

HUMAN RESOURCES QUALITY AND TRANSPARENCY: HOW DOES IT AFFECT VILLAGE FINANCIAL MANAGEMENT?

Asep Effendi, Universitas Sangga Buana YPKP

ABSTRACT

The critical role of Quality Human Resources will affect Village Financial Management, aspects of financial autonomy, in accordance with the mandate of Rule Number 6 of 2014, Villages have eight sources of income, the most significant number of which comes from the APBN, village development. Prepared to ensure linkages between planning, budgeting, implementation and monitoring. This research was conducted in every village head office located in the Jatinangor District, Sumedang Regency. The phenomenon that occurs is that the quality of human resources is still low and there is still a lack of openness or transparency, as a result, village financial management has not shown maximum results. The purpose of this research is to find out how much influence the Quality of Human Resources and Transparency have on Village Financial Management in each Village Head Office located in Jatinangor District, Sumedang Regency. The method used in this research is descriptive analysis and verification. The unit of analysis used in this study was the village head in each Village Head Office in Jatinangor District, Sumedang Regency, with 16 respondents. The data analysis method used is Structural Equation Modeling (SEM) through Partial Least Square (PLS) approach using SmartPLS 3.3.3 software. The results of this study indicate that (1) the quality of human resources has a significant positive effect on village financial management with a contribution of 49.4%, (2) transparency has a significant positive effect on village financial management by 30%.

Keywords: Quality of Human Resources, Transparency, Village Financial Management

INTRODUCTION

The Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 concerning Villages explains that Village Financial Management is all activities that include planning, implementation, administration, reporting, and village financial accountability (Permendagri Number 113 of 2014). The village government prepares a village development plan in accordance with its authority with reference to district or city planning and development. The village development plan is ready to guarantee the linkage or consistency between planning, budgeting, implementation and supervision. In the predetermined village budget performance, income and expenditure transactions appear (Irafah et al., 2020).

In the aspect of financial autonomy, in accordance with the mandate of Law Number 6 of 2014, Villages have eight sources of income, most of which come from the APBN. The low local revenue (PAD) is due to the unexplored potential of the region by the new government, where the PAD is only three percent, but appears as an expansion area (Sitinjak et al., 2019; Modgil et al., 2020). The Minister of Finance urged creative local governments to seek new acceptance (Ahmad et al., 2020; Zhang, 2020). Another phenomenon in village financial management, as said by Andy Maulana as Consultant for Governance and Public Policy of the Republic of Indonesia, often problems faced are effectiveness and efficiency, priorities, leakage, maladministration, financial irregularities and low professionalism of implementers and village governance organs. Existing ones (Gierlich et al., 2020).

Limitations of regulations, That the government's goodwill and political will by presenting special rules on villages to date are not enough to help village heads and their apparatus (Tagiya et al., 2019; Pratama et al., 2019). Second, in the absence of a budget, there is

no budget to finance the preparation of the Design and RAB (Reikhanova, 2017; Mulyadati et al., 2020). In addition, incentives for the Technical Implementation Team for Village Financial Management (TTPPKD) also do not exist, including the Village TPK (Riniwati, 2016; Trost, 2020). Third, lack of capacity and personnel. Managing village finances does not only rely on the power of the village head and his apparatus (Moher et al., 2008; Putra & Amar, 2015). But it takes the involvement of various stakeholders in the village. For that, the town needs to have skilled people to help prepare the RPJMDes, RKPDes, Design & RAB and APBDes (Mangindaan et al., 2019; Vlaskamp, 2020). Fourth, supervision, village financial management is still minimal supervision and lack of tightening of budget use, field facts show that public participation in village financial management is still limited and less focused, supervision relies more on regular procedures, the priority is only the role of the Village Consultative Body/BPD (Aziz et al., 2018; Kohler & Bowra, 2020).

According to the Minister of Villages, Development of Disadvantaged Regions, and Transmigration, Marwan Jafar stated that one of the phenomena in the quality of human resources is the relatively low quality of Human Resources (HR) in the village, including village officials who hold government administrative power and management of village funds (Sinambela, 2021). There are still many people who still doubt the quality of understanding and control of village officials on transparent and accountable village financial management (Gasperz, 2019; Anisa et al., 2019).

