

Village Funding Program
Performance Good Governance
And Human Resources
Competence Bancak District,
Semarang Municipal Indonesia
by Grahita Chandrarin

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Village Funding Program Performance: Good Governance And Human Resources Competence Bancak District, Semarang Municipal Indonesia

Pandi Afandi, Grahita Chandrarin, Edi Subiyantoro

Abstract: This explanatory research aimed to analyze influences of human resource competence toward village funding program performance through good governance at Bancak district, Semarang municipal, Indonesia. The sample consisted of chief of the village, village secretary, and Local Monitoring Agency at 9 selected villages. The total of the respondents was 45. The research used path analysis. The findings explained that human resource competence positively influenced good governance but it was not significant. Human resource competence was not significant and did not influence village funding program. Then, the good governance improved village funding program. Human resource competence was proven to have influence on village funding program through good governance as intervening variable. It showed that human resource competence contributed to village funding program through good governance. Therefore, good governance of the village run properly could improve village funding program.

Keywords: human resource competence, good governance, village funding program

RESEARCH BACKGROUND

Indonesia region is dominated by 75,958 villages and 8.000 hamlets so the percentage reaches 90.36%. Therefore, village becomes strength basis to realize national development success. In accordance to Rule Number 32 Year 2004 about village governance, it emphasizes greater socialization to develop each village as the pillar. The village regions as legal society union whose jurisdiction area, authority to manage and regulate social interest which is acknowledged and fostered in National Governance system and exists in municipals/cities. By the decree of rule number 22 year 1999 about Local Governance and rule number 32 year 2004 about Local Governance (by the explanation of rule number 6 year 2014), it becomes the political and constitutional commitments that the State must protect and empower villages to be stronger, advance, independent, and democratic with purpose to achieve fair, prosperous, and wellbeing society. Since the implementation of rule number 6 year 2014, then village gets financial allocation as arranged in income and expenditure budget of the country (APBN) given since 2015. The village fund is taken from APBN since 2015 until 2018. It has been increasing from Rp. 20.80 trillion in 2015, Rp. 46.98 trillion in 2016, Rp 58.20 trillion in 2017, Rp 60 trillion in 2018, and Rp 70 trillion in 2019. The allocation of village funds in province level, Central Java, were Rp. 2.229 trillion in 2015, Rp 5.002 trillion in 2016, Rp 6.384 trillion in 2017, Rp 6.737 trillion in 2018, and Rp 7.889 trillion in 2019. In Semarang, the financial allocations were Rp. 57.841 billion in 2015, Rp 129.79 billion in 2016, Rp. 149.852 billion in 2017, Rp 158.451 billion in 2018, and Rp 181.932 billion in 2019. The average of each village was Rp 278.081 million in 2015, Rp 565.640 million in 2016, Rp 720.442 million in 2017, Rp 761.782 million in 2018, and Rp 874.672 million in 2019. From the data, it could be seen that the financial allocation kept increasing significantly. Rule of domestic ministry number 13 in 2014 about financial management of village that the village financial management should be transparent, accountable, and participative. By having good governance, then it would support successful performance of village funding program. Village governance as organizational entity at local governance level has responsibility upon successful

performance of the program. By the existence of village funding program, it is expected for each village to be able to empower its citizen. In another hand, when there is an administrative and substantive mistake in managing the fund, the chief of the village could have legal risk which might charge him to the court. Thus, the implementation of the program should be supported by good governance as stated by rule of domestic ministry number 113 year 2014. Similar research about good governance to performance organization has been done by Fadilah (2013). It told that implementation of good governance (GG) influenced significantly to performance organization. Better good governance would improve performance organization. In its relation to local governance, a research done by Nofianti and Suseno (2014), good government governance to local governance accountability performance showed importance of good governance could improve performance organization. Chief of the village has strategic roles in developing Village Income and Expenditure Budget (APBDesa) by including village funding as one of incomes to support its citizen's empowerment. Therefore, there is a need a competent chief of the village in managing the village fund. Since chief of a village also acts as the responsible person directly to village fund, he needs to be more careful or instead he will deal with law problems. Apparatus competence, by borrowing the term used in management sciences – that is human resource competence – which is used as proxy in this research, according to Spencer and Spencer (1993) has four main indicators: competence of goal achievement, competence of problem solving, competence of interaction to other, and competence of teamwork. Studies dealing with success of budget management in its practice is depended on village apparatus ability. In this case apparatus competence by Atmaja et al (2018) covers village apparatus ability and village facilitator competence. They significantly influence success of budget management. Then, research about human resource competence showed that it significantly influenced management accountability of village fund (Atmaja and Saputra, 2018). The findings confirmed the previous findings telling that performance competence determined worker performance (Ismail and Abidin, 2010). It motivated researcher to correlate human resource

competence and good governance as well as the implications on village fund performance. Thus, the problem could be formulated whether human resource competence influenced village fund performance with good governance as the intervening variable.

