

Measuring The Influence Of Village Financial Management Performance

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Abstrak

This research examines the influence of independent and dependent variables that measure village financial management performance on the capacity of village officials, compliance with financial reporting by village governments in Aceh Province. The sampling technique used in this research is a proportional sampling technique. The number of samples involved in this research was 87 respondents, namely those involved in preparing village financial accountability reports, these individuals were spread across 23 districts/cities in the Aceh Province government, these individuals consisted of the Treasurer, Secretary and Village Head. By using primary data through distributing questionnaires. The research results show that Human Resource Competency has an influence on Financial Manager Performance, Infrastructure has an influence on Financial Manager Performance, Sources of Income have an influence on Financial Manager Performance. The aim of this research is to determine the effect of the independent variables (Human Resource Competency, Infrastructure and Sources of Income) on the dependent variable (Financial Management Performance).

Keywords: Human Resources; Infrastructure; Sources of Income; Financial Management Performance

1. Introduction

According to the article (bandaaceh.bpk.go.id) so far village or regional financial management has not been implemented optimally. This is proven by the fact that there are still many villages or regions that have never received the Fair Without Exceptions (WTP) predicate from the BPK. More according to the article (<https://www.kanalaceh.com/>) that the Indonesian Financial Audit Agency (BPK) Auditor representing Aceh should carry out village financial audits and financial accountability reports. However, the obstacle that often occurs in accountability for financial reports is that there are obstacles or problems, namely that there is still no commitment to recording errors in the general cash book (BKU) and they are often recorded not on time according to applicable regulations, there is still manual recording in financial reports. On the other hand, the problem of inefficient and effective management of village or regional funds has become a public spotlight. This is because there are many cases of misappropriation and corruption of village or regional funds which have spread widely on social media. Like the case of managing village funds in North Aceh where a number of residents of Gampong Buket Geulumpang, Syamtalira Bayu District, North Aceh Regency, reported cases of alleged misuse of village funds to the North Aceh District Prosecutor's Office (Kejari). (<https://www.kompas.com>)

The phenomenon of low performance in village financial management is still often found in the Aceh region, where Aceh Province is the third largest recipient of village funds but there are still many problems in village financial management. Therefore, the performance of financial management will determine whether or not the objectives of the funds are achieved. In view of the poor performance of village financial management with inconsistent recording and management that meets standards, it can make the process of evaluating the use of funds difficult. (Zhang & Zheng, 2019).

Competency is the ability and characteristics possessed by a village official, in the form of knowledge, skills and behavioral attitudes required in carrying out their official duties, so that the civil servant can carry out their duties professionally, efficiently and effectively. According to Mardalena, (2017) dan UU No.5 of 2014 tRegarding the State Civil Service, competency can be measured in terms of knowledge, skills and attitudes/behavior. The results of research conducted (Putri et al., 2019) show that competence has an influence on employee financial management performance. Furthermore, research results from (Hadisantoso et al., 2017) also found that professionalism and competence have an influence on financial management performance in Southeast Sulawesi. Based on several studies, it can be seen that there is an influence between competence on financial management performance.

Based on this description, the dimensions for measuring village income refer to article 212 paragraph (3) of Law Number 32 of 2004 concerning sources of village income, including original village income, transfers and other income. The results of research conducted by (Sharma & Anand, 2018) show that there is a positive influence between sources of income on financial management performance. This is also in line with research conducted by Surówka (2017) which shows that sources of income and financial management performance have a positive relationship (influence). Based on several studies, it can be seen that there is an influence between sources of income on financial management performance.

Performance can be defined as the ability to carry out an activity in achieving the goals, vision and mission of an organization (Nurzianti & Anita, 2014.) Besides that, Mardiasmo (2009) suggests that performance indicators can be measured using indicator (1) efficiency, namely the comparison between output and input are linked to targets or performance standards that have been set, (2) effectiveness is the level of comparison between the achievement of program results and the set targets, (3) economics is the comparison between input and input value expressed in monetary units and (4) adequate management. Based on the development of the hypothesis above, which is accompanied by theoretical and empirical support. So the research model proposed in this study is as follows:

In this research there are two types of research benefits, namely Academic Contribution Becomes an alternative reference for academics, because literature on village financial management performance is very limited, and Practical Contributions Develop more effective policies and regulations related to village financial management. Assist the government and community in monitoring the performance of village financial management. As an evaluation material for whether financial management performance is good.

The potential for irregularities in village funds, as happened in Aceh Province, is also possible in other village areas throughout Indonesia and tends to increase from year to year. With soaring cases in financial management depicting a bad record that is closely related to

financial performance for the village (Kalontong, Anggraeni, and Tiawon 2019). Based on this, a common thread can be drawn that village financial management is very important to be used as a basis for making economic, social, and political decisions, where the presentation must also be reliable, considering that there are still many findings from the village government that are still not accountable.

2. Methodology

The population of this study are individuals involved in preparing village financial accountability reports, located in 23 districts/cities in the Aceh Province government, consisting of Treasurers, Secretaries and Village Heads. The sampling technique used in this research is Proportional Sample. According to (Fleetwood, 2018) sampling technique is a technique of selecting individual members or parts of a population to make statistical conclusions from them and estimate the characteristics of the entire population. To determine the sample size for each class, proportional allocation was carried out so that the samples taken were more proportional so that the number of samples in this study was 87 respondents.

The data analysis equipment used in this research is Partial Least Square (PLS) which assumes that the research data is distribution free, meaning that the research data does not refer to one particular distribution. Partial Least Square (PLS) is an alternative method to Structural Equation Modeling (SEM) which can be used to overcome the problem of relationships between complex variables, but the minimum sample size is 100 (Imam Ghazali & Hengky Latan, 2012).