According to the Minister of Villages, Development of Disadvantaged Regions, and Transmigration, Marwan Jafar stated that one of the phenomena in the quality of human resources is the relatively low quality of Human Resources (HR) in the village, including village officials who hold government administrative power and management of village funds (Sudrajat, 2021). There are still many people who still doubt the quality of understanding and control of village officials on transparent and accountable village financial management (Safaria & Sudrajat, 2019; Sidiq et al., 2021).

Meanwhile, according to the Director of Financial Facilities and Village Government Assets at the Ministry of Home Affairs (Kemendagri) Benny Irwan, one of the challenges faced in improving village financial management is the quality of Human Resources (HR) in the village itself (Irawan, 2019; Sidiq & Achmad, 2020). More than 60 percent of the village apparatus only graduated from high school, 19 percent of the village apparatus were undergraduates, and more than 21 percent did not graduate from formal education or did not participate in formal education or only graduated from elementary and junior high schools (Di Vaio et al., 2020). In addition to the quality of human resources for village apparatus, the quality of human resources for village government coaches from the provincial, district and sub-district levels will also greatly determine the quality of village governance (Irawan, 2019; Prawira et al., 2021). According to Nata Irwan as Director General (Dirjen) of Village Administration (Pendes) of the Ministry of Home Affairs, the quality of village apparatus will undoubtedly have an impact on the effectiveness of village governance in the country, as well as in managing village funds disbursed by the government which continues to increase every year.

METHODS

This study uses descriptive and verification methods with a quantitative approach. According to Sugiyono (2017) states that quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine specific populations or samples, data collection using research instruments, data analysis is quantitative/statistical, with the aim of testing hypotheses. that has been determined, the quantitative method is a research method to test theories in a problem based on the philosophy of positivism.

In this study, the type of research used by the author is a quantitative type, namely a methodology based on data from the measurement results of existing research variables. By using quantitative methods, it is expected to be able to answer existing problems with appropriate measurements. And at this time the object of research is the Quality of Human Resources, Transparency and Village Financial Management. The data collection technique

carried out by researchers is field research. While the location of this research was carried out in all Village Head Offices located in Jatinangor District, Sumedang Regency and the time of this research began with the preparation stage until the stage of reporting the research results or starting from March 2021 to August 2021.

RESULTS AND DISCUSSION

Questionnaire Return Rate (Response Rate)

The data collection method used in this research is field research, in which the researcher distributes questionnaires to the research object. Questionnaires are intended to obtain information that researchers want to know. Details of returning the questionnaire (response rate) to 16 Village Heads for each village in Jatinangor District, Sumedang Regency are presented in the following table 1:

Information	Amount	Information
Questionnaire distributed	16	Sample
Questionnaire that did not return	0	
Returning Questionnaire	16	
Rate of Return (Response Rate) (16/16 x 100%)	100%	

Based on the table above, all the questionnaires were returned. Therefore, the questionnaire return rate (response rate) is 100% which is calculated from the percentage of the number of returned questionnaires divided by the number of questionnaires distributed and includes the Excellent criteria, meaning that the questionnaire return rate (response rate) is acceptable and the results of the questionnaire answers can be processed because the response rate is more significant than proper criteria (Vijge et al., 2019; Hollin et al., 2020).

Characteristics of Respondents Based on Last Education Level

Find out the characteristics of respondents based on the last level of education can be seen in the following table 2:

Last Education Level	Frequency	Percentage
senior High School	11	68.75%
S1	5	31.25%
S2	0	0%
Other	0	0%
Amount	16	100%

In the table above, it can be seen that most of the respondents, as many as 11 people (68.75%), have a high school education level, 5 people (31.25%) have an undergraduate education level.

