

Research article

Managing Public Village Funds: The Impact of Spiritual vs. Nonspiritual Factors

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Abstract.

The purpose of this research was to determine the spiritual and nonspiritual factors that influence the management of public organization funds, focusing specifically on village funds. Previous research has shown that both types of factors can impact the management of village funds. The nonspirituality aspects are limited to organizational commitment and human resource competencies while the spirituality aspects are focused on spirituality itself. In this study there were 83 respondents who were village officials directly involved in managing village funds, and who were recruited using purposive sampling. Multiple linear regression was used to analyze the data. The results demonstrated that only nonspirituality aspects had a positive impact on the management of village funds, while spirituality had no effect on village fund management.

Keywords: organizational commitment, human resource competence, spirituality, village fund management

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1. Introduction

The Indonesia Law Number 6 of 2014 concerning about villages changes the implementation of village autonomy regarding accountability to the community or regional government. Villages are given the freedom to explore economic and natural capacities for equitable development through village programs [1]. Villages have developed in various forms so that they need to be protected and empowered to be strong, advanced, independent, and democratic [2]. The development carried out by the village government is in line with the amount of funds received by the village so that village officials are required to be more careful in managing village funds so that the goals of the government and the community can be achieved [3]. Village funds are stimulus funds for villagers, in order to improve living standards in rural areas [4]. The achievement of village government development and management of village funds requires reliable village officials and adequate facilities so that development can be carried out in a directed manner [5]. The management of funds managed by the village apathy must

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be accountable to the village community itself as a form of manifestation of good government [6]. However, problems that occur in village fund management are caused by the lack of knowledge of village officials in financial management and reporting, so things like this can trigger irregularities or corruption [3].

Based on the problem regarding the effectiveness of using village funds in village development and empowerment, it is not in accordance with the national village regulation, so this problem will be of concern to the Gunung Kidul Regency Government so that it does not happen again in the following year [7]. Based on the problems that occur, human resource competency is one of the main causes regarding village fund management, if an human resource has weak competence, village fund management will be hampered and trigger irregularities [8].

Organizational commitment is very important in a village government organization in order to improve the quality of performance in the management of village funds. The commitment of a good organization can increase accountability, so it will conclude that the better the commitment of a government, the more accountable the management of village funds is [5, 9].

An organization is needed by village officials who have a high level of spirituality [10]. The weak spirituality of a person will result in the tendency to do offense as a shortcut, so spiritual values must be instilled to strengthen individual moral development. The goal is to instill spiritual values in individuals so that every decision making in the management of village funds does not make irregularities [11].

This research is interesting to do because there is a phenomenon that occurs in Gunung Kidul Regency. There are problems regarding the effectiveness of the use of funds in activities in the field of village development and village empowerment that are not in accordance with the national village regulation [7]. Next, inconsistencies of previous studies motivated researchers to conduct this research. Several researches on organizational commitment, human resource competence and spirituality affect the management of village funds such as [3, 12-14]. However, other research states that organizational commitment, human resource competence and spirituality do not affect the management of village funds, [15-16, 17].

2. Theoretical Review

2.1. Agency Theory

Agency theory is a concept regarding the relationship between principal and agent. Principal, namely the party who gives responsibility to another party, namely the agent to carry out activities on behalf of the principal in the decision maker. An agency relationship is a collaboration between one or more people (principals) which aims to command other people (agents) in carrying out a service on behalf of the principal and to give the agent the power to make the best decisions for the principal. If both have the same goal of maximizing company value, it is believed that the agent will act in the interests of the principal [17]

2.2. Village Financial Management

According to PP RI No. 43 of 2014 concerning implementing regulations for Law No. 6 of 2014 on villages and the Ministry of Home Affairs No. 113 of 2014, village fund management explains that village finance is the entire village authority that can be assessed in money and everything in the form of money and goods related to village authority. Village financial management is carried out based on the transparent principle, accountable, participative and implemented in an orderly and disciplined manner [17].

2.3. Human Resource Commitment

Commitment is a condition of human resources that provides benefits to an organization [19]. An organization that has a high commitment, the organization is able to maintain in the organization. A person who has commitment is characterized by a strong belief in organizational goals in achieving organizational goals. Research that has been done by [3, 13-14, 20] show that organizational commitment has a positive effect on the management of village funds. Then it is concluded that the higher the commitment, the better the successful management of village funds will be [21]. Based on the explanation, the first hypothesis can be concluded:

H₁: Organizational commitment has a positive effect on village fund management.

2.4. Competence

Competence is a skill, ability, or in the science of management, competence is a characteristic of an individual in supporting his career success [17]. This research has

been conducted by [19, 14, 20] showing the results that competencies have a positive effect on village fund management. This can be interpreted that if the competence of human resources is more competent in managing village funds, the management of village funds will be more accountable [19]. Based on the explanation, the second hypothesis can be concluded:

H₂: competence has a positive effect on village fund management

Spirituality

Spiritual has a role as a foundation for the functioning of IQ and EQ so that spiritual is a very influential intelligence in a person. A person who has high spirituality intelligence enables the individual to think creatively, have far-sightedness, make or even change rules so that one's performance is better [3, 10]. The effect of spirituality towards people in the workplace mentioned as follow [22]:

1. Spirituality can increase employee well being and quality of life
2. Spirituality provides employee a sense of purpose and meaning at work
3. Spirituality provides employee a sense of interconnectedness and community

Previous research conducted by [23] emphasize that spirituality is important to be inserted in accounting and financial curricula because successful people should have basic spiritual education started from their educational higher institution.

