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*Keywords:* *isomorphism, accessibility, transparency, stakeholder.*

*GJMBR-C Classification:* *JEL Code: G00*



*Strictly as per the compliance and regulations of:*



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# The Effect of Isomorphism Pressure and Accessibility of Financial Statements toward Stakeholder Trust with Financial Management Transparency as Mediation Variables (Study on Regional Government of the District/City in West Nusa Tenggara Province)

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The results showed that the application of the mechanism of institutuional isomorphism pressure had a positive and significant effect on stakeholder trust. The relationship between the accessibility of financial statements to stakeholder trusts indicates the existence of a distorter variable where initially the relationship between variables is positively related, but while the third variable is presented to be weak negative, Whill the transparency of financial management mediates the relationship between institutuional isomorphism pressure and stakeholder trust, and accessibility of financial statements shows the occurrence of a suppressor effect or classified as full mediation where the coefficient of indirect influence on the accessibility of financial statements to stakeholder trust increases or increases significantly and positively. Thus, the conclusion of this study shows that the application of isomorphism institutional pressure mechanisms, accessibility of financial statements, and financial management transparency have implications for increasing stakeholder trust. This research contributes to strengthening and proving that the concept of isomorphism institutions has characteristics that meet the expectations of stakeholders and initiate transparency.

*Keywords: isomorphism, accessibility, transparency, stakeholder.*

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## I. Introduction

The birth of legislation and government policies is a form of institutional isomorphism in government organizations (Judge 2010; Pedersen 2013). Isomorphism institutional implies that the mechanism and reporting standards of local government entities must be subject to the adoption of accounting policy practices from the central government in the form of external pressure, namely regulation. (Coser in DiMaggio and Powel 1983, 150; Godfrey, 2010). UU no. 33 of 2004 mandates that regional finance of must be managed in an orderly manner, obeying the laws and regulations, efficiently, economically, effectively, transparently, and responsibly by taking into account justice, compliance and benefits for the community. Content of the policy direction of the Grand Design of the Bureaucratic Reform of the Republic of Indonesia 2010-2025 based on PP No. 81 of 2010 aims to accelerate the realization of good governance and increase stakeholder trust by applying the principles of transparent financial *governance,* forming and refining national regulations, creating access to reports finance, resulting in a clean government bureaucracy, free from corruption, collusion and nepotisme.

Regulation of the Supreme Audit Agency (BPK) no. 1/2007 jo. Per. BPK No. 1/2017 as a national financial audit standard guide aims to encourage corruption eradication, increase transparency and accountability, improve compliance with state financial management, and increase stakeholder trust. The phenomenon of institutuional isomorphism is formally measured in the report on the results of regulatory inspections, compliance violations, historical compliance records in the last few *financial* periods/years (Delmas 2011; 2004,211;) contained in the summary of the audit results of the report. Based on the recapitulation of the findings of the examination on the financial statements of the District/City Government in the West Nusa Tenggara Province for the period



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2012-2017, there were 50.23% of non-compliance with the law and 49.77% of internal control system weaknesses. According to recommendations as much as 89%, and not as much as 11%.

The impact of not yet optimal management applying the mechanism of institutional isomorphism in its entirety in financial management, can bring up problems that consist of problems of non-compliance such as losses, potential losses, lack of acceptance and irregularities in administration, this is due to the lack of optimal drafting and implementation of financial management strategies, less the effective management of risk management and internal control is a result of weaknesses in management applying a professionalism scale. (Amiruddin 2018).

This study uses isomorphism institutional to prove that stakeholder trust through transparency in financial management can be created by the power of isomorphism with internal characteristics meeting the expectations of stakeholders and its role in initiating the implementation of financial management transparency. DiMaggio and Powell 1983; Mayer and Rowan 1977, 484; Ashworth 2009; Delmas 2011; Kaur 2015; Bakar 2016; Nyahas 2017). Trust is identified as not contrary to expectations and will increase public satisfaction with its services, while transparency in financial management is one of the benchmarks in gaining stakeholder trust. (Chua and Taylor 2008; Rawlins 2008; Park and Blenkinsopp 2011; Frumkin 2011; Martinez 2016).

Research Arya and Zhang (2009), Kaur (2015), Midin (2016), Bhimani (2016), concluded that institutional isomorphism is a driving factor in the application of transparency to meet stakeholder expectations and obtain positive public opinion. Trust with transparency is an important indicator in the relationship of satisfaction between the government and the community and to gain political, social and economic legitimacy so that the continuity of the organization of public institutions is guaranteed. The acquisition of legitimacy can be obtained with publicity, namely the way the organization runs the wheels of government and influences society, in terms of normative approach and dimensional approach. (Antonsen 1997; Pesch 2008).

Publicness is proxied by the presentation of financial statements and the accessibility of financial statements. Publicness consists of elements of public ownership, public funds, and publicness fulfilling the first two dimensions including public control/supervision and public access (Ashworth 2002: 198) on local government resource wealth management presented in financial statements to be examined by an independent institution after an internal supervisory review, and the results are conveyed to the representatives of the people and can be accessed easily which is useful as a signall to users of financial statement information and generate positive opinions from the public.

Limited access to information on financial reports presented by local governments in the province of West Nusa Tenggara and limitations on access to financial statement audit results, creates distrust and negative opinions from external stakeholders on government institutions, and creates a legitimacy of the gap between government values and community values. (www.suarapilardemokrasi.blogspot.co.id), (www. mataram.bpk.go.id ).

Local governments can gain stakeholder trust, by implementing transparency in financial management to reduce information asymmetry between internal (management) and external (community) parties through the presentation of complete and reasonable financial information and accessible to users of financial information with interest in financial statements. Pemendagri No. 13/2006 the local government must open access to stakeholders widely on information on regional financial reports. Thus the regional government must fulfill the elements of openness, ease and accesible of the community towards the information of the regional government financial reports.

Nurrizkiana research (2016) shows that the accessibility of financial statements has a positive effect on the transparency of financial management. Accessibility to financial statements also has a positive effect on stakeholders who use regional financial information. Ramadhani (2014), Mulia (2016). Unlike the results of the study Azizah (2014), Sastra (2013) shows that the accessibility of regional financial statements does not affect the transparency and accountability of regional financial management.

The main motivation of this research is based on the tendency of the characteristics of the concept of institutional isomorphism is predicted to be a variable that produces stakeholder trust. This study uses Partial Least Square (PLS) to test the partial hypothesis prediction effects and model hypotheses (Hair 2011, 248; Jogiyanto 2011, 68). Institutional isomorphism mechanism consists of three elements, namely coercive, mimetic and normative, these three elements can overlap and blend into one another, even interact with other variables, institutionalization is an institution and must be an institution (Ashworth 2009, 183; Frumkin 2004, 285; DiMaggio dan Powell 1983, 150; Peters 2000, 15), so that indicators of institutional isomorphism variables are indicated to be latent variable aggregation. (Sholihin 2013, 183-187). The difference in this study lies in the research model, the previous researchers tested the direct effect of exogenous variables on endogenous variables with estimation models, while in this study using mediating variables with predictive models. The predictions are determined by the researcher about the relationship between the expected variables. (Creswell 2010, 197).