Respondents' Responses Regarding the Quality of Human Resources

To find out the respondents' perceptions or responses to each indicator regarding the Quality of Human Resources, the researchers used the percentage score. The Human Resources Quality variable consists of 2 (two) Indicator items. Intellectual and Educational Quality. These indicators are as follows:

Statement		Answer Score					% Actual Score	Criteria
		5	4	3	2	1		
P1	F	1	4	11	0	0	54	Pretty good
	%	6,25%	25%	68,75%	0%	0%	67,5%	
P2	F	0	6	10	0	0	54	Pretty good
	%		37,5%	62,5%	0%	0%	67,5%	
P3	F	2	3	11	0	0	55	good
	%	12,5%	18,75%	68,75%	0%	0%	68,75%	
Total score							163	

The table above is a recapitulation of respondents' answers to the Intellectual Quality indicator. Responses to item number 1, have the highest score of 1 respondent (6.25%) answering point 5, then 4 respondents (25%) answering point 4, and 11 respondents (68.75%) respondents answering point 3. Response score respondents of 67.5% (good enough), but there is still a gap of 32.5%. The response to statement item number 2, has the highest score of 6 respondents (37.5%) answering point 4, then 10 respondents (62.5%) answering point 3. The respondent's response score is 67.5% (good enough) and still, there is a gap of 32.5%. Tanggapan pada butir pernyataan 3, memiliki skor tertinggi sebesar 2 responden (12.5%) menjawab poin 5, selanjutnya 3 responden (18.5%) menjawab poin 4, selanjutnya 11 responden (68.75%) menjawab poin 3. Skor tanggapan responden sebesar 68.75% (baik) dan masih terdapat gap sebesar 31.25%.

Overall, it can be seen that the total score of respondents' responses to the Intellectual Quality indicator of 67.91% is categorized as quite good, which is in the 52.01% - 68.00% interval, so it can be seen that the Intellectual Quality is quite good, but there is still a gap of 32, 09%, this shows that there are still weaknesses in Intellectual Quality.

Statement		Answer Score					% Actual Score	Criteria
		5	4	3	2	1		
P4	F	1	4	11	0	0	54	Pretty good
	%	6.25%	25%	68.75%	0%	0%	67.5%	
P5	F	1	6	9	0	0	56	good
	%	6.25%	37.5%	56.25%	0%	0%	70%	
Total Score							110	

The table above is a recapitulation of respondents' answers to the Education indicator. The response to the statement item number 4, has the highest score of 1 respondent (6.25%) answering point 5, then 4 respondents (25%) answering point 4, and 11 respondents (68.75%) respondents answering point 3. Response score respondents of 67.5% (good enough), but there is still a gap of 32.5%. Overall, it can be seen that the total score of respondents' responses to the Education indicator of 68.25% is categorized as good because it is in the 68.01% - 84.00% interval, so it can be seen that education is good, but there is still a gap of 31.75%. This shows that there are still weaknesses in teaching.

No	Indicator	Actual Score	Ideal Score	% Actual Score	Criteria
1	Intellectual Quality	163	240	67.91	Pretty good

2	Education	110	160	68.75	good
	Total	273	400	68%	Pretty good

Respondents' Responses Regarding Village Financial Management

To find out the respondents' perceptions or responses to each indicator regarding Village Financial Management, the researcher used the percentage score. The Village Financial Management variable consists of 3 (three) Indicator items. Accountable, Participatory and Orderly and Budgetary Discipline. These indicators are as follows:

Statement		Answer Score					% Actual Score	Criteria
		5	4	3	2	1		
P10	F	2	5	9	0	0	57	good
	%	12,5%	31,25%	56,25%	0%	0%	71,25%	
P11	F	3	5	8	0	0	59	good
	%	18,75%	31,25%	50%			73,75%	
P12	F	2	4	10	0	0	56	good
	%	12,5%	25%	62,5%			70%	
Total Score							165	

The table above is a recapitulation of respondents' answers to the Accountable indicator. The response to the statement item number 10, has the highest score of 2 respondents (12.5%) answering point 5, then 5 respondents (31.25%) answering point 4, then 9 respondents (56.25%) answering point 3. Score respondents' responses were 71.25% (good), but there was still a gap of 28.75%.

