

The Influence of Competence, Organizational Commitment on Village Government Performance Through Village Financial Management: Literature Study

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Abstract

The purpose of this study was to determine the effect of competence on village financial management, competence on village government performance, organizational commitment to village financial management, organizational commitment to village government performance, village financial management on village government performance, competence on village government performance through village financial management and organizational commitment to performance through village financial management. The literature study were based on empirical studies from any national and international journals. Data collected by using a search engine methods. The results of the study state that competence and organizational commitment have a significant effect on the performance of the village government directly or through village financial management.

Keywords: *Competence, Organizational Commitment, Village Financial Management, Village Government Performance*

INTRODUCTION

Performance is a way of creating value for the organization (Carton & Hofer, 2006). Performance is an activity related to work, expected from employees and how these activities are carried out (Dugguh, 2014). Meanwhile, based on Presidential Regulation Number 29 of 2014 it is stated that performance is the result of activities that have been or are about to be achieved in connection with the use of the budget with measured quantity and quality.

Performance is very important for an organization because it will determine the effectiveness of the organization, performance is also important because it reflects a measure of success in managing the organization and its human resources. Organizational goals will be achieved through the good performance of its employees. On the other hand, the organization will face

obstacles in achieving its goals if the performance of employees is not effective, in the sense that they cannot meet the demands of the work desired by the organization.

Performance measurement carried out by the government is not only to measure the activities carried out but also to provide feedback. The development of performance measurement is based on the emerging dynamics and demands of a competitive environment and a new paradigm in terms of the benefits achieved (Hall and Young, 1991; Brudney and Selden, 1995; Suwit et al, 2010).

The problem related to the performance of village governments in Indonesia is the lack of competent human resources, causing organizational performance to be not optimal. In addition, village financial management is also felt to be far from being expected to be able to improve the welfare of the community, this is proven to exist several village officials who were late in completing the accountability report for the use of village funds complained about the difficulty of compiling an accountability report for the use of village funds.

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 energy into their work. The performance of an organization is largely determined by committed village government officials (Lalita Ladapase, 2019).

The results of the study (Umar, Haryono et al, 2018; Riadul Jannah, 2018; Yaya & Santoso, 2018; and Hendaris & Siraz, 2020) state that competence has a positive and significant effect on village fund management accountability. This is contrary to the results of research (Jatmiko, 2019), which states that the competence of village officials has no significant effect on the accountability of village fund management.

Competence with performance has a relationship and is very important. Based on research (Pandey et al, 2015; Rozanti, 2017) competence has a significant effect on the performance of village government officials.

The commitment of village government organizations is an agreement or commitment made by village government organizations in carrying out their duties to manage village funds. Research (Rulyanti, 2017; Basri, 2021) shows that the commitment of village government organizations has a significant effect on village financial management and the implementation of good governance. Meanwhile, the results of research (Yaya & Santoso, 2018; Hasnita, 2019; Suryo Pratolo, 2021) show different things, namely organizational commitment does not affect the accountability of village fund management.

Good organizational commitment will make the village government's performance optimally to achieve the organizational goals that have been set. The results of the study (Putri, 2013; Rulyanti et al, 2017) concluded that commitment has an effect on performance. In relation to the management of village finances on the performance of the village government, the results of the study (Rulyanti,

2016) show that village financial management has an effect on the performance of the village government.

Based on the above phenomenon, this is the reason for conducting a research entitled "Competence, Organizational Commitment to Village Government Performance Through Village Financial Management: Literature Study".

Competence shows someone who has knowledge (education, expertise and experience) and ethos behavior in work (Cheng, et al, 2010). Meanwhile, Dreher (2001:27) says that competence is a person's ability in certain fields, such as verbal communication, presentation skills, technical knowledge, stress control, planning skills and skills in decision making.

Foskett & Lumby (2003:37) say that competence is a statement based on one's abilities and educational thoughts or ideas. Meanwhile, according to Moeller, (2014: 161) an organization must determine the level of competence needed for various job tasks and specify these needs at the level that requires knowledge and skills.

The village apparatus competency indicators according to Spencer's (2008) theory in (Munir, 2020) are:

1. Knowledge, can be seen from education and experience.
2. Skills, can be seen from technical skills, administrative and human relations.
3. Attitude, can be seen from security, work facilities and rewards.