LITERATURE REVIEW

Village Funding Program Performance

Performance is an indicator of success which could be realized by individuals or organizations. It is a measurable, dynamic, relative, and multi-dimensional matter (Gama, 2011). The components of performance covers outcome of the performance, process of the performance, and performance of time unit (Wan, 2006). Furthermore, Russel (1993) stated that performance is record of outcome from an activity in a certain time. Technically, the measuring aspects of sector public performance are vision, mission, objective, target, and strategy. The use of purpose, measurement, and service data evaluation in a governing organization is called as performance measurement. The components covers outcome of the performance and the achievement, the doer apparatus, performance evidence and standard of performance which become performance guidelines (Lindblad, 2006; Hilderbrand, 2007). Success of village funding is shown by better economic growth, poverty reduction, job vacancy opening or unemployment reduction rate, and inequality reduction rate.

Good Governance

Good governance covers all mechanism, process, and institution where citizens and groups of citizens could express their interest, use their legal rights, fulfilling the obligation, and mediating differences among them (Suhendar, 2016). The principles of good governance as quoted from World Bank are the formation of strong, participatory and open-minded civilization, existence of predictable policy maker, responsible executive, and professional and law obedient bureaucracy. UNDP sees good governance characteristics are public accountability, transparent, and rule of law. Asian Development Bank asserts about consensus of good governance consisting of accountability, transparency, predictability, and participation. Therefore, in this research the indicators of good governance are public accountability, transparency, rule of law, and citizens' participations.

Human Resource Competence

Competence, according to George Klemp (1980), is an underlying characteristic of person which results in effective and/or superior performance job. Labour laws number 13 year 2003, competence is performance ability of each individual which covers aspects of knowledge, skill, and attitude which are based on determined standard. An official does not always have all performance competences because each job has different characteristics and specifications but the individual must have appropriate competence in accordance with the field (Edison et al, 2018:143). Since competence deals with an individual's skill to run his job based on his responsibility and skill, chief of a village as village governing apparatus should have reliable capability to ensure the village fund provides benefits for its people. By recalling inappropriate village governance due to

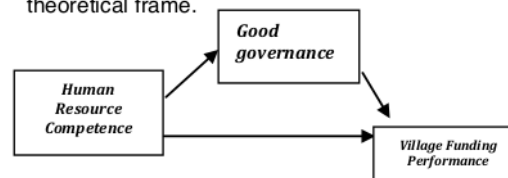
less competences owned by chief of village in managing the fund, it would be fatal and could have law problems.

Previous Studies

Atmaja and Saputra (2018) showed that human resource competence significantly influenced village funding management accountability. Therefore, the finding of the research confirmed the previous research by Ismail and Abidin (2010). It showed that performance competence determined worker performance, human resource competence, and village apparatus ability. Fadhilah (2013) showed that implementation of good governance (GG) significantly influenced performance organization. Dayanandan (2013) proved that participation, accountability, and rule of law became empirical indicators of good governance. They significantly influenced to cooperative performance. This research confirmed the previous findings by having good governance as intervening variable which was a modification from the previous research development.

Theoretical Framework

This research used three main variables: human resource competence, good governance, and success of village funding program which could be presented into this theoretical frame.



Research Methodology

This type of the research is explanatory research. Its primary data was descriptive narratively analyzed, started from cases of the research object. It was then analyzed qualitatively to empirically answer.

Population and Sample

There were 9 selected villages as research locations in Bancak district, Semarang municipal. The villages were chosen because they had received village funding program since 2015. The respondents were chiefs of the villages and the village apparatus, chief and representation of village consultative institution (BPD) taken by using 18 positive sampling. From each village, the total of chiefs of the village, village secretary, village apparatus, chief of BPD and its member consisted of 45 respondents.