The trust of stakeholders is the highest priority challenge in public institutions, trust is identified not

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contrary to expectations and will increase public satisfaction with its services, while transparency in financial management is one of the benchmarks in gaining stakeholder trust. Shared trust with transparency is an important indicator in the relationship of satisfaction between government and society and to gain political, social and economic legitimacy (so as)= to ensure the continuity of the organization of public institutions. Thus, the organization must adjust internal characteristics to suit the expectations of stakeholders in the institutional environment.

One of the government's efforts to gain stakeholder trust, by organizing financial management that is transparent and accountable through the process of presenting financial statements comprehensively and making it easier for stakeholders to obtain financial report information by with the needs of stakeholders. This condition will be realized by considering the comvergence of the institutional environment by utilizing the strengths of elements of institutional isomorphism as the main strength of management strategy to achieve organizational goals.

Based on the above arguments, the following problems are examined in this study:

a. Does the application of mechanisms isomorphism institutional pressure and accessibility of financial statements has a positive effect on stakeholder trust?
b. Does the application of financial management transparency mediate influence isomorphism institutional pressure and accessibility of financial statements with stakeholder trust ?

## II. Literature Review and Research Hypotheses

Institutional theory presupposes that organizations face pressure to adjust to the right form of behavior because with the existence of violations questioning the legitimacy of the organization influences its ability to protect resources and social support. (DiMaggio and Powell 1983,149; Fennell 1980; Meyer 1979; 2010). Institutional theory is more likely to be used in the public sector and is very relevant to government organizations. (Tagesson 2008; Frumkin 2014; Ashworth 2009). The process and form mechanism that is often faced by an organization is called isomorphism. (Hawley 1968). There are two types of isomorphism, namely: 1). isomorphism competitive, related to market competition, and 2). Institutional isomorphism relates to an organization competing for political support and legitimacy. Isomorphism institutional consists of three elements, namely coersive, mimetic, dan normative. (DiMaggio and Powell 1983:150).

*a) Institutional Isomorphism in Government Financial Governance in Indonesia*

Isomorphism institutions from the compliance aspect say that regulation is a form of formally accommodated part of public expectations, while informally it is difficult to measure following the uncertainty of stakeholder expectations accompanied by changes in regulation. Regulatory pressure comes from the pressure of the central government with the scope of the national scope as a guideline for the elaboration and implementation of local executive regulations / policies in the scope of the local/regional area. (Dimaggio and Powel 1983 in Amiruddin 2018). Compliance aspects consist of national regulatory pressures, executive policies and public expectations, which can be measured by the tendency of collective action, the number of complaints from the community and community trends to file a lawsuit for violations of the financial management apparatus in an institution to be followed up with an investigation. (Ashworth 2002; 2009; Godfrey 2010; Delmas and Toffel 2004; Molleda 2006; Zhu and Sarkis 2013; Henriques 1996; Chu 2017 in Amiruddin 2018). Forms of compliance with established guidelines are supported by sanctions, fines in cases of non-compliance. (Coglianese dalam Bakar 2016, 90).

Isomorphism institutional from the aspect of comvergency in response to the risk of environmental uncertainty by following other entity's best practices in financial governance which is a source of strength after executive pressure in adopting a strategic management plan to improve institutional performance. (Ashworth 2009; Doh And Goy 2006; Mizruchi and Fein 1999; Tuttle and Dillard 2007; Zhu and Sarkis 2013; Chu and Yu 2017; Jennings and Zandbergen 1995; Henriques and Sadorsky 1996; Delmas and Toffel 2004; Molleda 2006). Institutional leaders must consider relevant agency and risk objectives and establish control structures to deal with risks from the influence of external environmental factors and internal environmental factors. Risk management becomes a strategic need in determining performance improvement, optimal managed risk raises opportunities for organizations to survive and compete and to overcome uncertainty risks by comparing the performance of their institutions with other entities that are considered successful governance. Governance is a combination of processes and structures applied by management to inform, direct, manage, and monitor organizational activities in order to achieve goals. LAN BPKP (2014). The failure of the organization's goals and mission, in governance of government finances can result in distrust, in the worst conditions can cause the organization to be threatened with its operational activities.

Isomorphism institutional from the complimance aspect are related to professional standards and professional associations. Integrity and professional



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development strategies are more demanding to initiate compliance with regulations, and will be realized with a strong commitment to implementing a professional code of ethics or compliance scale applied by professional associations. (DiMaggio and Powell 1983; Ashworth 2009; Dacin 2002; Paine 1994; Molleda 2006; Nyahas 2017). In order to provide adequate confidence in the reliability of financial reporting and compliance with legislation, enforcement of integrity and ethical values, commitment to competence, delegation of authority and appropriate responsibilities, sound policies on apparatus resource development, effective supervisory role, good between agencies. (UU no.32/2004 article (129)-(135) and PP no.60/2008).

The implication of institutional isomorphism concept in this research is that the local government as a public institution acts in compliance with the regulations in determining the right decisions to meet the expectations of stakeholders, with its formal structure managing resources supported by technical and managerial capabilities controlling the risk of environmental uncertainty from external and internal environmental factors , designing financial management strategies transparently, involving stakeholders at various levels of the financial management accountability formulation, implementation and evaluation process, with the authority committed to developing professionalization to form management models "good steward " in order to realize institutional goals in order to achieve legitimacy, recognition, positive opini and produce stakeholder trust .

*b) Previous Research Review*

Previous research relevant to this research is research Pedersen (2013) This type of mixed methods research concludes that coercive isomorphism pressure affects the practice of financial reporting, the pressure of mimetic isomorphism influences to form the homogenization of financial reporting practices, the incompatibility of financial reports with regulatory standards can be caused by normative pressure problems such as lack of commitment, limited resources, misinterpretation. The pressure isomorphism institution influences the disclosure of financial statement information on the organization's website. Research Fardian (2014); Halmawati (2015); Hidayati (2015); dan Yunaz (2016) shows that the application of financial reporting transparency is positively and significantly affected by elements of institutional isomorphism. Unlike the results of the study Dewi (2015) indicates that external pressure (coersive) does not effect on transparency. Purnamasari (2015) shows that management commitment (normative) has no significant effect on the application of transparency in financial reporting. Adha (2014); Kasfauzi (2016); Maksyur (2015); shows that environmental uncertainty ( *mimetic)* does not have a significant effect on the implementation of transparency of local government financial reporting.

Results of research Yunaz (2016) shows that the adoption of transparency in financial reporting is positively and significantly affected by elements of institutional isomorphism, and recommends the accessibility of regional financial reports and the presentation of regional financial statements into the research model, while research Amiruddin et al (2018) indicates that the accessibility of financial statements negatively affects stakeholder trust .

