

Effect of Competence of Village Government Apparatus and Organizational Commitment on Village Government Performance with Village Financial Management as an Intervening Variable (Case Study in Villages in East Seunagan District, Nagan Raya Regency)

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Abstract

This study aims to examine the effect of competence of village government apparatus and organizational commitment on village government performance with village financial management as an intervening variable, case study in Villages in East Seunagan District, Nagan Raya Regency. The approach in this study is an associative/quantitative approach. The population in this study were Villages in East Seunagan District which consisted of 34 Villages. The sampling technique in this study used the saturated sample technique found in non-probability sampling. The research respondents were 102 people from 34 villages consisting of the Village Head, Secretary and Treasurer. Data was collected using a questionnaire which was delivered directly to the respondents. Data processing is done by structural equation modeling-partial least square (SEM-PLS). The results of this study indicate that competence of the village government apparatus effect village government performance. Organizational commitment effect village government performance. Village financial management effect village government performance. Competence of the village government apparatus effect village financial management. Organizational commitment effect village financial management. Village financial management can mediate effect of competence of the village government apparatus on village government performance. Village financial management can mediate effect of organizational commitment on village government performance.

Keywords

competence; organizational commitment; performance; financial management



I. Introduction

According to the prevailing laws and regulations in Indonesia, what is meant by a village is a legal community unit that has territorial boundaries that are authorized to regulate and manage the interests of the local community, based on local origins and customs that are recognized and respected in the system of Government of the Unitary State of the Republic of Indonesia (Sujadi, 2014). Administratively, the village is the smallest form of government led by the village head through a direct election. As a form of government at the lowest level, the village apparatus is the spearhead in managing everything that is administrative in nature by the community.

From the understanding that has been stated above, it can be understood that the village is a government organization that politically has certain authority to manage and regulate its citizens or communities. With this position the village has a very important role in supporting

the success of the national government at large. Villages are at the forefront of achieving success in all government affairs and programs.

Through the authority possessed by the village to manage and regulate its citizens, it can be said that the village has been given the power to take care of itself or in other words, has been given autonomy to the village with the aim of creating prosperity for its people. As a logical consequence of the existence of authority and demands from the implementation of village autonomy is the availability of sufficient and well-managed funds to support the implementation of the authority it has.

Performance is the output or result of an activity or program that will be or has been achieved in connection with the use of the budget with a measurable quantity and quality (Permendagri Number 13 of 2006 Article 1). The performance of the village government will determine whether the village goals are achieved or not. The poor performance of the village government which is characterized by inconsistent and standardized recording and reporting can make the process of evaluating the use of funds difficult. The village government's ability to manage finances is stated in the village revenue and expenditure budget (APBDes) which describes the village government's ability to finance the implementation of government tasks, village development, and community social services.

Based on the data that the implementation of village government financial management in some villages in the East Seunagan sub-district there are still many unrealized and declining budgets in 2020. It can be concluded that the remaining budgets for 2018, 2019 and 2020 are still largely unused. Within the scope of the village, the performance of the village government plays a very important role in good village governance. The village government apparatus must carry out the functions of government, development and provide a conducive community life in the village.

East Seunagan District is one of the sub-districts in Nagan Raya district, Aceh province. There are several problems in village financial management, namely the lack of competence of village government officials in financial management, accountability reports reported past the specified time limit and disbursement of funds that are often late. this can be seen in the Decree of the Regent of Nagan Raya Number: 141/32/SK/2015 concerning the appointment of gampong geuchik.

Law Number 6 of 2014 states that the definition of village finance is all village rights and obligations that can be valued in money as well as everything in the form of money and goods related to the implementation of village rights and obligations. Village finances are all activities including planning, implementation, administration, reporting and accountability of village finances which are managed within 1 fiscal year, starting from January 1 to December 31, where village finances are managed based on transparent, accountable, participatory principles and are carried out with budget order and discipline.

This policy has consequences for the management process. Village finances must be managed professionally, effectively and efficiently, and accountably based on good public management principles in order to avoid the risk of irregularities, fraud and corruption. More importantly, the level of efficiency and effectiveness of village financial management will be determined by the ability of village officials to manage the village funds they have (Fitri, 2019).

There are several village officials who are late in completing the accountability report for the use of village funds, complaining about the difficulty of compiling an accountability report (LPJ) for the use of village funds. Furthermore, there are obstacles in the form of program realization that is not in accordance with the plan. Due to limited human resources, planning sometimes does not match the realization. In fact, according to the technical instructions delivered by the companion, the plan and realization must be the same.

