
THE INFLUENCE OF SUPERVISION AND VILLAGE APPARATUS COMPETENCE TOWARD THE EFFECTIVENESS OF VILLAGE FUND MANAGEMENT BASED ON THE E-VILLAGE BUDGETING APPLICATION IN BANYUWANGI REGENCY

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ABSTRACT

The research objectives were (1) to discuss the influence of Supervision and Village Apparatus Competence toward the Effectiveness of Village Fund Management based on E-Village Budgeting; and (2) Obtain a new concept from the discussion of the influence of Supervision and Village Apparatus Competence toward the Effectiveness of Village Fund Management based on E-Village Budgeting. This research uses a mixture of quantitative and qualitative research. The research sample of 270 respondents was taken from a population of 756 people using the SEM method. *The magnitude of the influence of Supervision toward the Effectiveness of Village Fund Management based on E-Village Budgeting reached 0.43, which is somewhat less strong but significant. The magnitude of this influence is determined by the measurement of work results, comparison of work results with work standards, and correction of deviations. The magnitude of the influence of Village Apparatus Competence toward the Effectiveness of Village Fund Management based on E-Village Budgeting is 0.61 which is strong and significant. The magnitude of the influence of Village Apparatus Competencies toward the Effectiveness of Village Fund Management is determined by knowledge, skills, traits, social roles, self-image, motives. The new concept obtained from the discussion of the influence of Supervision toward the Effectiveness of Village Fund Management based on E-Village Budgeting is a New Concept concerning Correction of Electronic-Based Village Fund Management Irregularities. The new concept obtained from the discussion of the influence of Village Apparatus Competence toward the Effectiveness of Village Fund Management Based on E-Village Budgeting is a New Concept of Electronic-Based Village Fund Management Competence.*

INTRODUCTION

The E-Village Budgeting system, which functions to synergize finance and development at the village level according to community needs, ensures the use of budgets on target and creates transparency in the public sector. Banyuwangi Regency is a pioneer in implementing E-Village Budgeting. The implementation of E-Village Budgeting has received recognition from the central government, which is included in the Top 40 public service innovations from the assessment conducted by the Ministry of PAN RB. The

use of E-Village Budgeting is also a preventive attitude from misappropriation of the Village Fund with the aim of providing empowerment to village officials. In particular, Banyuwangi has implemented online budgeting through E-Village Budgeting since 2015 and has been implemented in 189 villages spread across 25 sub-districts in Banyuwangi Regency.

With the application of E-Village Budgeting, the effectiveness of Village Fund management based on the E-Village Budgeting application in Banyuwangi

Regency appears to be a phenomenon of village financial management that is correlated with various variables. The variables in question are certainly not limited to the internal environment of the village government as the party authorized to manage the Village Fund. In the external environment of the village government, there are also a number of variables that correlate with the management of the Village Fund. The external variables in question include, for example, economic resources, natural resources and social resources as well as community participation in managing the allocation of village funds.

Among a number of variables that correlate with the effectiveness of Village Fund management based on the E-Village Budgeting application, it is assumed that Supervision and Village Apparatus Competence are two exogenous latent variables that have a significant influence toward the Effectiveness of Village Fund Management based on the E-Village Budgeting Application in Banyuwangi Regency. The assumptions about this phenomenon are based on the following arguments:

Supervision affects the Effectiveness of Village Fund Management based on the E-Village Budgeting Application, because the supervision is one of the management functions of the village government which is carried out on all the implementation of village government policies and activities, including the management of village funds based on the E-Village Budgeting application. The supervision referred to can consist of internal supervision inherent in structural positions of village government and external supervision that arises from participation in the implementation of village governance. Therefore, functionally the implementation of the Supervision function can have a significant effect on the Effectiveness of Village Fund Management based on the e-Village Budgeting Application. If Supervision is interpreted as an antecedent variable and the Effectiveness of Village Fund Management based on the E-Village Budgeting Application is interpreted as a consequence variable, it should be assumed that between Supervision and Village Fund Management Effectiveness a dynamic relationship is formed. These major premises refer to the following minor premises:

Bureaucratic control is a control approach that emphasizes authority and relies on administrative rules, regulations, procedures, and policies. This type of control depends on standardization of activities, well-defined job descriptions to direct employee work behavior, and other administrative mechanisms such as budgets to ensure that organizational members exhibit appropriate work behaviors and meet established performance standards accountability. (Robbins and Cenzo, 1998 : 461)

Village Apparatus Competencies affect the Effectiveness of Village Fund Management based on the E-Village Budgeting Application, because the Village Apparatus Competence is a staff resource that operates the e-Village Budgeting application. The competency of the Village Apparatus includes work motivation, knowledge and expertise on work as well as attitudes and behavior at work. Therefore, conditionally and functionally the Village Apparatus Competence can have a significant effect on the Effectiveness of Village Fund Management based on the e-Village Budgeting Application. If the Village Apparatus Competence is interpreted as an antecedent variable (which precedes) and the Effectiveness of Village Fund Management Based on the e-Village Budgeting Application is interpreted as a consequence variable, it should be assumed that between Village Apparatus Competence and Village Fund Management Effectiveness a dynamic relationship is formed. These major premises refer to the following minor premises:

Cohen (1999: 173) says that "competencies are the areas of knowledge, abilities and skills that increase and individual's effectiveness in dealing with the world".

Boyatzis (in Thoha, 1998: 4) says: "Competence as a capacity that is in someone who can make that person able to fulfill what is required by work in an organization so that the organization is able to achieve the expected results."

The assumptions and major premises expressed are not necessarily correct because they have not been tested; however, it can be used as a starting point for developing a conceptual idea. In order to actualize conceptual and factual assumptions, a research approach is deemed necessary. Therefore,

based on the assumptions, the following research titles were chosen:

"The Influence of Supervision and Village Apparatus Competence toward the Effectiveness of Village Fund Management Based on the E-Village Budgeting Application in Banyuwangi Regency, East Java Province"

The research title was chosen on the grounds that the effectiveness of Village Fund Management based on the e-Village Budgeting Application and its correlation with Supervision and Village Apparatus Competence are elements of village government administration that are included in the implementation of development policies and activities. Development is one of the functions of government. Thus the title of the research deserves to be considered to have represented the forma object of governmental science.

LITERATURE STUDY

The theoretical framework consists of a grand theory of Government Science; middle range theory Bureaucratic Theory; applied theory Supervision Theory, Competency Theory, and Effectiveness Theory. Applied theory which is used as a driven theory of constructing research variables is as follows:

From the description of the supervisory theory, the writer chooses Winardi's supervisory theory as a driven theory of constructing the exogenous latent variable constructs of supervision. According to Winardi (1983: 381), the supervisory process consists of a process formed by three kinds of universal steps, namely 1) measuring the results of the work; 2) Compare work results with standards and confirm differences (if there are differences); and 3) Correcting unwanted deviations through corrective action. Based on this theory of supervision, a conceptual definition of variables is prepared that the supervision is an activity of monitoring and assessing the effectiveness of E-Village Budgeting which is reviewed according to the measurement of work results, comparison of work results with work standards, and correction of deviations. From the conceptual definition three dimensions of study are derived: (1) dimensions of measurement of work results, (2) dimensions of comparison of work results with work standards, (3) dimensions of deviation

correction. The dimensions of the measurement of work results are derived into the manifest variables: (1) Success rate, (2) Usability, (3) Usefulness, and (4) Accountability. The dimensions of the comparison of work results with work standards are derived into manifest variables: (5) work planning, (6) division of work, (7) work implementation, and (8) work results. The dimension of deviation correction is derived into manifest variables: (9) work procedures, (10) technical work, (11) work coordination, and (12) working time.