Hypothesis Testing Results

To see whether the effect given by the two exogenous latent variables is significant or not, the following hypothesis testing is carried out:

- a. The Influence of the Quality of Human Resources (X1) on Village Financial Management (Y)
 - H0 : Quality of Human Resources has no significant effect on Village Financial Management
 - Ha: Quality of Human Resources has a significant effect on Village Financial Management
- The level of significance (a) used is 0.05 or 5%. Decision-making criteria:

- 1. Reject Ho and accept Ha if tcount>critical
- 2. Accept Ho and reject Ha if the value of tcount<tcritical

Latent Variable	Path Coefficient	Statistics	t crisis	Information	Conclusion
X1 -> Y	0.573	2.217	2.145	Ho rejected	Significant

Source: Data processed using PLS software

Based on the table above, the statistic value for the X1 variable is 2.217. This value is more significant than 2.145, so it can be concluded that H0 is rejected and Ha is accepted, meaning that the Quality of Human Resources is proven to have an effect on Village Financial Management in 16 village heads for each village in Jatinangor District, Sumedang Regency. If illustrated, the statistics and critical values for the partial test of X1 appear as follows:

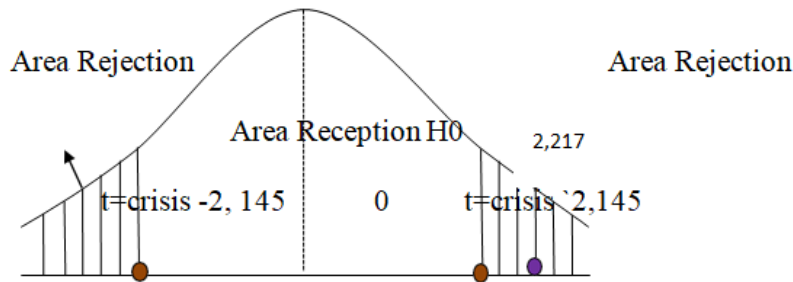


FIGURE 1
VARIABLE HYPOTHESIS TESTING CURVE X1 AGAINST Y

b. The Effect of Transparency (X2) on Village Financial Management (Y) Hypothesis 2)

H0 : Transparency has no significant effect on Village Financial Management

Ha : Transparency has a significant effect on Village Financial Management

The level of significance (α) used is 0.05 or 5%. Decision making criteria:

1. Reject H0 and accept Ha if $t_{count} > t_{critical}$
2. Accept H0 and reject Ha if the value of $t_{count} < t_{critical}$

Table 8					
TRANSPARENCY T-TEST (X2) ON VILLAGE FINANCIAL MANAGEMENT (Y)					
Latent Variable	Path Coefficient	T statistics	T crisis	Information	Conclusion
X2 -> Y	0.366	2.307	2.145	Ho ditolak	Significant

Source: Data processed using PLS software

Based on the table above, the statistic value for the X2 variable is 2,307. This value is more significant than 2.145, so it can be concluded that H0 is rejected and Ha is accepted, meaning that transparency is proven to have an effect on Village Financial Management in 16 village heads for each village in Jatinangor District, Sumedang Regency. If illustrated, the statistics and critical values for the partial test of X1 appear as follows:

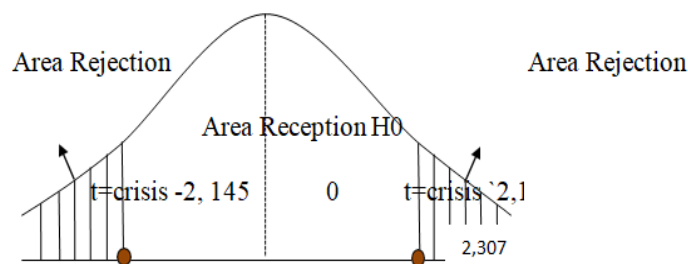


FIGURE 2
VARIABLE HYPOTHESIS TESTING CURVE X2 AGAINST Y

The Influence of Human Resource Quality and Transparency on Village Financial Management

So from the results of this study, it is known that the Quality of Human Resources has an influence of 49.4% on Village Financial Management, while the remaining 50.6% is influenced

by other factors not examined in this study. This is in accordance with what the researchers found in the field, namely through the descriptive results of the variable Quality of Human Resources with a percentage of 68% which can be interpreted in the pretty good category, and there is still a gap of 32%, which proves there are still weaknesses. While the researchers also found the same thing related to the Village Financial Management variable with a percentage of 67.91% which can be interpreted in the pretty good category, and there is a gap of 32.09% which proves there are still weaknesses. It can also be seen from the loading factor for the variable Quality of Human Resources on the indicators of Intellectual Quality and Education which are still low.