Results of research Nurrizkiana (2016) shows that the accessibility of financial statements has a positive and significant effect on the transparency of financial management, and financial management transparency has a positive and significant effect on stakeholders trust. Then, Masyhur (2017) indicates that the accessibility of regional financial statements affects the transparency and accountability of regional financial management.

*c) Research Hypotheses*

The formulation of the hypothesis that will be tested in this study are:

*H 1:* Isomorphism Institutional Pressure has a positive and significant effect toward Stakeholders Trust.

*H 2:* Accessibility of regional financial Statements has a positive and significant effect toward stakeholder trust.

*H 3:* Transparency of regional financial management mediates the effect of isomorphism institutional pressure with stakeholder trust.

*H 4:* Transparency of financial management mediating the effect accessibility of financial statements with stakeholder trust.

Based on the concepts, literature review, and research hypothesis, the research conceptual framework is described as follows:



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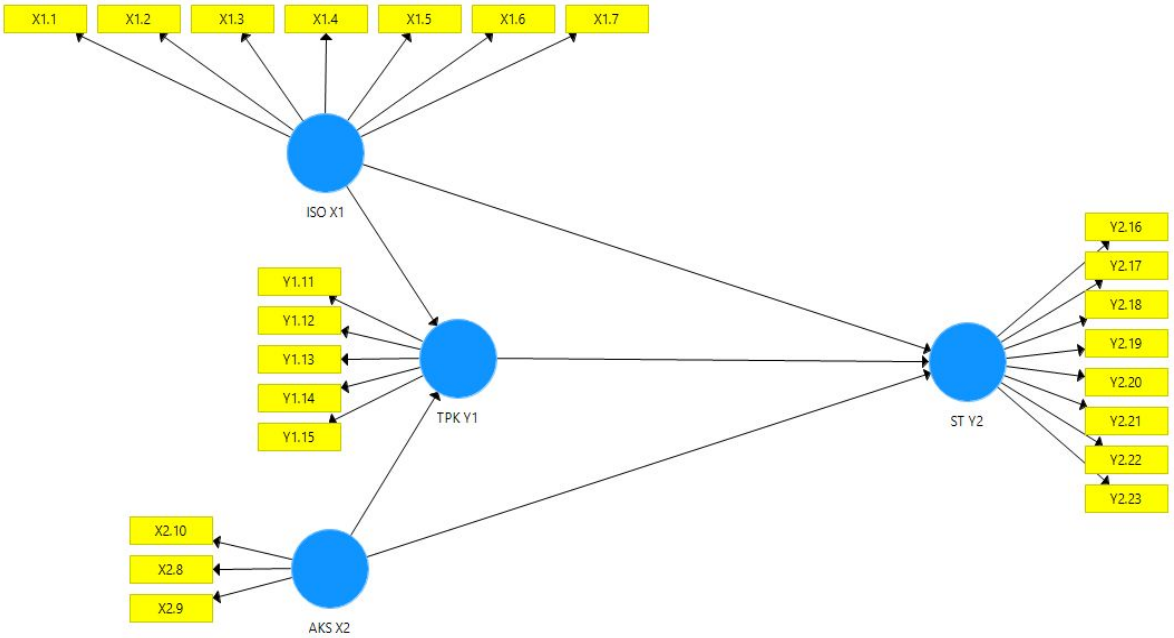


*Gambar 1:* Diagram Path *Outer Loading*

## III. Research Methods

This type of research is explanatory research with the aim to test hypotheses that state the causal relationship between two or more variables. (Sukandarrumidi 2006, 105). Some experts say this research is used to develop and refine the theory and have the credibility to measure, examine the causal relationship of two or more variables (Bungin 2005,46). The population in this study consisted of financial management officials and internal supervisory officials at the District/City Regional Governments in West Nusa Tenggara Province with a population of 1,026 people. The technique of determining the number of samples in this study uses Isaac and Michael table which produces a sample of 213 respondents. The sampling technique used is purposive sampling [judgment] sampling, which is the determination of samples using certain considerations to get a representative sample. Sugiono (2010, 122; 2016, 87). Data analysis uses Smart partial least square (Smart PLS 3.0).

*a) Operationalization and measurement of variables*

The dependent variable stakeholders trust in this study was tested using variable indicators as developed by Nurrizkiana (2016) and has been used in Amiruddin research (2018) measured using 8 (eight) indicators with 8 (eight) questions/statements adopted from Nurrizkiana research (2016). Independent variable isomorphism institutional pressure in this study was tested with variable indicators as developed from the concept (Delmas 2004; Molleda 2006) and has been used in the research of Chu and Yu (2017); Zhu and Sarkis (2007); Nyahas (2017); Amiruddin (2018); measured using 7 (seven) variable indicators and 7 questions/statements adopted and modified from Nyahas (2017) and Ridha (2012). Independent variables of accessibility of financial statements are measured using 3 indicators as developed by Sande (2013) used in Nurrizkiana study (2016) using 3 (three) questions/statements adopted from Sande (2013) research. The intervening variables of regional financial management transparency in this study were measured using 5 (five) indicators as used in the research of Ramadhani (2011); Nurrizkiana (2016) using 5 (five) questions/statements adopted from Nurrizkiana research (2016).

## IV. Results and Discussion

*a) Descriptive Analysis*

This study uses primary data obtained through a list of questions and statements (questionnaires) distributed to financial management officials in 5 (five) regency/city governments in the province of West Nusa Tenggara. Of the 213 questionnaires distributed to respondents, 168 questionnaires were returned or with a response rate of 78.87%. Of these, all questionnaires have been filled in completely so that they can be processed statistically.

In general, respondents were dominated by officials with a male gender of 75.60%. From age, respondents are dominated by financial management officials and auditors with a productive age between 36-45 years with a percentage of 52.38%, in carrying out roles as financial managers and auditors, productive age will be more needed considering the implementation of very complex tasks, respondents



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dominated officials experienced in regional financial managers with a percentage of 72.62%. Based on education the majority of respondents have an adequate level of education as financial managers and auditors.

Before testing the hypothesis, the first evaluation of the research model (outer model) to see the validity and reliability of the variable indicators used in the study, variable indicators were evaluated using convergent validity and discriminant validity, while for reliability testing the research instrument used composite reliability and cronbach alpha. Furthermore, evaluation and testing of the structural model or inner model serves to test the ability of model predictions and test hypotheses between latent variables.