From the description of the competency theory presented, the writer chooses the opinion of Shermon (2004: 11) which says: "A competency is an underlying characteristic of a person, which enables him to deliver superior performance in a given job, role or a situation. This characteristic may be called an "attribute bundle". Consisting of knowledge, skills, traits, social roles, self-image and motives. The "underlying characteristic", manifests itself in the form of behavior, which helps identification and treatment of competency. " Based on Shermon's competency theory, the following conceptual definitions of Village Apparatus Competence are compiled: Village Apparatus Competence is a display of the personality, abilities and behavior of Village officials in carrying out their work which is revealed from their knowledge, skills, traits, social roles, self-image and motives. From the conceptual definition of variables, 6 dimensions of analysis are derived: (1) dimensions of knowledge analysis, (2) dimensions of skills analysis, (3) dimensions of trait analysis, (4) dimensions of social role analysis, (5) dimensions of self image analysis, and (6) Motive analysis dimension. The dimension knowledge analysis is derived into manifest variables: (1) Knowledge of job administration, (2) Knowledge of job management, and (3) Technical knowledge of the job. The dimensions of the skills analysis are derived into manifest variables: (4) administrative skills, (5) technical skills, and (6) social skills. The dimensions of trait analysis are derived into manifest variables: (7) character, (8) trait, and (9) habit. The dimensions of social role analysis are derived into manifest variables: (10) social sensitivity, (11) social care, and (12) social response. The dimensions of self image analysis are derived

into manifest variables: (13) Emotional maturity, (14) attitudes, and (15) behavior. The dimensions of the motive analysis are derived into the manifest variables: (16) Economic needs, (17) Social needs, and (18) Job needs.

Siagian (1995: 32-33) shows effectiveness in an organization with the following explanations: (1) Clarity of goals to be achieved; (2) Clarity of strategies for achieving goals; (3) a sound policy analysis and formulation process; (4) careful planning; (5) Appropriate Programming; (6) Availability of Work Facilities and Infrastructure; (7) Effective and Efficient Implementation; (8) Supervision and Control System which is Educational in nature. Based on Siagian's theory of effectiveness, the following conceptual definitions of variables were compiled: The Effectiveness of Village Fund Management Based on the E-Village Budgeting Application E-Village Budgeting Application is the process of achieving goals and successful management of Village funds based on information technology applications that are revealed from the clarity of the objectives to be achieved, the clarity of the strategy for achieving objectives, the process of analysis and formulation of solid policies, careful planning, compilation the right program, the availability of work facilities and infrastructure, effective and efficient implementation, and a system of supervision and control that is educational in nature. From the conceptual definition of variables, 8 dimensions of discussion are drawn: (1) Dimensions of clarity of goals to be achieved, (2) Dimensions of clarity of strategies for achieving goals, (3) Dimensions of analysis processes and solid policy formulation, (4) Dimensions of careful planning, (5)) Dimensions of proper programming, (6) Dimensions of the availability of work facilities and infrastructure, (7) Dimensions of effective and efficient implementation, and (8) Dimensions of educational supervision and control systems. The dimensions of the clarity of the objectives to be achieved are developed into manifest variables: (1) short-term objectives of village fund management, (2) medium-term objectives of village fund management, (3) long-term objectives of village fund management. The dimensions of the clarity of the strategy for achieving goals are developed into manifest variables: (4) strategies for raising participation, (5)

strategies for cooperation, (6) strategies for business development. The dimensions of the analysis process and solid policy formulation are developed into manifest variables: (7) Administrative policies, (8) Technical policies, (9) Social policies. The dimensions of careful planning are developed into manifest variables: (10) Resource planning, (11) Environmental planning, (12) Network planning. The dimensions of appropriate programming are developed into manifest variables: (13) Village infrastructure development program, (14) Community economic empowerment program, (15) Community social empowerment program. The dimensions of the availability of work facilities and infrastructure are developed into manifest variables: (16) Facilities for work communication, (17) Facilities for coordinating work implementation, (18) Infrastructure for activities. The dimensions of effective and efficient implementation are developed into manifest variables: (19) Implementation of effective work, (20) Implementation of effective activities, (21) Efficient use of costs. The dimensions of the educational supervision and control system are developed into manifest variables: (22) inherent supervision, (23) functional supervision, (24) community supervision.

The Thinking Framework is designed as a conceptual idea about the study of the causal relationship between correlated variables. The framework is visualized as a dissertation management system consisting of: Input Analysis elements that make up the Research Planning stage; Process Analysis elements that make up the Research Executing stage; Output and Outcome elements that make up the Research Reporting stage. With these concepts, a theoretical hypothesis is proposed to fulfill one of the stages of SEM analysis application, namely the model estimation stage. The theoretical hypothesis is the following:

The magnitude of the influence of Supervision toward the Effectiveness of Village Fund Management based on the E-Village Budgeting Application is determined by the measurement of work results, comparison of work results with work standards, correction of deviations. The magnitude of the influence of Village Apparatus Competence toward the Effectiveness of Village Fund Management

based on the E-Village Budgeting Application is determined by Knowledge, Skills, Trait, Social Role, Self Image, and Motivation.