Operational Variables

The operational variables are human resource competence – according to George Klemp (1980), it is an underlying characteristic of person which results in effective and/or superior performance job. Labour laws number 13 year 2003, competence is each individual's skill covering aspects of knowledge, skill, and attitude which are in line with the determined standard. Good governance, as quoted in World Bank reveals several characteristics such as strong, participatory, and open-minded citizen formation, predictable policy maker, responsible executive, and professional and law obedient bureaucracy. UNDP sees

characteristics of good governance such as public accountability, transparency, and rule of law. Asian Development Bank asserts about consensus of good governance consisting of accountability, transparency, predictability, and participation. Therefore, in this research the indicators of good governance are public accountability, transparency, rule of law, and participation of the citizen. Village funding program is an effort to develop power by motivating and developing awareness of the owned potencies to be developed. It covers three main elements: development, power or potency empowerment, and independency realization (Kila, 2017). From the concepts, each variable of the research was measured by Likert scale. Each concept was translated into several perceptual question with following scales. Each operational variable had indicators as measurable constructs for each variable which could be explained such as human resource competence. It covers knowledge, skill, and attitude (Labour laws number 13 year 2013). Good governance has indicators such as public accountability, transparency, participation, and rule of law (UNDP, 2006). Meanwhile village funding program performance has indicators: village development and village independency and potency empowerment (Kila, 2017).

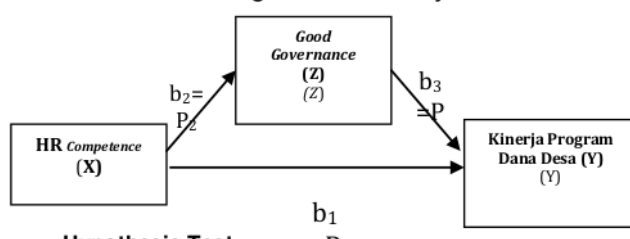
The Instrument Test

The validity test to measure validity of each variable construct with the used indicators or to measure how a measuring instrument could be actually used for measuring validity level of a research indicator. The test of validity was in the form of index to show whether the instrument really measured the unit (Notoatmojo, 2002). A questionnaire is said reliable when an answer toward the question is consistent or stable from time to time (Ghozali, 2001:41). To test the reliability, this research used Cronbach Alpha test (α).

Path Analysis

The method to analyze the data was path analysis. It is a development of regression. In general, the path analysis could be drawn as shown below:

Figure of Path Analysis



Hypothesis Test

It was done the influences of human resource competence to good governance, and good governance to success of village funding program performance and the direct influences of human resource competence to the success of the program in the nine villages in Bancak district, Semarang, Central Java. The indirect influence was seen between human resource competence toward the success of village funding program performance through good governance as the intervening variable by using beta coefficient or standardized regressive coefficient with t-test

under certain conditions (Setyawan, 2008:57). If scores of $P_1 < P_2 \times P_3$. It meant Good Governance as intervening variable influenced human resource competence to village funding program performance. If scores of $P_1 > P_2 \times P_3$, it meant Good Governance did not act as intervening variable in influencing human resource competence to village funding program performance. The, to find out the contribution of the independent variable to the dependent variable, it was calculated by powering the correlation result (r^2) at once to find out the scores of e_1 and e_2 .

Finding and Discussion

Data Quality Test Result

The validity test result is presented from calculation of each proposed question after being analyzed by Corrected Item – Total Correlation with level of $\alpha=0.05$. All of them was valid. It showed that all answers from each variable was in line with empirical indicators and was valid. The reliability test showed that all variable showing higher Cronbach's Alpha results than the denominator alpha, 0.6 (Nunnally in Ghozali, 2001:42). Thus, all variables were reliable and could be used for further investigation.

Hypothesis Test Result

Influences of Human Resource Competence to Good Governance The hypothesis test result showed no significant influences of human resource competence to good governance. It was shown by sign = 0.116. Thus, it was higher than $\alpha = 0.05$ or the t_{count} was lesser than t_{table} . Human resource competence of village apparatus in promoting village funding program covers knowledge, skill, and attitudes about the fund did not significantly influence to improvement of good governance quality. Good governance could be explained from public accountability, transparency in its management, citizen participation which was in line with the current rule (rule of law). It showed that the competence of village apparatus in managing the fund needed to be improved and prepared by more comprehensive understanding skill about village funding management.