*Tabel 4.1:* Nilai Composite Reliability

| Variabel | Composite Reliability | Keterangan |
|---|---|---|
| X1 ISO | 0.801 | Reliabel |
| X2 AKS | 0.918 | Reliabel |
| Y1 TPK | 0.840 | Reliabel |
| Y2 ST | 0.902 | Reliabel |

It is known that the value of variable reliability composite is above the minimum value of 0.7. The value of a construct composite reliability is said to be reliable if the composite reliability value is greater than 0.7 (Hair et al. 2014:107), the test results show that each variable has adequate accuracy and consistency. The composite reliability test results indicate the reliability of a measuring instrument in obtaining consistent test results. Test composite reliability is the last step to ensure that the measurement of the outer model has no problem. The construct can be continued with the next test because each variable has been reliable or meets the composite reliability criteria.

*b) Structural Model Evaluation and Testing (Inner Model)*

i. *Determinant coefficient (R2)*

Determinant coefficient (R2) is used to measure model accuracy or measure the accuracy of model predictions. In other words R2 is used to explain the ability of exogenous variables to influence endogenous variables. The coefficient of determination is used to predict how much influence the influence of exogenous variables on endogenous variables. R2 values of 0.75, 0.50 and 0.25 are categorized as models for strong, medium and weak. The R2 value of this study is presented in Table 4.2 below:

*Table 4.2:* Coefficient of Value Determinants

| Construct | R Square | Category |
|---|---|---|
| Y1 TPK | **0.592** | Moderate |
| Y2 ST | **0.367** | Weak |

*Sumber: SmartPLS Output*

It is known that the R2 value for the financial management transparency construct (Y1 TPK) is 0.592 or in the moderate/moderate category. These results indicate that the construct of isomorphism institutional pressure (X1 ISO), and accessibility of financial statements (X2 AKS) is able to explain financial management transparency variables (Y1 TPK) 59%. While the remaining 41% is explained by other variables outside this research.

Furthermore, the construct of stakeholder trust (Y2 ST) has a R2 value of 0.367 or in the weak category. This means that the financial management transparency variable (Y1 TPK) is able to explain the stakeholder trust (ST) variable by 36.7%. While the remaining 64.3% is explained by other variables outside this study.

*c) Predictive relevance (Q2)*

The relevance of predictive tests carried out to assess the relevance possessed by exogenous variables. The exogenous latent variable has relevance if the Q2 value approaches 1. While Q2 < 0, the exogenous latent variable does not have a predictive value of relevance. Q2 can be obtained from blindfolding as shown in Table 4.3 below:

*Table 4.3:* Predictive Relevance Value (Q2)

| | SSO | SSE | $Q^2$ (=1-SSE/SSO) |
|---|---|---|---|
| Y1 TPK | 2,960.000 | 2,213.423 | 0.252 |
| Y2 ST | 4,736.000 | 3,837.959 | 0.190 |

*Sumber: output SmartPLS*



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Based on the results of blindfolding in Table 4.3 above shows that the value of Q2 > 0. So it can be explained that the model in this study has predictive relevance or is feasible to explain endogenous variables. Besides that the $Q^2$ value can be obtained by the following calculation:

$Q^2 = 1- (1-R1^2) (1-R2^2)$

$Q^2 = 1- (1-0,592^2) (1-0,367^2)$

$Q^2 = 1- (0,649) (0,865)$

$Q^2 = 0,438$

The value of $Q^2 > 0$ means that the model developed has relevant predictive, this indicates that the model in this study has predictive or feasible relevance to explaining endogenous variables.

*d) Hypothesis testing*

Hypothesis testing is done by bootstrapping method to determine the path coefficient value. Taking into account the T-table value for one-tailed test with alpha 5% is 1.64 hypothesis testing is presented in Table 4.4.1 below:

*Tabel 4.4.1:* Summary of Test Results for Total Prediction Effects (Total Effect)

| | Original Sample (O) | T statistics (O / STDEV) | T table | P Value | Conclusion |
|---|---|---|---|---|---|
| X1 ISO -> Y1 TPK | 0.115 | 2.437 | 1.64 | 0.008 | accepted |
| X1 ISO -> Y2 ST | 0.449 | 7.479 | 1,64 | 0.000 | accepted |
| X2 AKS -> Y1 TPK | 0.719 | 17.194 | 1,64 | 0.000 | accepted |
| X2 AKS -> Y2 ST | 0.262 | 4.533 | 1,64 | 0.000 | accepted |
| Y1 TPK -> Y2 ST | 0.366 | 3.657 | 1,64 | 0.000 | accepted |

*Sumber: Output SmartPLS*

*Tabel 4.4.2:* Summary of Direct Effects Hypothesis Testing Results

| | Original Sample (O) | T statistics (O / STDEV) | T table | P Value | Conclusion |
|---|---|---|---|---|---|
| X1 ISO -> Y1 TPK | 0.115 | 2.437 | 1.64 | 0.008 | accepted |
| X1 ISO -> Y2 ST | 0.406 | 6.582 | 1,64 | 0.000 | accepted |
| X2 AKS -> Y1 TPK | 0.719 | 17.194 | 1,64 | 0.000 | accepted |
| X2 AKS -> Y2 ST | -0.001 | 0.010 | 1,64 | 0.496 | rejected |
| Y1 TPK -> Y2 ST | 0.366 | 3.657 | 1,64 | 0.000 | accepted |

*Sumber: Output SmartPLS*

*Tabel 4.4.3:* Summary of Indirect/Mediation Effect Hypothesis Testing Results

| | Original Sample (O) | T statistics (O / STDEV) | T table | P Value | Conclusion |
|---|---|---|---|---|---|
| X1 ISO -> Y1 TPK -> Y2 ST | 0.042 | 2.062 | 1.64 | 0.020 | accepted |
| X2 AKS -> Y1 TPK -> Y2 ST | 0.263 | 3.586 | 1,64 | 0.000 | accepted |

*Sumber: Output SmartPLS*

Based on Table 4.4.1, the results of testing the hypothesis for direct influence are as follows:

a. Table 4.4.2, shows that the first hypothesis that states that isomorphism institutional pressure (ISO) has a positive effect on stakeholder trust (ST), results in a path coefficient value of 0.406. Hypothesis test results show that the path coefficient is institutional pressure isomorphism (ISO) with stakeholder trust (ST), has a T statistics value (6.582) > T-Table (1.64), Palues (0.000) with a significance of 5% (one tailed). These results indicate that isomorphism institutional pressure (ISO) has a positive effect on stakeholder trust (ST) and is significant. The positive influence of institutional pressure isomorphism on stakeholder trust means that an increased emphasis on the implementation of institutional isomorphism mechanism will be followed by an increase in



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stakeholder trust, and conversely a decrease or weak emphasis on the application of institutional isomorphism mechanism will be followed by a decrease in stakeholder trust at a significance level of 0,000. So it can be concluded that hypothesis 1 (one) is accepted.

b. The results of the second hypothesis test that states the accessibility of financial statements (AKS) have a positive effect on stakeholder trust (ST) resulting in a path coefficient value of -0.001. The hypothesis shows that the path coefficient between accessibility of financial statements (AKS) and stakeholder trust (ST) has a value of T-statistics 0.010 < T-Table (1.64), P values (0.496) with a significance of 5% (one tailed), indicating that accessibility financial statements (AKS) have a negative or negative effect that is not significant to stakeholder trust (ST). While the total effect value produces a value of 0.262. The hypothesis shows that the accessibility of financial statements (AKS) with stakeholder trust (ST) has a value of T-statistics 4,533 > T-Table (1,64), P Values (0,000) with a significance of 5% (one tailed), indicating that the accessibility of financial statements (AKS) has a positive and significant effect on stakeholder trust (ST).