Organizational commitment is the relative strength of employees in identifying their involvement in the organization. It is characterized by the presence (Mowday, et al, 1973):

1. Strong acceptance and belief in the values and goals of the organization.
2. Readiness and willingness to put forth effort on behalf of the organization.
3. Desire to maintain membership in the organization.

Organizational commitment is related to a high desire to share and sacrifice for the organization. On the other hand, high organizational commitment has a negative relationship with absenteeism and turnover rates and also with slackness in performance (Greenberg and Baron, 1993).

The 3 (three) component indicators in organizational commitment include: (Allen and Meyer, 1990):

1. Affective commitment occurs when employees want to be part of the organization because of an emotional attachment or psychology to the organization.
2. Continuance commitment occurs when employees remain with the organization because they need a salary and other benefits, or because the employee cannot find another job. In other words, the employee stays in the organization because he or she needs the organization.
3. Normative commitment, arising from the values of self-employees. Employees stay as members of an organization because they have an awareness that commitment to the organization is something that should be

done. So the employee stays in the organization because he feels that it is his duty.

Management is a series of continuous human activities in achieving a predetermined goal (Hene, et al, 2010:8). Management in simpler language can be interpreted as management. Based on the Minister of Home Affairs Regulation Number 20 of 2018 village financial management is all activities that include planning, implementation, administration, reporting, and village financial accountability. Village Financial Management is an effort to support the implementation of village governance, implementation of village development, village community development and village community empowerment.

Village finances are managed based on good governance practices. The principles of Village Financial Management as stated in Permendagri Number 20 of 2018 are transparent, accountable, participatory and carried out in an orderly and budgetary discipline.

The indicators of village financial management based on Permendagri Number 20 of 2018 include:

1. Planning
2. Implementation
3. Administration
4. Reporting
5. Accountability.

Moeheriono (2012:95) performance as a description of the level of achievement of the implementation of a program of activities or policies in realizing the goals, objectives, vision and mission of the organization as outlined through the strategic planning of an organization. Performance can be known and measured if an individual or a group of employees already has criteria or standards of success set by the organization.

Presidential Regulation No. 29 of 2014 Performance Accountability System for Government Agencies, performance as the output or result of activities or programs that have been or are to be achieved in connection with the use of budgets with measured quantity and quality. Then it is explained that outputs are goods or services produced to support the achievement of goals, program objectives and policies. While the results are everything that reflects the functioning of the outputs of the activities in a program.

Based on the description above, the understanding of performance in this study related to village government is the ability of village governments to utilize all available resources in realizing organizational goals, namely equitable development and improving the welfare of rural communities in the concept of value for money, namely effective, efficient and economical.

Indicators in the assessment of organizational performance according to Mardiasmo (2009) include:

1. Economical;

2. Efficiency;
3. Effective.

METHOD

This article is a literature study. Data is collected through search engines such as digital libraries, internet and various journals. Sources of data are taken from research reference journals, namely:

Table 1 Research Methods

Author/Year/ /Journal Name	Variable	Methods/ Analysis Tools	Population/ Sample	Results
Umar, Haryono et al (2018), International Journal of Civil Engineering and Technology.	X1 : Human Resources Competence X2 : Internal Control Y : Quality of Village Financial Reports Z : Village Fund Management	Quantitative research methods and SEM PLS as analytical tools	Population: Village government officials in West Gane Regency, North Maluku Province, Indonesia Sample : 40 people from the population	Internal control system and human resource competence positive effect on the management of village funds
Riadul Jannah et al (2018), International Journal of Scientific Research and Management (IJSRM)	X1 : Human Resource X2 : Information Technology X3 : Public Participation Y : Transparency and Accountability	explanatory method with purposive sampling method. Data analysis is SmartPLS 3.0	Population : BPD and the community of Praya Timur District, Central Lombok Regency Sample : 55 people from BPD and community	Human resources, the use of information technology and community participation have a significant positive effect on transparency and accountability of village financial management
Yaya & Santoso (2018), 3rd CAAGA Conference, Seoul 14-16 November 2018	X1 : Village office's capacity X2 : Regulation compliance X3 = BPD supervision X4 = Technological utilization	Research methods quantitative and SEM as tools analysis	Population : Village government officials in Wadaslintang District, Wonosobo Regency. Sample : 94 people from the population.	The capacity of village officials, compliance with regulations, the quality of supervision of the Village Representative Body, the use of information technology, and

