        | 0.000    |
| IT → AM  | 0.769 | 0.764 | 0.066    | 11.688       | 0.000    |
| IT → SRA | 0.501 | 0.498 | 0.097    | 5.176        | 0.000    |

Note (s): Managerial Competence (MC); Asset Management (AM); Security of Regional Assets (SRA); Information Technology (IT)

Table 8 provides insights into the total effects among variables in the study. Managerial Competence (MC) shows a positive influence on Asset Management (AM) with a coefficient of 0.117, but this effect is not statistically significant ( $p = 0.151$ ,  $t\text{-stat} = 1.434$ ). Similarly, MC's

influence on Security of Regional Assets (SRA) is positive but not statistically significant (coefficient = 0.154,  $p = 0.170$ ,  $t\text{-stat} = 1.371$ ).

In contrast, Asset Management (AM) significantly influences Security of Regional Assets (SRA) with a coefficient of 0.574 ( $p = 0.000$ ,  $t\text{-stat} = 4.356$ ), indicating a robust relationship where improvements in AM enhance regional asset security.

Furthermore, Information Technology (IT) demonstrates a strong and significant influence on AM (coefficient = 0.769,  $p = 0.000$ ,  $t\text{-stat} = 11.688$ ) and also on SRA (coefficient = 0.501,  $p = 0.000$ ,  $t\text{-stat} = 5.176$ ). These findings underscore IT's critical role in enhancing both AM practices and ultimately, the security of regional assets.

Overall, while MC shows a positive trend, its direct impacts on AM and SRA are not statistically significant. In contrast, the significant influences of AM and IT highlight their pivotal roles in improving regional asset management and security.

#### *Effect Values Between Variables*

Table 9. R-square Values of Mediating and Dependent Variables

| Variable | R-square | R-square adjusted | Category |
|----------|----------|-------------------|----------|
| AM       | 0.721    | 0.716             | Moderate |
| SRA      | 0.465    | 0.451             | Moderate |

Note (s): Asset Management (AM); Security of Regional Assets (SRA)

Table 9 displays the R-square values for Asset Management (AM) and Security of Regional Assets (SRA). For AM, the R-square is 0.721, indicating that 72.1% of the variability in AM can be explained by the variables of information technology and managerial competence. The adjusted R-square, at 0.716, confirms this explanation within the moderate category. In contrast, for SRA, the R-square is 0.465, showing that 46.5% of the variability in SRA can be explained by the mediation of information technology and managerial competence through AM. This also falls into the moderate category, indicating that a significant portion of variability in both AM and SRA remains unexplained by the model's variables.

#### *Prediction Values*

Table 10. Q<sup>2</sup> Values of the Study

| Variable | Q <sup>2</sup> predict | RMSE  | MAE   | Category |
|----------|------------------------|-------|-------|----------|
| AM       | 0.708                  | 0.553 | 0.415 | High     |
| SRA      | 0.341                  | 0.827 | 0.550 | Moderate |

Note (s): Asset Management (AM); Security of Regional Assets (SRA)

Table 10 provides Q<sup>2</sup> values for the variables studied: Asset Management (AM) and Security of Regional Assets (SRA). The Q<sup>2</sup> value of 0.708 for Asset Management indicates that the model can predict AM with high accuracy. Conversely, the Q<sup>2</sup> value of 0.341 for Security of Regional Assets suggests that the model's predictive capability for SRA falls into the moderate category. These results indicate that while the model performs well in predicting asset management outcomes, its predictive ability for asset security outcomes is somewhat less robust, highlighting an area for potential improvement in future studies.

Table 11. Hypotheses Summary

| Hypotheses  | $\beta$ | p-values | Remarks  |
|---|---------|----------|----------|
| H1: Information technology has a positive and significant influence on asset management in Karo Regency Government  | 0.769   | 0.000    | Accepted |
| H2: Managerial competence has a positive and significant influence on asset management                              | 0.117   | 0.151    | Rejected |
| H3: Information technology has a positive and significant influence on Security of Regional Government Assets       | 0.059   | 0.603    | Rejected |
| H4: Managerial competence has a positive and significant influence on Security of Regional Government Assets        | 0.087   | 0.419    | Rejected |
| H5: Asset management has a positive and significant influence on Security of Regional Government Assets             | 0.574   | 0.000    | Accepted |
| H6: Information technology significantly influences Security of Regional Government Assets through asset management | 0.442   | 0.000    | Accepted |
| H7: Managerial competence significantly influences Security of Regional Government Assets through asset management  | 0.067   | 0.177    | Rejected |

Table 11 presents the results of hypothesis testing regarding the relationships between Information Technology (IT), Managerial Competence (MC), Asset Management (AM), and the Security of Regional Government Assets (SRA) in Karo Regency Government. The findings reveal that Information Technology significantly influences asset management practices (H1 accepted), indicating its pivotal role in enhancing operational efficiency within asset management frameworks. Additionally, effective asset management positively correlates with improved security of regional government assets (H5 accepted), underscoring the importance of robust management practices in safeguarding public resources. Moreover, Information Technology indirectly enhances asset security through its influence on asset management processes (H6 accepted), highlighting its role in optimizing resource allocation and utilization. Conversely, Managerial Competence shows no statistically significant direct influence on asset management or asset security (H2, H3, H4, and H7 rejected), suggesting that while managerial skills are crucial, their impact on these specific outcomes in this context is not supported by the data. These results emphasize the critical role of Information Technology in enhancing asset

management practices and indirectly bolstering the security of regional government assets in Karo Regency.