This test results indicate a variable distorter, where initially the relationship between the independent variable (AKS) and the dependent variable (ST) is a positive relationship, but when the third variable (TPK) is presented the relationship becomes weakly negative (Prasetyo and Jannah 2002,71; Abdillah and Jugiyanto 2011, 225-239), by looking at the total effect value (Table 4.4.1), this condition is a desirable condition and a suppressor effect is indicated. The negative influence of the accessibility of relatively small financial statements on stakeholder trust means that the increased accessibility of financial statements will be followed by an increase in stakeholder trust, and vice versa, a decrease or weak accessibility of financial statements will be followed by a decrease in stakeholder trust, and even a negative effect on the significance level of 0.496. So that it can be concluded that hypothesis 2 (two) is accepted.

The results of the analysis of the direct influence on stakeholder trust shows that the direct effect coefficient of institutional pressure isomorphism (ISO) on stakeholder trust is 0.406. These results are greater than the direct coefficient of accessibility of financial statement accessibility to stakeholder trusts of -0.001. Likewise, the direct influence of financial management transparency (TPK) on stakeholder trust (ST) shows a path coefficient of 0.366, a path coefficient with T statistics value of 3,657 > T-Table (1,64), P Values (0,000) with a 5% significance (one tailed), shows that Financial Management Transparency TPK) has a positive and significant effect on stakeholder trust (ST). Thus, it can be concluded that the emphasis on the implementation of an optimal institutional isomorphism mechanism is more powerful in producing stakeholder trust than the accessibility of financial statements and transparency in financial management.

Based on Table 4.4.2 and Table 4.4.3, the results of testing the hypothesis for indirect effects (mediation) are as follows:

c. The results of the third hypothesis testing that financial management transparency (TPK) mediates the relationship of isomorphism institutional pressure (ISO) with stakeholder trust (ST) produces a coefficient of 0.042 with T-statistics (2.062) > T-Table (1.64), P (0.020) with a significance of 5% (one tailed). This means that the hypothesis 3 (three) is accepted. The test results in Table 4.4.2 show the direct coefficient of isomorphism institutional pressure on stakeholder trust of 0.406 and significant. The indirect effect coefficient of isomorphism institutional pressure on stakeholder trust in Table 4.4.3 drops to 0.042 and is significant. These results show partial mediation and almost no mediation because it has VAF below 20%. This shows that to produce increased stakeholder trust, local government management as the reporting entity and accounting entity must increase transparency in financial management, because stakeholder trust can also be generated through the implementation of financial management transparency.

d. The result of the fourth hypothesis which states that financial management transparency (TPK) mediates the relationship of accessibility of financial statements (AKS) with stakeholder trust (ST) produces a coefficient of 0.263 with T-statistics (3.586) > T-Table (1.64), P (0,000) with a significance of 5% (one tailed). This means that the hypothesis 4 (four) is accepted. The test results in Table 4.4.2 show the direct influence coefficient of financial statement accessibility to stakeholder trust of 0,001 and become weak negative. The coefficient of indirect influence of financial report accessibility to stakeholder trust in Table 4.4.3 rises to 0.263 or increased and positively significant indicates the occurrence of suppressor effect or classified as full mediation. This shows that to produce increased stakeholder trust, local government management as the reporting entity and accounting entity in carrying out the accessibility of financial reporting must pay attention to and improve the application of the principles of transparency in financial management, because stakeholder trust is also generated through the implementation of financial management



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transparency, accessibility without transparency will result negative opinions and are mere mere formality.

Mediation testing can also be done by looking at the Variance Accounted for (VAF) value. VAF > 80% means that there is full mediation, 20%≤ VAF ≤ 80% means partial mediation, VAF < 20% means no mediation (Hair et.al, 2013: 224). From the test results, TPK has a mediating effect in the research model with status as no mediation, because the VAF value is in the range of < 20%, which is 0.0%. This means that TPK only gives a mediating effect of 0% on the influence of ISO variables on ST, whereas on the effect of AKS variables on ST there is a TPK mediation of 100% or a suppressor effect and categorized as full mediation.

## V. Discussion

Hypothesis 1 (one) which states that isomorphism institutional pressure has a positive effect on increasing stakeholder trust. That is, that the prediction of the effect of applying institutional pressure isomorphism mechanism on stakeholder trust has been proven positively and significantly. This shows that the increasing emphasis on the application of institutional isomorphism mechanisms in the District/City Regional Government entities in the West Nusa Tenggara Province has an effect on increasing stakeholder trust. Judging from the results of the research and respondents' answer analysis, the emphasis on the application of institutional isomorphism mechanisms in the West Nusa Tenggara Province as a whole has been good although there are still some elements of institutional isomorphism that have not been optimally implemented.

Based on the results of data analysis, the direct influence coefficient of exogenous variable isomorphism institutional pressure is proven to influence stakeholder trust. This proves that the application of institutional pressure isomorphism mechanism in district/city governments in the West Nusa Tenggara Province is able to influence stakeholder trust. It is proven by the fact that the application of isomorphism mechanism in the implementation of quality financial report information results in a positive opinion on the financial statements of regional governments in the region of West Nusa Tenggara Province with the title of Unqualified Opinion (WTP).

The results of this study provide evidence and contribute to supporting and strengthening the concept of isomorphism institutional with its internal characteristics meeting the expectations of stakeholders with regulations and limits of management norms that are considered acceptable as defined in the concept (DiMaggio and Powel, 1983; Mayer and Rowan, 1977:484). With the fulfillment of the expectations of stakeholders, stakeholder trust in local government entities is increasing. The more capable local government management entities carry out their functions by applying elements of the mechanism of isomorphism in regional financial management, it will result in increased stakeholder trust in local government institutions.

The results of this hypothesis test are in line with the results of the study Bhimani (2016) which shows that institutional isomorphism is positively related to stakeholder expectations. Then Arya and Zhang (2009), Kaur (2015), Midin (2016), concluded that elements of institutional isomorphism were the main driving factors in meeting stakeholder expectations and gaining positive public opinion. And support opinions Ashworth (2009:165) which states that alternative views offered by institutional theory with the main objective of organizational change is not a better substantive performance, but greater legitimacy. As well as the results of this study provide empirical evidence about indications of institutional isomorphism characteristics that are predicted to influence stakeholder trust as defined and supported Mayer and Rowan (1977:484) in concept DiMaggio and Powell (1983).