	X5 = Village officers's commitment			village assistants have a significant influence
	x6 = Rural facilitator			its effect on the performance of village fund management
	Y = Performance of Village Fund Management			
Jatmiko (2019), Management and Economics Journal	X1 : Human Resources X2 : Internal Control System X3 : Village Financial System Effectiveness Y : Village Financial	Research methods quantitative and SPSS as tools analysis	Population: 75 villages in Bantul Regency Sample : 40 villages of the population	Human Resources have no effect on the Quality of Village Financial Reports; The Internal Control System has a positive effect on the Quality of Village Financial Reports; The effectiveness of the Village Financial System has a positive effect on Quality of Village Financial Reports.
Pandey et al (2015) JAP NO.31 VOL III 2015	X : Work competence Y : Performance	Method descriptive and explanatory survey with using a quantitative approach. SPSS analysis tool	Population: 244 Village Government Officials and BPD in Pineleng District, Minahasa Regency. Sample : 73 people	The work competence of government officials affects villages that still not giving optimal contribution. partially only work experience factor which has a significant effect on performance.
Rozanti (2017), JESS Vol. I No. 2 Th. 2017	X : Competence X : Performance	Quantitative approach. Data This study was analyzed by multiple linear regression test	Population : The Nagari government apparatus in Tanah Datar Regency is as many as 525 people Sample :	Competence has a direct influence on significant to performance in financial management

			227 respondents	
Rulyanti (2017) Jurnal Bisnis dan Manajemen	X1 : Regulation X2 : Organizational Commitment X3 : Communication X4 : Human resources Y : Performance Z : Village Financial Management	Quantitative approach. Analysis SEM tools	Population : Financial managers from 209 villages in Bondowoso Regency Sample : 187 respondents	Regulations have no effect on village financial management and performance Organizational commitment has a significant positive effect on management village finance and performance. Village financial management has a significant positive effect on performance.
Basri et al (2021), The Indonesian Journal of Accounting Research	X1 : Financial management X2 : Organizational Commitment X3 : Legislative Role Y : Implementation of Good Governance	Quantitative approach. Method SPSS v.25 . data analysis	Population : Village Governments in Siak Regency, totaling 122 villages. Sample: 27 villages with 108 respondents	Village financial management, organizational commitment, and the role of the Village Consultative Body (BPD) has a positive and significant effect to good village governance.
Suryo Pratolo (2021), International Conference on Sustainable Innovation Track Accounting and Management Sciences (ICOSIAMS 2021)	X1 : Human Resource X2 : Information Technology X3 : Organizational Commitment Y : Village financial management transparency	Quantitative approach. SPSS analysis tool	Population: 75 villages in Bantul Regency Sample : 30 sample villages	Human Resources has a positive effect on the transparency of village financial management, the use of information technology has a negative effect on transparency of village financial management, and organizational commitment have not succeeded in moderating the

				influence
				utilization of human resources and information technology in the transparency of village financial management.
Hasnita (2019), Mega Aktiva: Jurnal Ekonomi dan Manajemen	X1 : Competence X2 : Commitment Y : Village financial management Z : Regulation	Quantitative approach. Multiple linear regression analysis with interaction test (MRA- Moderated Regression Analysis)	Population : 1.344 village government officials in Konawe Selatan Regency. Sample : 308 respondent	Competence positive and significant effect on village financial management; Commitment tasks have a positive and insignificant effect on village financial management

RESULTS AND DISCUSSION

Article Distribution

The source of data from this article was obtained from journals through search engines. The data were analyzed using SPSS and SEM analysis tools and the entire sample of the population was respondents who worked in village government agencies.

Competence towards Village Financial Management

The competence of the village apparatus has a positive effect on the accountability of village fund management, this can mean that the more competent the village government is, the more accountable the management of village funds.