## **DISCUSSION**

### **The effect of information technology on asset management**

The research underscores that information technology significantly influences asset management in Karo Regency, with a coefficient of 0.769, emphasizing its pivotal role in enhancing operational effectiveness. Specifically, IT's impact spans personnel (0.968), software (0.957), and hardware (0.944), highlighting the critical importance of skilled personnel.

Since 2020, Karo Regency has adopted the SIMBADA application, modeled after North Sumatera's system, serving 422 users across local government agencies to manage asset reports and as a financial database. The government's receipt of Unqualified Opinions from the Supreme Audit Agency for three consecutive years confirms SIMBADA's success in local asset management and security.

These findings align with prior research by Bharranti (2017) and Arnan (2018), demonstrating IT's direct impact on regional asset management. Studies by Azhar (2013) and Subrata (2018) further support IT's positive contribution to enhancing the quality of local asset reports.

In conclusion, leveraging IT effectively improves efficiency and reliability in local asset management. Maintaining the competence of IT personnel will be crucial for sustaining and advancing asset management practices in Karo Regency.

### **The effect of managerial competence on asset management**

The study findings reveal that managerial competence has a positive influence on asset management in Karo Regency, although this influence is not statistically significant. Analysis of the responses indicates that the level of managerial competence in asset management ranges from 3.8 to 3.59 on a 5-point scale, with compliance with regulations scoring the lowest. This suggests gaps in understanding and implementing regulations that impact asset management. Moreover, frequent job rotations result in newly appointed officials handling asset management without sufficient training.

Interestingly, these conclusions contrast with Subrata et al.'s (2018) findings, which suggest that human resource capabilities positively affect the quality of local asset reports. This implies that higher capabilities among human resources lead to improved quality in local asset reporting.

### **The effect of information technology on the security of regional government assets**

The research findings indicate that although information technology has a positive impact on regional asset security in Karo Regency, this influence is not statistically significant. Issues in hardware infrastructure, such as slow internet connections and delays in computer repairs due to a shortage of technicians, often lead to operational delays and impede timely asset reporting.

Since 2020, Karo Regency has implemented the SIMBADA application, modeled after North Sumatera's system, which is used by 422 active users across various local government agencies. Nevertheless, SIMBADA encounters usability challenges, particularly among asset managers who lack the necessary competence, especially those over 45 with limited educational backgrounds that do not support complex applications.

Organizationally, the Department of Communication and Informatics in Karo Regency is responsible for managing the information system but lacks the necessary structures within local government agencies to address specific information technology challenges. This organizational gap significantly hinders the information system's ability to effectively enhance local asset security.

In contrast, Nadia and Budiarto (2021) argue that robust information systems significantly improve asset management by streamlining data inventory and input processes across health centers. Further studies (Hullah, 2012; Karmila, 2014; Darno, 2012; Haryanto, 2013) emphasize that the effective implementation of information technology enhances the reliability and quality of financial and local asset reports, underscoring the strategic importance of information technology in strengthening local asset management practices.

### **The effect of managerial competence on the security of regional government assets**

The research findings underscore that while competency among regional assets managers positively influences security, this impact lacks statistical significance due to inadequate understanding and specific training in asset security management. This issue is compounded by frequent personnel rotations, which introduce managers without sufficient expertise in asset management and security protocols.

In Karo Regency, regional assets managers often lack proficiency in information technology, despite efforts such as modules or Zoom meetings organized by the Central Government. This deficiency impedes effective use of information system applications, particularly in reporting processes that involve personnel with varying levels of competence.

Additionally, the absence of incentives linked to reporting quality reduces managers' dedication to thorough report preparation. While some reports utilize information technology,

others rely on tools like Excel for tasks such as Depreciation Work Papers and Agency Work Papers. Moreover, managers lack comprehensive competencies needed for various reports like the RWU Asset Balance Sheet and RWU Assets Transfer.

These findings contrast with prior studies by Haryanto (2013), Andriani (2010), Wansyah (2012), and Nurillah (2014), which suggest that enhancing human resource capabilities positively impacts the quality of regional asset and financial reporting. The study emphasizes the necessity to enhance managers' understanding, skills, and capacity to improve report quality and bolster regional assets security. This perspective aligns with Bokingo et al.'s (2017) findings, highlighting the critical role of human resources in securing regional assets within government settings.