The results of this study illustrate that the stronger the emphasis on applying institutional isomorphism mechanisms to local government institutions, the more it will increase stakeholder trust. Thus, it is important for local governments in West Nusa Tenggara Province to improve the implementation of institutional isomorphism mechanisms that are realized by compliance with legislation, improve the implementation of internal control systems and the application of risk management governance in overcoming environmental uncertainty, as well as committing to the enforcement of a code of ethics. And professional development so as to further strengthen the institution in meeting expectations and gaining the trust of stakeholders (stakeholder trust).

Variable institutional pressure isomorphism in this study is the ability or ability to apply elements of an institutional mechanism consisting of coercive which emphasizes compliance with external pressure (regulation) with proxy compliance with legislation, mimetic suggests comvergence to environmental uncertainty conditions overcome by proxy the effectiveness of the internal control system and risk management governance, normative implies the existence of complimence management committed to applying a professionalism scale to shape the management model “good steward”. This is related to the management and placement of good resources if it is not supported by reliable organizational personnel, the goals of the organization will not be achieved in meeting the expectations of stakeholders.

Thus, professional development and insights from financial managers must also be increased, the personnel involved must be sensitive to any changes



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both from regulations, policies and financial management applications or influences that arise from conditions of environmental uncertainty, so it is necessary to conduct training, comparative studies or reconciliation periodically to be able to meet the demands of stakeholder expectations that will result in increased stakeholder trust in the local government.

Institutional theory predicts that government institutions as reporting entities will become more similar because of institutional pressure, both due to coercive, normative, and mimetic (Di Maggio dan Powell, 1983). Coercive isomorphism always associated with all things connected with the environment around the organization. Isomorphism coercive is the result of formal and informal pressure given to institutions by other organizations where the organization depends on the cultural expectations of the community in which the organization functions (Di Maggio dan Powell, 1983). Mimetic isomorphism is an organization's tendency to model itself on the behavior of other organizations (DiMaggio dan Powell, 1983) emerged as a response to the uncertainties (Mizruchi dan Fein, 1999) will be a certain standard. Mimetic isomorphism includes benchmarking and identifying best practices in the field (Tuttle dan Dillard, 2007).

Uncertainty can be caused by various things outside the organization, such as rapid changes in regulation within a certain time span, the existence of different rules from one another, and so on. Di Maggio and Powell (1983) stated that normative Isomorphism is related to professionalism. Institutional changes can have an impact on the character's character and organizational integrity (Dacin et al, 2002). Paine (1994) stated that the integrity strategy is something broader, deeper, and more demanding than legal compliance initiatives. Compliance with laws and regulations will be realized if followed by a strong management commitment.

New institutional theory presupposes that organizations face the pressure to adjust to the right form of behavior, because with the existence of violations questioning the legitimacy of the organization influences its ability to protect resources and social support. (Meyer 1979, 2010; Fennell 1980; DiMaggio and Powell 1983:149). DiMaggio and Powell, states that the process and form mechanisms that are often faced by organizations are referred to as "institutional isomorphism", the best concept in capturing the homogenization process . (Rachel 2005; Pilcher 2007; Hawley 1968). DiMaggio and Powell (1983:150) describe isomorphism is an inhibiting process that forces one unit in a population to resemble another unit in the face of the same environmental conditions. Thus, it is identified that institutional isomorphism in public sector accounting is a unified process and mechanism that must be applied by the accounting entity unit in a single entity reporting entity similar to other reporting entities in the face of the same environmental conditions on the basis of compliance, comvergence, and complimance pressure, and through publicness of financial reporting in order to realize the principle of transparency in financial management to meet the expectations of stakeholders and generate trust.

Hypothesis 2 (two) which states the accessibility of financial statements has a positive effect on increasing stakeholder trust received. That is, that the prediction of the effect of accessibility of financial statements on stakeholder trusts is proven positively and significantly. This shows that the better the accessibility of financial statements to the entities of the District/City Government in the West Nusa Tenggara Province has an effect on increasing stakeholder trust. Judging from the results of the research and the respondents' answers analysis, the accessibility of the Local Government's financial statements in the West Nusa Tenggara Province as a whole has been good, but the accessibility of financial statements is not enough to satisfy users of financial information, this indicates the influence of other variables/confounding variables (variable distortions) that will support increasing stakeholder satisfaction to generate trust. This is evident from the results of the second hypothesis test which states the accessibility of financial statements (AKS) has a positive effect on stakeholder trust (ST) resulting in a path coefficient value of -0.001. The hypothesis shows that the path coefficient between accessibility of financial statements (AKS) and stakeholder trust (ST) has a value of T-statistics 0.010 < T-Table (1.64), P values (0.496) with a significance of 5% (one tailed), indicating that accessibility financial statements (AKS) have a negative but not significant effect on stakeholder trust (ST). The negative influence of the accessibility of relatively small financial statements on stakeholder trust means that the increased accessibility of financial statements will be followed by an increase in stakeholder trust, and vice versa, a decrease or weak accessibility of financial statements will be followed by a decrease in stakeholder trust, and even a negative effect on the significance level of 0.496. But by entering the total effect value as a comparison (Abdillah and Jugiyanto 2011,230) the total effect value produces a value of 0.262 hypothesis shows that the accessibility of financial statements (AKS) with stakeholder trust (ST) has a value of T-statistics 4,533 > T-Table (1,64), P Values (0,000) with 5% significance (one tailed ), shows that the accessibility of financial statements (AKS) has a positive and significant effect on stakeholder trust (ST).

Isomorphism institutional states that publicness is related in the context of the need for public opinion support and social and political legitimacy with the assumption that institutional management informs the public as a legitimate and feasible reporting entity to be supported in making appropriate decisions in financial management so that the sustainability of the institution's

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operational activities as reporting entities can survive. Ashworth (2002, 2009). These conditions can be realized by reducing the information asymmetry between the government, politicians and the people, publishing financial statement information that has been audited by an independent institution with the implication of the more reliable financial statements, the better the opinions obtained and gain stakeholder trust.

The concept of isomorphism is in line with the signaling theory, stewardship theory and concepts publicness, who explained that the government institution as the party that was given the mandate from the people, wanted to show a signal to the community. The government will signal to the community by providing quality financial reports, the local government can package achievement information and financial performance more fully to show that the local government has carried out its mandate. The responsibility shown by the local government as the recipient of the mandate (steward) not only in the form of a complete and reasonable presentation of financial statements, but also on how they are able to open access and disclose financial statements for stakeholders with an interest in the financial statements. Local governments as agents will avoid the risk of mistrust public-stakeholders towards their performance. (Safitri 2009).