METHODOLOGY

The research combines the quantitative research paradigm (positivist paradigm) and the qualitative research paradigm (post positivists paradigm) The research starts from:

Quantitative Research: 12 Supervision manifest variables, 18 Village Apparatus Competency manifest variables, 24 manifest variables of the Effectiveness of Village Fund Management Based on the E-Budgeting Application were used as 55 items of the research questionnaire. The questionnaire was prepared using a Likert scale. The questionnaire was given to 270 respondents who were drawn from 756 populations using the SEM method. The results of the distribution of the questionnaires were processed by SEM analysis to obtain CFA (Comfirmatory Factor Analysis) results. which shows the most dominant dimension in the formation process of the influence of exogenous latent variables on endogenous latent variables.

The study was continued with Qualitative Research: Based on the results of the CFA, Interview Guidelines were prepared to deepen the study on the most dominant dimensions. Interview guidelines were submitted to 8 research informants who were determined by using the purposive sampling technique. The results of the interviews were discussed with descriptive analysis which was developed according to the Observer Triangulation method.

ANALYSIS

Model Fit Test Results: The Tucker Lewis Index test results are $1.244 > 0.95$ and the Comparative Fit Index is $1,000 > 0.95$, it can be concluded that the model fits the data. This means: the theories used to design the research model (which is stated by the Theoretical Hypothesis and SEM Hypothesis are appropriate to be considered suitable for exploring and discussing the variables used as the research object. Results of the Validity and Reliability Test of Supervision: The results of the validity and reliability tests show that the AVE value is $0.61 > 0.5$ and the Reliable Contract is $0.70 > 0.7$, so it can be concluded that all manifest variables of Supervision are

proven valid and reliable. Results of the Validity and Reliability Test for Village Apparatus Competence: The results of the validity and reliability tests showed that the AVE value was $0.60 > 0.5$ and the Reliability Contract was $0.70 > 0.7$. it can be concluded that all manifest variables of Village Apparatus Competence can be declared valid and reliable. Results of the Validity and Reliability Test of the Effectiveness of E-Budgeting-Based Village Fund Management: The results of the validity and reliability tests show that the AVE value is $0.60 > 0.5$ and the reliable construct is $0.70 > 0.7$. it can be concluded that all manifest variables are valid and reliable.

Hypothesis 1

Supervision has an influenced toward on the Effectiveness of Village Fund Management based on E-Budgeting Application with the calculation results: Path Coefficient 0.43 and Epsilon: 0.57. The tcount $(6.19) >$ the critical significance value (1.96) , then H_0 is rejected and H_1 is accepted. Meaning: Supervision has a positive and significant influenced toward the Effectiveness of Village Fund Management based on E-Village Budgeting Application. Comfirmatory Factor Analysis (CFA): Deviation Correction Dimension: 0.83. The results of the CFA were used as the basis for the preparation of interview guidelines and new concepts.

Hypothesis 2

Village Apparatus Competence on the Effectiveness of Village Fund Management based on E-Budgeting Application with the calculation results: Path Coefficient 0.65 and Epsilon 0.35. The tcount $(8.22) >$ the critical significance value (1.96) , then H_0 is rejected and H_1 is accepted. Meaning: Village Apparatus Competence has a positive and significant influenced toward the Effectiveness of Village Fund Management based on E-Village Budgeting Application. Comfirmatory Factor Analysis (CFA): Knowledge Dimension: 0.90. The results of the CFA were used as the basis for the preparation of interview guidelines and new concepts. The discussion of the research results was carried out in a structured manner according to the construct of each exogenous latent variable. The discussion is described

with the pattern of causality between variables to produce a solution to the phenomenon which is the object of research and to produce a new concept.