In addition to requiring competence, organizational commitment also affects the performance of village government officials in managing village finances. For optimal performance, village government officials who have a strong commitment are needed. Village government officials who are more committed have a habit of being reliable, planning to work longer hours, and putting more effort into their work. The performance of an organization is largely determined by committed village government officials (Ladapase, 2019). Given the difficulty of this work and the need for acceleration of achievement, then government collaboration is needed with private parties, communities, and other related parties (Saleh, 2019). Environmental impacts are changes in terms of village management, development of roads for transportation facilities, water and air conditions of the mosque as a means of worship, and schools as a means of education (Shah, 2020).

Based on information obtained from village assistant Neneng Suriati, the village government does not position village finances as a stimulant for community empowerment, village finances are only allocated to infrastructure and physical development that have short-term benefits or have little contribution to community welfare. The lack of direction in managing village finances so far can be seen from the fact that village government officials only allocate budget for physical repairs/improvements of roads, buildings, drainage and others. Government officials do not direct the budget for more productive financing, for example the establishment of BUMDes, Village Banks, Village Markets, revolving capital loans without interest for SME/RT development activities in the village, developing village superior products, or other productive activities. In other words, the implementation of village financial management tends to be limited to an even distribution of the budget for each RT/RW/DUSUN without making a long-term contribution to community empowerment.

From several studies that have been conducted there are several factors that affect performance. The results of Fitriana's research (2015) show that organizational commitment affects the performance of village heads. Tahir (2019) where the competence of the village apparatus does not affect the performance of village financial management. The results of Rulyanti's research (2016) show that organizational commitment and human resources have a significant positive effect on village government performance and village financial management. This is contrary to Elfin's research (2019) which states that the competence of village government apparatus has a positive and insignificant effect on village financial management. It is quite apparent that it would never be possible for the government (Khan, 2020).

This study aims to examine the effect of competence of village government apparatus and organizational commitment on village government performance with village financial management as an intervening variable, case study in Villages in East Seunagan District, Nagan Raya Regency.

II. Research Methods

The approach in this study is an associative/quantitative approach. Quantitative approach is a type of research that aims to make a systematic, factual and accurate description of the facts and characteristics of the population of a particular area (Pandiangan et al., 2021). Associative research approach is research that aims to determine the degree of relationship and pattern/form of influence between two or more variables (Pandiangan, 2015).

The population in this study were Villages in East Seunagan District which consisted of 34 Villages. The sampling technique in this study used the saturated sample technique found in non-probability sampling. According Pandiangan et al. (2018) in Sugiyono, sampling is the selection of samples based on certain characteristics that are considered to have relevance to the characteristics of the population that have been known previously. The research

respondents were 102 people from 34 villages consisting of the Village Head, Secretary and Treasurer.

Data was collected using a questionnaire which was delivered directly to the respondents. Library research of reference sources is a form of research that uses library facilities by examining theoretical discussions from various books, articles, and scientific works related to writing (Pandiangan, 2018).

Data processing is done by structural equation modeling-partial least square (SEM-PLS). SEM-PLS aims to perform path analysis with latent variables. This analysis is often referred to as the second generation of multivariate analysis (Tobing et al., 2018).

III. Discussion

3.1 General Description

East Seunagan District is one of the sub-districts in Nagan Raya district, Aceh province. There are several problems in village financial management, namely the lack of competence of village government officials in financial management, accountability reports reported past the specified time limit and disbursement of funds that are often late. This can be seen in the SK Regent of Nagan Raya Number: 141/32/SK/2015 concerning the appointment of geuchik gampong, so that there is a budget that is not realized.

Law Number 6 of 2014 states that the definition of village finance is all village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of village rights and obligations.

Minister of Home Affairs Regulation Number 113 of 2014 states that village financial management is all activities including planning, implementation, administration, reporting and accountability of village finances which are managed within 1 fiscal year, starting from January 1 to December 31, where village finances are managed based on principles of transparency, accountability, participation and carried out in an orderly and budgetary discipline.

3.2 Repondent Demographics

Based on the results of the tabulation of the questionnaires received, it can be seen that the characteristics of the respondents which will be discussed below include: gender, age, education level.

The data shows that the gender of the respondents in the East Seunagan District is 76% male and 24% female.

The data shows that the respondents aged 35-40 years were 49 people by 48%, ages 40-45 years as many as 52 people by 51%, age >46 years as many as 1 person by 3%.

The data shows that 39 respondents with D3 education are 38%, 35 people have undergraduate education, 34%, high school education is 27%.