Accessibility of financial statements is an ease for someone to obtain information about financial statements. The use of effective financial information depends on public access to financial statements that can be read and understood (Nordiawan 2010). The community as a party that gives confidence to the government to manage public finances has the right to get government financial information to evaluate the government (Mardiasmo 2002). The easier it is for people to access regional financial reports, the more transparent and accountable the management of regional finances by agents who have been chosen by the people (principal).

Based on the results of statistical tests showed the second hypothesis which states that the accessibility of financial statements has a positive effect on stakeholder trust, accepted. The results of the study are in line with the results of Nurrizkiana research (2016), Mulia (2016) and Ramadhani (2013) which discloses the accessibility of financial statements affecting stakeholder trust. And the results of this study are not in line with the results of the study Azizah (2017) which reveals that the accessibility of financial statements does not have a significant effect on the accountability of regional financial management, it is suspected that financial reports are published in the mass media provide adequate confidence and completeness of information regarding regional finances. In addition, it is suspected that the local government only publishes information related to financial reports and government performance only through the internet, while in other media it is less effective. finance to obtain information.

The results of this study support the signaling theory and asymmetry theory which states that the existence of information asymmetry allows conflicts between the principal and agent to try to use other parties for their own sake, information asymmetry between managers and outsiders, managers have more complete information about the entity's financial condition is compared with outsiders, thus the regional government must continue to strive to open access to stakeholders who use financial statement information to gain trust. This condition is supported by the concept of isomorphism institutional which tends to meet external needs and expectations or social expectations or expectations factors, confidence in public institutions is enhanced through legislation, standards and administrative regulations relating to the provision of services and information. External pressure from stakeholders forces institutions to improve organizational performance through the legal system and mass media. Zhu and Sarkisz (2013).

Institutional pressure tends to develop where measurement or control is weak or inappropriate, ie where accountability is low. This low level of accountability illustrates the low desire of public organizations to implement transparency of financial reporting. The absence of public transparency will have a very wide negative impact and can harm the community. The negative impact that will arise due to lack of transparency is that it can cause distortion in the allocation of resources, bring injustice to the community, enrich corrupt practices, abuse of authority and power. (Frumkin dan Galaskiewicz, 2004).

Based on the results of data analysis, the direct influence coefficient of exogenous variables on financial management transparency can increase stakeholder trust in the District/City Regional Governments in the West Nusa Tenggara Province. That is, that the prediction of the direct influence of the transparency of financial management on stakeholder trust is proven positively and significantly. This shows that the more transparent financial management of district/municipal government entities in the province of West Nusa Tenggara has an effect on increasing stakeholder trust, then financial management transparency will be predicted to mediate the influence of institutional pressure isomorphism on stakeholder trust.

The fulfillment of the elements of the preconditions for the implementation of transparency in financial management indicates that the local government entity has carried out the mandate of the Inpres no. 4 of 2011 which is part of the direction of the Grand Design of Bureaucratic Reform policy 2010- 2025 stipulated by Peraturan Pemerintah no. 81 of 2010 in an effort to accelerate the realization of good government governance so as to increase public trust in the



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government by creating transparent financial management, establishing and improving regulations, presenting financial statements in accordance with government accounting standards and open access to financial statements. The results of this study support the research Nurrizkiana (2016) which shows that the transparency of regional financial management has a positive and significant impact on public-stakeholder trust.

Hypothesis 3 (three) which states the transparency of financial management mediates the effect of institutional pressure isomorphism on stakeholder trust received. That is, that the prediction of the implementation of financial management transparency is able to relate the influence between the application of institutional pressure isomorphism mechanisms to stakeholder trusts to be proven positively and significantly.

This shows that the application of institutional isomorphism mechanisms in the District/City Regional Government entities in the West Nusa Tenggara Province has been good enough to be able to apply the principles of financial management transparency which ultimately have an impact on stakeholder trust. That is, transparency in financial management can be applied well if it is supported by the application of institutional isomorphism mechanisms that will provide opportunities for entities of local government entities to increase stakeholder trust.

Judging from the results of research and analysis of respondents' answers, the application of transparency in financial management to the District/City Regional Governments in the West Nusa Tenggara Province as a whole has been quite good, although there are still several stages that have not been optimally implemented. stakeholders at each stage which includes planning, implementing, administering, reporting, accountability and regional financial supervision.

The results of this research hypothesis test provide evidence and contribute to supporting and strengthening the concept of isomorphism institutional which states that stakeholder involvement initiatives, as well as the nature and level of involvement are influenced by external institutional factors such as legislation and internal factors such as management commitment, elements of isomorphism trigger implementation financial management transparency. (Kaur 2015; Nyahas 2017). The Government has attempted to launch several laws, regulations and standards, aiming to improve disclosure of financial management information. Pressure on isomorphism arises from various stakeholders with an interest in financial reporting information. The important objective is to establish regulations and regulations of government policies to reduce corruption and increase citizen satisfaction, the relationship between corruption and citizen satisfaction is moderated by transparency and partly mediated by trust. Blenkinsoop (2011). Chua and Taylor (2008).

The fulfillment of the elements of the implementation stage of the transparency of financial management indicates that the local government entity has carried out the mandate Per.BPK no.1/2017 and meeting the national financial audit standards that are useful in increasing transparency and accountability, compliance and increasing public trust in the management of state finances. Ferrary (2013) stated that the purpose of the law was to encourage and guarantee transparency in financial management.

The results of this study support the research Ridha (2012), Fardian (2014), Halmawati (2015), Hidayati (2015), Yunaz (2016), shows that the application of transparency in financial reporting is positively and significantly affected by the pressure of institutional elements of isomorphism (coersive, mimetic and normative). As well as supporting research Midin (2016) shows that the role of institutional isomorphism in the disclosure of information to stakeholders influences increasing transparency in the public sector, and research Rawlins (2008) provide strong evidence that trust and transparency are positively related.

Based on the results of value testing variance accounted for (VAF) Financial management transparency provides a mediating effect that is classified as partial mediation between the relationship between institutional pressure isomorphism and stakeholder trust. This means that the independent variable is the institutional pressure isomorphism can directly influence the stakeholder variable trust without having to go through/involve the financial management transparency mediator variables, and/or also the independent variable institutional pressure isomorphism can also involve/involve the mediator of financial management transparency variables.

The results support the new institutional theory which states that the pressure of isomorphism arises from various stakeholders to reduce corruption and increase citizen satisfaction, the relationship between corruption and citizen satisfaction is moderated by transparency and partly mediated by trust. Blenkinsoop (2011). The concept of isomorphism with its characteristics meets the expectations of stakeholders proven to be able to directly influence stakeholder trust without going through mediation, while the presence of partial mediating effects of financial management transparency supports the assumption of research results Ridha (2012:19) which indicates that co-effective isomorphism acts as a trigger for the implementation of financial reporting transparency that requires management's commitment to succeed.