Influence of Human Resource Competence to Success of Village Funding Program Performance

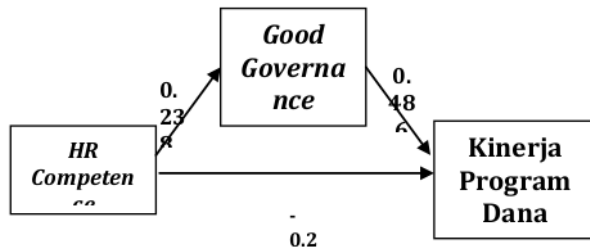
The hypothesis test showed there was no significant influence of human resource competence to success of village funding program performance. It was shown by sig score 0.133, higher than $\alpha = 0.05$. The influence of human resource competence did not significantly and negatively influence village funding program performance. It meant human resource competence forced the implementation of the program. If human resource competence of the program was strictly regulated, it forced the success of village funding program performance to lower the success of the program. In contrast, if human resource competence was not strictly regulated, then the success of the program would improve.

Influence of Good Governance to Village Funding Program Performance

The hypothesis test result of influences of good governance to village funding program performance showed sig = 0.01 lower than $\alpha = 0.05$. There was significant influence of good governance to the program performance.

The hypothesis test was positive and significant. It meant the characteristics of the managed program were accountably, transparent, participative, and rule of law. Then, the success of the program could be improved.

Influence of Human Resource Competence and Good Governance to Success of Village Funding Program Performance



Human resource competence and good governance simultaneously influenced significantly to village funding program. The success of the program was determined by human resource competence in managing the fund and good governance so that human resource competence started by knowledge, skill, and attitudes of the program implementation, the program report, and the program audit were supported by accountability, transparency, participation, and rule of law. They supported the success of the program by having influential contribution 23.2%. The remaining percentage, 67.8%, was influenced by other factors. Influence of Human Resource Competence to Village Funding Program Performance with Good Governance as the Intervening Variable The indirect influence, between human resource competence to village funding program performance through Good governance as the intervening variable could be explained by path analysis figure arranged from two regression equations previously:

$$Z = 0.238X + 0.9715, \text{ (Eq 1)}$$

$$Y = -0.213X + 0.486Z + 0.876 \text{ (Eq 2)}$$

The numbers of the coefficient results could be used to draw this path figure.

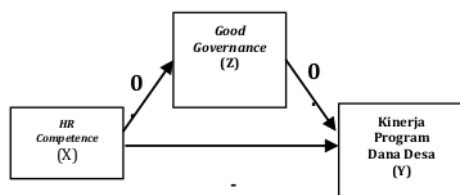


Figure of Path Analysis Hypothesis Test

From the result, then it was gained multiplication result of path 1 and path 2 was higher than the direct influence of human resource competence to village funding program performance so good governance into intervening variable which correlated influence of human resource competence and performance of village funding program performance. Then, there was influence of human resource competence to the program intervened by good governance.

CONCLUSION AND SUGGESTION

The first hypothesis did not have significant human resource competence influence to good governance. The second hypothesis did not have significant influence of human resource competence to success of village funding program performance. The third hypothesis test had significant influence of good governance to the program performance. The fourth hypothesis test showed human resource competence and good governance simultaneously and significantly influence the program. Based on multiplication of path 1 and path 2, the result was = 0.1156 compared to path 1, -0.213 based on direct influence of human resource competence to village funding program performance so good governance became intervening variable. It connected influence of human resource competence to village funding program performance. Therefore, there was influence of human resource competence to village funding program performance intervened by good governance. Then, competence and good governance would support the village funding program performance. From the conclusion, dealing with good governance, the suggestions are (1) human resource competence influenced positively good governance but it was not significant. Good governance also positively influenced village funding program performance which could be proved by human resource competence and good governance to have influence simultaneously to village funding program performance. There was a need to improve the role of the village apparatus to more understand and improve their roles in managing the fund. (2) Good governance was proven positively and significantly influenced village funding program performance. It meant good governance could improve performance and success of the funding management. The chief of villages should optimize their roles in managing the fund to be accountable, transparent, and participative. (3) Human resource competence was proven to have influence on village funding program performance intervened by good governance as intervening variable. It emphasized that village funding program performance would succeed when the funding management done by village apparatus was promoted well and fully responsible.

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