Village Financial Management at 16 Village Head Offices in the Jatinangor District, Sumedang Regency. The direction of the positive relationship between Transparency and Village Financial Management shows that better Transparency will be followed by good Village Financial Management. So from the results of this study, it is known that Transparency has an influence of 30% on Village Financial Management, while the remaining 70% is influenced by other factors not examined in this study.

CONCLUSION

Based on the results of research and discussion on the Influence of Human Resource Quality and Transparency on Village Financial Management at the Village Head Office in the Jatinangor District, Sumedang Regency, the researchers drew the following conclusions, Human Resource Quality has an effect on Village Financial Management. With a strong and positive correlation category, which means that the better the Quality of Human Resources, the better the Village Financial Management. In this study, the quality of human resources is in pretty good criteria; this indicates that there are still weaknesses in the quality of human resources, especially in the indicators of intellectual quality. Transparency affects Village Financial Management. With a powerful and positive correlation category, which means the better the clarity, the better the Village Financial Management will be. In this study, Transparency is in reasonably good criteria; this indicates that there are still weaknesses in Transparency, especially in the indicators of Availability and Accessibility of Budget Documents.

REFERENCES

- Ahmad, J., Ekayanti, A.N., & Ramadhan, M.R. (2020). Government agility and management information systems: Study of regional government financial reports. *The Journal of Asian Finance, Economics, and Business*, 7(10), 315-322.
- Anisa, D., Cahyanti, S.D., Awaliyah, N.F., & Sudrajat, A.R. (2019). Capacity building in improving the quality of human resources in Cisarua district, Sumedang Regency. *National Conference of Administrative Sciences*, 3(1).
- Aziz, N.J.A., Pratiwi, U., & Suyono, E. (2018). Influence of government internal control system, Regional management information system and quality of human resources on managerial performance of local government apparatus. *Journal of Economics, Business, and Accounting*, 20(4).
- Di Vaio, A., Palladino, R., Hassan, R., & Alvino, F. (2020). Human resources disclosure in the EU Directive 2014/95/EU perspective: A systematic literature review. *Journal of Cleaner Production*, 257, 120509.
- Gasperz, J.J. (2019). The influence of human resource competence, internal control systems, and utilization of information technology on the quality of financial reports (Study at the central statistics agency for Maluku region). *JBMP (Journal of Business, Management and Banking)*, 5(2), 75-83.
- Gierlich-Joas, M., Hess, T., & Neuburger, R. (2020). More self-organization, more control—or even both? *Inverse transparency as a digital leadership concept. Business Research*, 13(3), 921-947.
- Hollin, I.L., Craig, B.M., Coast, J., Beusterien, K., Vass, C., DiSantostefano, R., & Peay, H. (2020). Reporting formative qualitative research to support the development of quantitative preference study protocols and corresponding survey instruments: Guidelines for authors and reviewers. *The Patient-Patient-Centered Outcomes Research*, 13(1), 121-136.
- Irafah, S., Sari, E.N., & Muhyarsyah, M. (2020). The influence of human resource competence, the role of internal audit, and the successful implementation of regional financial information systems on the quality of financial reports. *Journal of Accounting and Finance Research*, 8(2), 337-348.