The research of Umar, Haryono (2018), Riadul Jannah et al, (2018) and Hasnita (2019) states that the understanding, abilities, and skills of village officials have a significant effect on village financial management. The higher the competence possessed by a person, the better the quality of financial management.

Jatmiko (2019) in his research stated that the competence of human resources had no effect on the quality of village financial management reports. This is because the dimensions of human resources have not been fulfilled such as responsibilities, experience and training. So it is necessary to increase training to form a responsible and experienced person in the field of financial management.

Competence on Performance

Competencies consisting of knowledge, experience and attitudes have a significant influence on organizational performance.

Rozanti's research (2018) shows that capacity and competence consisting of knowledge, skills and attitudes have a significant effect on performance. Meanwhile, the results of the research by Pandey et al (2015) state that partially only the work experience factor has a significant effect on the performance of village government officials, while the other two factors (formal education and training/skills) had no significant effect on the performance of village government officials. However, simultaneously or together, these three factors (education, training and work experience) have a very significant effect on the performance of village government officials.

Organizational Commitment on Village Financial Management

Mowday et al (1979) Organizational Commitment is the relative strength of employees in identifying their involvement in the organization. Because organizational commitment comes from each individual to take actions that can have a positive impact on the organization.

The results of research by Rulyanti (2017) and Basri (2021) find that organizational commitment has a significant positive effect on village financial management and village government performance. Suryo Pratolo (2021) organizational commitment cannot strengthen the influence of human resources on the transparency of village fund management, this is due to the lack of appreciation for employees who excel, promotions are not in accordance with the provisions and the income received is not commensurate with the workload. Hasnita's research (2019) found that organizational commitment has no significant effect on village financial management.

Organizational Commitment to Performance

Good organizational commitment will make the organization work optimally to achieve the organizational goals that have been set. This is in line with the research of Rulyanti et al. (2017) that organizational commitment has a significant positive effect on village financial management and performance.

Organizational commitment is needed in maintaining loyalty and a sense of belonging and self-desire to maintain membership in the organization. Likewise, the commitment of village government officials, in which they need to be instilled in them a high commitment to their organization. Because the high commitment of the village apparatus will affect and improve the performance of the village government apparatus.

Village Financial Management on Village Government Performance

The performance of the village government is very much needed to regulate the roles and relationships in managing activities in the village to be effective and efficient in helping the realization of community goals. Village financial management is a very important thing that must be carried out by village officials, where to improve performance one of them is by managing village

finances in a more transparent, accountable and participatory manner and in accordance with applicable regulations.

The results of Rulyanti's research (2016) show that village financial management affects the performance of village government. If village financial management can be managed effectively, efficiently, transparently and accountably, it can improve the performance of the village government.

Competence on Performance Through Village Financial Management

Village financial management is a variable that mediates the competence of village government officials on village government performance. The better and the quality of the competence of the government apparatus in the village, the better the management of village finances. By improving village financial management, the performance of the village government is also more optimal.

Umar, Haryono (2018), the competence of village officials had a significant effect on village financial management. Rulyanti (2016) the results that village financial management had an effect on the performance of the village government. So that the existence of high competence in village financial management will have positive implications for the performance of the village government.

Organizational Commitment to Performance Through Village Financial Management

Village financial management is a variable that mediates the commitment of village organizations to village government performance. The better and higher the existing organizational commitment, all activities from planning, implementation and accountability will be carried out properly, thereby improving the quality of village financial management. With the improvement of village financial management, the performance of the village government is also more optimal. This is shown in research conducted by (Rulyanti, 2016) The influence of regulation, organizational commitment, communication and human resources on the performance of village government with village financial management as an intervening variable.

CONCLUSION

Most studies state that competence has a significant relationship to village financial management and village government performance (Pandey et al, 2015; Rulyanti, 2017; Rozanti, 2018; Umar, Haryono, 2018; Riadul Jannah et al, 2018; and Hasnita, 2019). Meanwhile, according to (Jatmiko, 2019) human resources have no effect on the quality of financial reports.

The results of the study indicate that organizational commitment has a significant effect on village financial management and village government performance (Rulyanti, 2017; Basri, 2021). However, research (Hasnita 2019; Suryo Pratolo, 2021) explains that organizational commitment cannot strengthen the influence of human resources on the transparency of village fund management.

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