3.3 Hypothesis Test

Table 1. Direct Effect

	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistics (O/STERR)	P- Value
Financial Management →Performance	0,240	0.341	0.137	2.617	0.009
Organizational Commitment →Financial Management	0.575	0.571	0.140	4.102	0.000

Organizational Commitment →Performance	0,253	0.260	0.160	1.590	0.112
Competence →Financial Management	0.287	0.297	0.137	2.088	0.037
Competence →Performance	0,262	0.275	0.119	2.208	0.028

Source: Processed by Researchers with SmartPLS Application

Table 2. Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistics (O/STERR)	P-Value
Organizational Commitment →Financial Management →Performance	0.205	0.198	0.097	2.111	0.035
Competence →Financial Management →Performance	0.270	0.098	0.056	1.830	0.003

Source: Processed by Researchers with SmartPLS Application

Table 3. Total Effect

	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistics (O/STERR)	P-Value
Financial Management →Performance	0.357	0.341	0.137	2.617	0.009
Organizational Commitment →Financial Management	0.575	0.571	0.140	4.102	0.000
Organizational Commitment →Performance	0.461	0.1029	0.138	3.333	0.001
Competence →Financial Management	0.287	0.297	0.137	2.088	0.037
Competence →Performance	0.365	0.373	0.137	2.674	0.008

Source: Processed by Researchers with SmartPLS Application

The results of this study indicate that competence of the village government apparatus effect village government performance. The better competence of the available village government apparatus so the better the village government performance.

Organizational commitment effect village government performance. The higher the level of commitment of the village government apparatus to the village government, the higher the level of performance of the village government apparatus.

Village financial management effect village government performance. The better the village financial management, the higher the level of performance of the village government.

IV. Conclusion

The results of this study indicate that competence of the village government apparatus effect village government performance. Organizational commitment effect village government performance. Village financial management effect village government performance. Competence of the village government apparatus effect village financial management. Organizational commitment effect village financial management. Village financial management can mediate effect of competence of the village government apparatus on village government performance. Village financial management can mediate effect of organizational commitment on village government performance.

Based on the results of this study, that the discussion and conclusions show effect of competence of village government apparatus and organizational commitment on village government performance with village financial management as an intervening variable, the following suggestions are needed:

1. For Study/Organization

It is hoped that the results of this study can help the East Seunagan sub-district in improving the performance of the village government. Because the performance of the organization will look bad if the organization is not able to absorb its budget optimally. The good performance of an organization cannot be separated from the role of its human resources. Seen from the fact that there are still some villages that have not been able to record cash disbursements and receipts in the cash book, this must be considered by the East Seunagan sub-district to improve the competence of village government officials in compiling and recording cash receipts and cash disbursements transaction reports, in order to produce reports more accountable and more transparent village finances resulting in even better village financial performance.

- a. Efforts made by village government officials in improving the work competence of village government officials in carrying out their duties have not been fully realized. This is due to the lack of socialization, and direction to village officials regarding these competencies, so that they experience obstacles both in the preparation of accountability reports and so on. Given that competence is a combination of knowledge and skills that must be possessed by village government officials.
- b. The community of course also increases supervision of the performance of the village government in relation to the whole process, both the implementation of the village financial budget and other activities for the realization of a good and well-targeted village.

2. For Agencies

It is hoped that this research can assist agencies in recognizing and understanding the factors that can affect the performance of the village government, so that the low commitment of the employees will interfere with activities, resulting in indiscipline, then the lack of desire and readiness of individuals in the organization to accept various challenges and job responsibilities. this causes self-development and creativity to decline.

- a. The village government as the holder of responsibility for both village financial management and other matters is expected to be able to improve the quality of resources. The village government should also conduct socialization by involving all members of the village community in the preparation of village financial plans.
- b. To be able to achieve the measure of effectiveness, it is necessary to conduct intensive guidance and supervision as well as assistance by the sub-district head, as well as other stakeholders. Because it is necessary to increase the capacity of the village apparatus for the preparation of participatory and targeted planning.
- c. Efforts made by the village government in improving the responsible behavior of village government officials towards their duties have gone well, such as activities in the village that are running smoothly. However, for village government officials who still lack a sense of responsibility and commitment to their village because there are still people living in other villages, the services provided are still less than optimal. So it needs attention from the Nagan Raya district government.

3. For the Next Researcher

It is hoped that further researchers will be able to add other internal and external factors that are thought to affect the performance of the village government, expand the object and population of the study, and use more varied data analysis techniques so that it can be useful for further research.

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