- Irawan, B.H., Hakim, R., Widiastuti, H., Kamsyah, D., & Sahputra, B. (2019). Effect of nozzle and base plate temperature on leapfrog creatr 3d printer machine on density and surface roughness of ABS material. *Journal of Applied Technology and Research (JATRA)*, 1(1), 32-37.
- Kohler, J.C., & Bowra, A. (2020). Exploring anti-corruption, transparency, and accountability in the World Health Organization, the United Nations Development Programme, the World Bank Group, and the Global Fund to Fight AIDS, Tuberculosis and Malaria. *Globalization and Health*, 16(1), 1-10.
- Mangindaan, J.V., & Manossoh, H. (2019). The quality of village government human resources in managing village funds sourced from the state revenue and expenditure budget in Tabukan Utara District, Kab. Sangihe Islands. *LPPM Journal of EcoSosBudKum*, 4(1), 35-49.
- Modgil, S., Singh, R.K., & Foroapon, C. (2020). Quality management in humanitarian operations and disaster relief management: A review and future research directions. *Annals of operations research*, 1-54.
- Moher, D., Simera, I., Schulz, K.F., Hoey, J., & Altman, D.G. (2008). Helping editors, peer reviewers and authors improve the clarity, completeness and transparency of reporting health research. *BMC medicine*, 6(1), 1-3.
- Muharrir, M., & Rahayu, S.S. (2018). Law on the application of transparency principles in the management of Zakat Funds. *Mutawasith: Journal of Islamic Law*, 1(1), 19-34.
- Mulyadati, R., Ratnawati, V., & Silfi, A. (2020). The influence of human resource capacity, technology utilization, asset management on the quality of local government financial reports with internal control systems and organizational commitment as moderating variables (Study on OPD Rokan Hilir Regency). *Journal of Economics*, 27(1), 82-91.
- Pratama, S. (2019). Analysis of the effect of human resources, infrastructure and work environment on study performance on employees at the panca budi development university, Medan. *Friday*, 11(1), 235-250.
- Prawira, W.R., Maulida, H., & Achmad, W. (2021). Narrating the implementation of social welfare community program. *Review of International Geographical Education Online*, 11(5), 228-235.
- Putra, B.D., & Amar, S. (2015). The influence of human resource competence, implementation of government internal control systems, and implementation of government accounting standards on the quality of padang city government financial reports. *Journal of Business and Public Management Research*, 3(1).
- Reikhanova, I.V. (2017). Perspectives of use of competence-based approach to management in educational services market. In *Integration and Clustering for Sustainable Economic Growth*, 65-71. Springer, Cham.
- Riniwati, H. (2016). *Human resource management: Main activities and HR development*. Brawijaya University Press.
- Safaria, A.F., & Sudrajat, A.R. (2019). *Citizen engagement in open data movement in Indonesia: Challenges and impacts*. In International Conference on Democratisation in Southeast Asia (ICDeSA 2019). 174-180. Atlantis Press.
- Sidiq, R., Sofro, S., & Achmad, R.W. (2020). Gender aspects in remote indigenous community empowerment program in Indonesia. *Journal of Advanced Research in Dynamical and Control Systems*, 12(6), 2104-2109.
- Sidiq, R.S.S., Jalil, A., & Achmad, R. (2021). Virtual world solidarity: How social solidarity is built on the crowdfunding platform Kitabisa.com. *Webology*, 18(1), 192-202.
- Sinambela, L.P. (2021). *Human resource management: Build a solid work team to improve performance*. Earth Literature.
- Sitinjak, M., Hafizrianda, Y., & Asnawi, M. (2019). The influence of the quality of human resources, Utilization of information technology and presentation of financial statements on the accountability of the central statistics agency of papua province. *Journal of regional economic & financial studies*, 4(1), 44-60.
- Sudrajat, A.R. (2021). Public accountability and transparency: How it effects on the performance of regional device units in sumedang district. *Journal of education and development*, 9(4), 395-402.
- Sugiyono, F.X. (2017). *Balance of payments: Concepts, methodology and implementation*, 4. Central Banking Education and Studies Center (PPSK) Bank Indonesia.
- Tagiya, M., Sinha, S., Pal, S., & Chakrabarty, A. (2019). *Transformation from HRM inadequacy and Bias-Syndrome to transparent and integrated ecosystem through iot-intervention in career management*. In International conference on intelligent computing and communication technologies, 537-544. Springer, Singapore.
- Trost, A. (2020). *Human resources strategies*. Springer International Publishing.
- Vijge, M.J., Metcalfe, R., Wallbott, L., & Oberlack, C. (2019). Transforming institutional quality in resource curse contexts: The extractive industries transparency initiative in Myanmar. *Resources policy*, 61, 200-209.
- Vlaskamp, M.C. (2020). Good natural resource governance: How does the EU deal with the contestation of transparency standards?. In *European Union Contested*, 95-112. Springer, Cham.
- Zhang, Q. (2020). *A review of research on project transparency*. In International symposium on advancement of construction management and real estate, 121-132. Springer, Singapore.