Hypothesis 4 (four) which states the transparency of financial management mediates the influence of the accessibility of financial statements to

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stakeholders trust is accepted. That is, that the prediction of the transparency of financial management mediates the influence of the accessibility of financial statements to stakeholder trust is proven positively and significantly. This shows that the District/City Regional Governments in the West Nusa Tenggara Province are able to apply the principles of financial management transparency so that the accessibility of financial statements results in increased stakeholder trust. That is, transparency in financial management supports access to complete financial statement information to users of financial information so as to produce stakeholder trust.

Hypothesis testing results support the assumption of the concept of isomorphism institutional which states that meeting the expectations of stakeholders for the implementation of financial management transparency is triggered by isomorphism institutional. (Arya and Zhang 2009; Kaur 2015). Isomorphism plays a relatively more important role in the application of accountability standards. (Delmas 2011; Bakar 2016), pressure isomorphism plays a role in the practice of financial reporting (Pedersen 2013; Chua 2008; Jang 2005; Judge 2010). The regional government as a public institution must comply with the pressure from stakeholders in taking responsibility for regional financial management. Accounting as an institutional practice explores the relationship between institutions and transparency and accountability. Financial accounting and reporting aims to reflect organizational transparency towards stakeholders, organizations involve stakeholders to increase trust, transparency and accountability. (Beck 2010). Stakeholder involvement in the accounting process and financial reporting to ensure the results of the accounting and reporting process are relevant to stakeholders. The financial accounting and reporting process aims to reflect transparency and is a collaborative process between organizations and stakeholders. (Olesson 2012), failure to engage and fulfill the expectations of stakeholders can weaken the credibility and suitability of financial statements.

The results of this study support the signaling theory and stewardship theory which states that the management as a trustworthy, integrity, honest steward to other parties and responsible, the stewards are not motivated by individual goals but rather aimed at their main objectives for the benefit of the organization in line with isomorphism institutional pressure is a mechanism that must be applied to achieve the goals set by the institution. The stewards of the local government who were given the mandate by the people wanted to show a positive signal to the community. Local governments provide signals by presenting transparent financial reports by providing access to financial statements. Local governments can package achievement information and financial performance more fully to show that the local government has carried out the mandate well.

The results of this study support the results of Nurrizkiana (2016) study which revealed that accessibility has a positive and significant effect on the transparency of financial management and transparency of financial management influences stakeholder trust. The support of the results of this study is predicted because the respondents used have the same characteristics as this research, namely financial managers in local governments. Research conducted by Nurrizkiana (2016) positioned the transparency of financial management as an endogenous variable. In this study, financial management transparency was positioned as an intervening/mediating variable. The results of the study are also in line with the results of research by Rahmawati (2013) which revealed that transparency has a positive effect on satisfaction and trust.

The results of the study illustrate that the accessibility of financial statements will influence stakeholder trust through transparency in financial management. For this reason, it is important for local governments to commit to improving transparency of financial statements through the provision of information systems, publication of financial reports and the provision of performance information and ensuring the accessibility of financial statements covering aspects of transparency, convenience and accessibility.

The results of the study support the concept of isomorphism which states that for survival, legitimacy needs, and public opinion of local government entities must be able to convince the public that a legitimate entity is feasible to be supported in financial management by means of organizational publicity or publishing information that has been packaged with achievements and performance so that the public believes that the local government institutions have made the right decisions in the management of regional finances. The pressure of institutional isomorphism requires entities to disclose financial information to stakeholders. Pedersen (2013). Transparency is one of the values or principles that the government must implement in financial management. Management will gain legitimacy, stability and resources if it is in line with what is expected by the community. Meyer and Rowan (1977) community expectations for the government embody good government governance.

Thus, the hypothesis 4 (four) which states the transparency of financial management mediates the influence of the accessibility of financial statements to stakeholder trust is accepted. That is, the transparency of financial management is a variable that is able to bridge the influence of the accessibility of financial statements to stakeholder trust. These results can be explained from the results of hypothesis testing, accessibility of financial statements directly affect



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stakeholder trust and positive significant, and a weak negative influence indicates the existence of variable distortors, where initially the relationship between accessibility variables of financial statements and stakeholder trust variables is a positive relationship, but when presented the transparency variable of financial management of the relationship to be weak negative (Prasetyo and Jannah 2002,71; Abdillah and Jugiyanto 2011, 225-239), by looking at the total effect value (Tabel 4.4.1) then this condition is a desired condition even indicated suppressor effect. Then the indirect effect of the accessibility of financial statements on stakeholder trust and significant positive, and seen from the magnitude of the mediation effect given from the mediator variable control, so that it can be concluded that there is a full mediation effect. This means that the accessibility of financial statements cannot directly influence stakeholder trust without mediating financial management transparency. Thus, access to information on financial statements presented will have an effect on increasing stakeholder trust by applying the principle of transparency in financial management so as to produce accountable financial management accountability.

## VI. Conclusions and Suggestions for Future Research

The results showed that isomorphism institutional pressure had a positive and significant effect on stakeholder trust. This means that the increasing emphasis on the application of institutional isomorphism mechanisms will have an effect on increasing stakeholder trust. While the accessibility of financial statements has a positive and significant effect on stakeholder trust. This means that access to information on financial statements has the potential to have a positive influence on increasing stakeholder trust. This study proves that financial management transparency mediates partially the relationship between isomorphism institutional pressure and stakeholder trust. This means that the application of institutional isomorphism mechanisms along with the implementation of financial management transparency will have an impact on the increasing stakeholder trust. This study also proves that financial management transparency fully mediates the relationship between financial statement accessibility and stakeholder trust. This means that the better access to financial statements along with the implementation of financial management transparency will have an impact on the increasing stakeholder trust.

Researchers realize that this study still has some limitations that can influence the results of the study. These limitations are:

1. From the results of the loading factor test related to each indicator in this study there are several indicators that do not meet the convergent validity test. This can occur due to several things, one of which is because the statements in the questionnaire tend to be normative and less able to describe the indicators in this study. Therefore, the researcher can then modify the statement on the questionnaire to be more easily understood and can better describe the indicators..
2. The results of statistical tests regarding the direct effect of exogenous variables on endogenous variables indicate that the R-square value is in the weak category. Therefore, further research is to increase the number of samples to obtain predictive results with high variance and it is recommended to use a standard sample size in the estimation model to be used in PLS so as to produce better predictive effects, and increase the validity and reliability test parameters more conservative to produce predictive effects and high R2 (Jugiyanto 2011; 127). Future research can also explore other factors (exogenous variables) that are predicted to influence stakeholder trust. This study uses transparency of financial management as an intervening variable, in subsequent studies can re-test using other variable indicators such as indicators of transparency of financial reporting as intervening variables on the basis of institutional theory.
3. In this study only involves internal stakeholders, while users of financial statements consist of internal stakeholders and external stakeholders. For this reason, further research advice is to expand the research locus by looking at the stakeholder trust perspective from external stakeholders, such as the Supreme Audit Agency (BPK), institutions/ community organizations, donor agencies, etc.

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