3. Result and Discussion

Results and discussion can be presented as a unified unit containing research findings and their explanations.

3.1. Result

This research is that infrastructure and sources of income, both partially and simultaneously, have a positive and significant effect on village financial performance. On the other hand, human resource competencies are not identified moderate influence infrastructure nor source of income on village financial performance. Based on the research results, the village government in Aceh It is deemed necessary to increase the training program provided and ensure that village apparatus has understood training materials Which are given with good and Correct.

The results of statistical testing on the variable Human Resource Competence on Financial Manager Performance obtained a value of $t = 3.92$ and $\text{sig} = 0.000 = 0.0\% < 5\%$ so H1 is accepted. This means that Human Resource Competency influences Financial Manager Performance. The results of statistical testing on the Infrastructure variable on Financial Manager Performance obtained a value of $t = 4.884$ and $\text{sig} = 0.000 = 0.0\% < 5\%$ so H2 is accepted. This means that infrastructure influences the performance of financial managers. The results of statistical testing on the Source of Income variable on Financial Manager Performance obtained a value of $t = 3.051$ and $\text{sig} = 0.002 = 0.2\% < 5\%$ so H3 is accepted. This means that the source of income influences the performance of financial managers.

3.2. Discussion

In this section, authors must answer "what the obtained results mean and are recognized as research findings." This section may seem easy to write but is the most challenging part to get right, and it is the most important part of an article. Most manuscripts receive serious attention from editors and reviewers because their discussion is weak, and many are even returned for resubmission or rejected.

In this discussion section, authors need to create a "discussion" that fits with the presented research findings but does not repeat them. Authors need to compare the study's results with previous research findings (some of which are mentioned in the introduction). Perhaps the research results clarify, enhance, or even contradict previous research findings. Whatever the results, authors must engage in a "dialogue" with the findings of other researchers based on existing major theories. If the findings turn out to be different from those of others, this may be extraordinary, and in turn, authors must address it and convince readers that these findings are correct or better than before. Although this truth sometimes does not last long, as it will be refined with new truths reported by other researchers. That's how science works.

4. Conclusion

The concept of human resource competence encapsulates the knowledge, skillset, and abilities possessed by an individual, which enable them to provide exceptional professional services. It is crucial to acknowledge the economic value that such competence brings to the table. Research conducted by Kaunang sheds light on the significant impact human resource competence has on village financial accountability. This study reveals that individuals with higher levels of competence demonstrate a positive influence on the financial aspects of their respective villages. By combining their knowledge, skills, and abilities, they are able to promote efficient resource management, strategic decision-making, and effective allocation of financial assets within the community. The implications of such competence are nothing short of remarkable. With respect to knowledge, individuals equipped with extensive expertise in their field possess a deep understanding of the subject matter. They grasp the intricacies of their domain and are well-equipped to provide accurate and informed insights. This knowledge serves as the cornerstone for their decision-making process, enabling them to make well-informed choices and offer innovative solutions in complex situations. Furthermore, individuals with impeccable skills possess the ability to apply their theoretical knowledge to practical scenarios with finesse.

Competence not only benefits individuals but also has a profound impact on organizational success. An entire workforce comprising competent professionals leads to improved productivity, efficient operations, and ultimately, a competitive edge in the market. Investing in the development and retention of competent employees is a strategic decision for organizations. Additionally, competence fosters a culture of excellence and innovation, as competent professionals bring fresh perspectives and creative solutions to the table. This, in turn, enhances the organization's ability to adapt to change and thrive in a dynamic business environment. Competence is a critical factor for success in the professional arena. It is the foundation upon which individuals build their careers and organizations achieve their goals.

Continuous development, a commitment to excellence, and a growth mindset are key to honing one's competence. As professionals strive to be competent in their respective fields, they pave the way for personal growth, career advancement, and contribute to the overall success of their organizations.

Additionally, employees with high organizational commitment are more likely to act in the best interest of the organization, prioritizing ethical practices and promoting transparency in financial management processes. Overall, the existence of clear competencies and high organizational commitment has a profound impact on financial management performance within an organization. By encouraging a deep understanding of financial principles and fostering a strong sense of dedication and loyalty, organizations can foster an environment that nurtures financial excellence and drives sustainable growth. It is crucial for organizations to recognize and invest in building competencies and fostering commitment among their financial management team, as these factors ultimately shape the long-term financial success of the organization.

Akase, et al. argues that commitment is one of the keys that determines the success of an organization in achieving organizational goals that have been stated in the vision and mission of the organization. Every organization that has a high commitment to the organization usually has responsibility in carrying out its duties. The results of Kaunang's research show that competence has a positive effect on the performance of government agencies while organizational commitment strengthens the influence of competence on the performance of government agencies.

the level of infrastructure provided significantly impacts the commitment and performance of individuals. Adequate infrastructure, encompassing well-built workspaces, advanced technological tools, and supportive facilities, fosters an environment that encourages dedication and drives performance. When individuals perceive that their organization or institution prioritizes their comfort, convenience, and success, they are more likely to reciprocate with heightened commitment and outstanding performance. It is crucial for organizations and institutions to recognize the importance of investing in infrastructure to facilitate higher levels of commitment and ultimately achieve optimal outcomes. Azman in his research results that there is an influence of organizational commitment to mediate the effect of infrastructure on financial management performance. The results of other research, Estigoy & Sulasula suggest that organizational commitment is a factor that influences performance. According to Iyoha & Oyirende, organizational commitment is needed in performance, while infrastructure is an important element in performance. Omer, et al. that support for infrastructure affects performance. So major changes can occur in performance through an organizational commitment to work hard rather than paying more attention to constituents.

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6. Reference

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