Conceptually, the solution is arranged according to the structure of the manifest variable in each of the exogenous latent variables and is stated as Practical Implications. The practical implications, which are then used as the basis for the preparation of Practical Suggestions or Recommendations, are axiological application models. The new concept which is based on driven theory and the results of the CFA is an application model of epistemology. The composition of the New Concept consists of Definition, Description and Proposition. The

CONCLUSION

The magnitude of the influence of Supervision toward the Effectiveness of Village Fund Management based on E-Village Budgeting Application in Banyuwangi Regency reaches 0.43, which is considered less strong but significant, because $t_{count} > t_{statistics}$. The magnitude of the influence of the Supervision toward the Effectiveness of Village Fund Management Based on E-Budgeting Application is determined by the measurement of work results, comparison of work results with work standards, and correction of deviations. The magnitude of this influence indicates that among the Supervision which is seen as an antecedent variable (which precedes, the cause) and the Effectiveness of Village Fund Management based on E-Village Budgeting Application which is seen as a consequence variable (phenomenon, effect) there is a dynamic of causality relationship. This causal relationship has practical implications that if the Supervision is enhanced or increased, stimulating the increase in the Supervision will be followed by an increase in the Effectiveness of Village Fund Management based on E-Village Budgeting Application. Therefore, increasing the effectiveness of Village Fund Management based on E-Village Budgeting Application in Banyuwangi Regency can be increased by increasing, or fixing 12 variables of the Supervision manifest.

The magnitude of the influence of Village Apparatus Competence toward the Effectiveness of Village Fund Management based on E-Village Budgeting Application in

new concept is then used as the basis for the preparation of theoretical suggestions or recommendations. Propositions are used as the Evidences of the research results. Practical Implications and New Concepts that are meant to consist of (1) Practical Implications and New Concepts from the discussion of the influence of Supervision toward the Effectiveness of Village Fund Management Based on E-Budgeting Application; (2) Practical Implications and New Concepts from the discussion of the influence of Village Apparatus Competencies toward the Effectiveness of Village Fund Management Based on E-Budgeting Application.

Banyuwangi Regency reaches 0.61 which is strong and significant, because $t_{count} > t_{statistics}$. The magnitude of the influence of Village Apparatus Competencies toward the Effectiveness of Village Fund Management based on E-Budgeting Application is determined by knowledge, skills, traits, social roles, self-image, motives. The magnitude of this influence indicates that among the Village Apparatus Competence which is seen as an antecedent variable and the Effectiveness of Village Fund Management based on E-Village Budgeting Application which is seen as a consequence variable there is a dynamic of causality relationship. This causal relationship has practical implications that if the Village Apparatus Competence is increased or increased, stimulating an increase in the Village Apparatus Competence will be followed by an increase in the Effectiveness of Village Fund Management based on E-Village Budgeting Application. Therefore, increasing the effectiveness of Village Fund Management based on E-Village Budgeting in Banyuwangi Regency can be increased by increasing and or improving 18 manifest variables of Village Apparatus Competence.

The new concept obtained from the discussion of the influence of Supervision toward the Effectiveness of Village Fund Management based on E-Village Budgeting Application in Banyuwangi Regency is a New Concept of Correction of Electronic-Based Village Fund Management Deviation with the definition: Correction of Village Fund Management Based Electronic Irregularities is a pattern of checking and assessing the performance of fund management. electronic-

based village which includes correction of work procedures, technical coordination of work, correction of work coordination, and correction of working time. The theoretical construct of the new concept includes four dimensions of analysis: (1) Correction of work procedures, (2) Technical Correction of Work, (3) Correction of Work Coordination, and (4) Correction of Working Time.

The new concept obtained from the discussion of the influence of Village Apparatus Competence toward the Effectiveness of Village Fund Management Based on E-Village Budgeting Application in Banyuwangi Regency is a New Concept of Village Fund Management Based on Electronic Competence with the definition: Village Fund Management Based on Electronic Competence is practical knowledge of village offi Electronic-Based cials on management performance electronic-based village funds which include administrative competence, management competence, and technical competence in managing electronic-based village funds. The theoretical construct of the new concept includes three dimensions of knowledge: (1) Electronic-Based Village Fund Administrative Competence, (2) Electronic-Based Village Fund Managerial Competence, and (3) Electronic-Based Village Fund Technical Competence.

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