To enhance regional assets security in Karo Regency, targeted training to improve managers' competency and more effective implementation of information technology in asset management and reporting are crucial steps forward.

### **The effect of asset management on the security of regional government assets**

The research findings highlight that asset management, encompassing inventorying, bookkeeping, and reporting, significantly influences the security of regional assets. Among these aspects, thorough inventorying emerges as the most critical factor, followed by accurate bookkeeping and transparent reporting, which collectively ensure accountability.

These findings are supported by prior research. Bokingo et al. (2017) demonstrated the significant impact of human resources management, asset management, and supervision on regional asset security in the RWU of Buol District. Choiruddin et al. (2019) also affirmed that robust asset management practices, including bookkeeping, inventorying, and reporting, contribute significantly to regional asset security. This consensus aligns with studies by Mefitri (2009), Rahayu (2012), Saregar (2008), and Sarlim and Rahayu (2019), all emphasizing the positive role of effective asset management practices.

Therefore, enhancing asset management practices, particularly through rigorous inventorying, accurate bookkeeping, and transparent reporting, is crucial for optimizing the security of regional assets.

### **The effect of information technology on the security of regional government assets through asset management**

The research findings assert that Information Technology (IT) significantly influences the security of regional assets, both directly and through enhanced asset management practices.

This underscores the importance of improving IT implementation alongside refining asset management processes to bolster regional asset security.

Supporting literature corroborates these findings, highlighting IT's critical role in asset management (Bharranti, 2017; Arnan, 2018; Azhar, 2013; Subrata et al., 2018; Nadia & Budiarto, 2021). Additionally, studies emphasize that effective asset management practices are integral to enhancing regional asset security (Bokingo et al., 2017; Choiruddin et al., 2019; Mefitri, 2009; Rahayu, 2012; Saregar, 2008; Sarlim and Rahayu, 2019).

Therefore, prioritizing IT development and improving asset management practices are crucial strategies for enhancing regional asset security. These initiatives are expected to strengthen operational capabilities and ensure more effective management and protection of regional assets.

### **The effect of managerial competence on the security of regional government assets through asset management**

The research findings confirm that while asset management significantly influences the security of regional assets, managerial competence does not exert a significant direct or indirect influence on regional asset security through asset management practices. This suggests that current levels of managerial competence do not meaningfully contribute to enhancing regional asset security. Therefore, effective asset management alone may not suffice to improve regional asset security without adequate managerial competence.

Although some reports related to regional asset security already utilize information technology, such as Excel for tasks like Depreciation Work Papers and Agency Work Papers, there remains a pressing need to enhance the competence of regional asset managers in asset management and reporting. Essential reports, including the Regional Work Units (RWU) Asset Work Paper Report, Detailed Listing of Items in the Balance Sheet Report, RWU Depreciation Work Paper Report, Detailed Listing of Depreciation Items in the RWU Report, RWU Asset Balance Sheet Report, RWU Assets Transfer Report, and RWU Inventory Book, require a comprehensive understanding of regional asset management.

Therefore, additional efforts are necessary to improve the competence of regional asset managers in Karo Regency, particularly in regional asset management. Ongoing training and deeper understanding of integrated, digitally-based asset management systems are essential initiatives aimed at strengthening asset management practices and potentially enhancing the security and accountability of regional assets overall.



## CONCLUSION AND RECOMMENDATIONS

This research highlights significant findings regarding the influence of Information Technology (IT) and Managerial Competence on the management and security of regional assets in Karo Regency. IT significantly affects Asset Management but does not have a statistically significant impact on the Security of Regional Assets. Meanwhile, Managerial Competence shows a positive influence on both aspects, although not statistically significant.

Acknowledging its limitations, the study focuses exclusively on Officials in Charge of Goods and Goods Management Officials in Karo Regency, excluding auditing, assessment, and oversight by bodies such as the Supreme Audit Agency and Inspectorates. Additionally, respondents are limited to Heads of Regional Work Units responsible for managing regional assets, which restricts the diversity of perspectives.

To enhance regional asset security, strategic steps are recommended. These include regularly updating and digitizing asset management applications to improve accuracy and efficiency in recording, inventorying, and reporting. Continuous training in SIMBADA applications is also recommended to enhance administrative efficiency. Establishing a specialized IT security unit independent of Karo Regency's Information and Communication Office is crucial for overseeing asset security. Regular maintenance of IT devices and networks across Regional Work Units will help prevent operational disruptions. Furthermore, prioritizing the qualification and certification of regional asset managers, along with digitalizing inventory management, is essential for integrating monitoring, evaluation, and revenue generation from regional assets.

For future research, expanding the scope to include leadership variables as moderating factors and assessing the performance outcomes of regional asset managers could provide deeper insights. Addressing inhibiting factors such as legal constraints and organizational challenges would further refine regional asset management practices. Implementing these recommendations aims to comprehensively enhance the effectiveness and sustainability of regional asset security in Karo Regency.

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