Based on research conducted by [3, 24] shows that spirituality has a positive effect on the management of village funds. Spirituality provides a person's knowledge regarding material facts. This means that the higher the level of spirituality possessed by human resources, the more accountable the level of village fund management will be. Based on the explanation, the third hypothesis can be concluded:

H₃: Spirituality has a positive effect on the management of village funds.

3. Research Methods

The study was conducted by using 42 developing villages from 144 villages in Gunungkidul Regency and succeeded in distributing 126 questionnaires. But only 83 of them could be processed, the rest did not return and could not be processed due to incomplete filling. The research sample is the Village Head / Lurah, the Village Secretary / Carik and the Treasurer / Danarta. The sampling technique used was purposive sampling with the sample criteria used in this study were [3, 7]; (1) Village apparatus consisting of a head Village / Lurah, village secretary / Carik, village treasurer

/ Danarta, (2) minimum length of work for 1 year with a minimum education level of high school equivalent (3) The village is developing in Gunungkidul Regency on the grounds that there are still obstacles in the effectiveness of using village funds. Variables used in this research explained as below:

1. Management of village funds which is the task of the village government in providing responsibility, reporting, and conveying and activities related to village fund management. The measurement used refers to previous research [20] with indicators of honesty and information disclosure, compliance in reporting, suitability of procedures, adequacy of information, accuracy of report submission. This variable is measured by a Likert scale of 5 points and question items as many as 7 questions.
2. Organizational commitment is a person's encouragement in carrying out tasks to help organizational success according to the goals set by the organization [25]. Organizational commitment is measured by indicators of affective commitment, sustainability commitment, normative commitment [20]. This variable is measured by a Likert scale of 1-5 points and question items of 9 questions.
3. Competencies are the characteristics of a person that makes them successful [8]. HR competency is measured by indicators of knowledge (knowledge), ability (skill), and attitude [20]. This variable is measured by a Likert scale with points 1-5 and question items as many as 6 questions.
4. Spirituality is the basic asset that is owned by individuals in their lives. Spirituality can provide an understanding of the world of business that a person does [26]. Measuring spirituality uses indicators, namely actions in thinking, saying, behavior, motivation, social obligations and dedication to the profession [3]. This variable is measured by a Likert scale using 1-5 points and 29 question items.

4. Result and Discussion

4.1. Result

4.1.1. Validity Test Result

The data validity test used independent variable and dependent variable questions, namely 9 questions for X1, 6 questions for X2, 29 questions for X3 and 7 questions for Y.

TABLE 1: Result of Validity Test (Y variable).

No	Question	Person correlation
Y.1	Actively participate in setting the basic goals and formulation of large and long-term goals related to meeting organizational needs	0.798**
Y.2	Actively making programs for the achievement of performance targets	0.848**
Y.3	To play a role in determining the equal distribution of economic resources as a program and activity of perunit	0.781**
Y.4	Actively carry out comparisons regarding budget and realization	0.709**
Y.5	Participate in the bookkeeping of realized income and expenditure which is used as a budget comparison	0.731**
Y.6	Report the amount of income and expenditure budgeted and its realization	0.733**
Y.7	Analyze the difference between planning and realization	0.653**

TABLE 2: Result of Validity Test (X₁ variable).

No	Questions	Person correlation
X1.1	Happy to get the responsibility of managing village funds	0.651**
X1.2	Tells to others of how village funds are managed for other people	0.590**
X1.3	Share the problem of managing village funds like our personal problem	0.569**
X1.4	Emotionally interested in managing village funds	0.715**
X1.5	Accountability for village funds has a very big meaning in managing village funds	0.445**
X1.6	Burdens others when they leave the task of managing village funds	0.614**
X1.7	Consistently implement village programs as a necessity	0.607**
X1.8	The impact of negligence in village management is being punished	0.445**
X1.8	The basic reason for continuing the village program is the main loyalty because it will consider working according to the village program, namely as a moral duty	0.575**

4.1.2. Reliability Test Result

To test reliability from the independent variable and the dependent variable, this research uses Cronbach's alpha with a standard coefficient of 0,7. Reliability test results show that all variables have a Cronbach's alpha value higher than 0,7.

TABLE 3: Result of Validity Test (X_2 variable).

No	Questions	Pearson correlation
X2.1	have well knowledge of technical work	0.629**
X2.2	play a role in digging up information related to job duties and functions from various sources	0.793**
X2.3	conduct training related to main tasks and job functions	0.634**
X2.4	attempting to understand the infrastructure (computers, etc.) related to the implementation of work	0.713**
X2.5	refuse any intervention from superiors that could lead to a violation of the rules	0.589**
X2.6	work according to generally accepted practices	0.751**

4.1.3. Hypothesis Test Result

To test hypothesis, this research used t test with standar coefficient 0,05. Hypothesis test result show that one hypothesis rejected because it has p-value below 0,05, the rest of hypotheses are accepted.

4.2. Discussion

The first hypothesis test shows that organizational commitment has a positive effect on village fund management. In order to maximize performance or achieve goals, organizations need high employee commitment [20]. Organizational commitment has an influence in managing village funds, this is shown by high employee commitment and optimal performance [13]. Organizational commitment is a form of responsibility of all members of the organization on an ongoing basis. So that organizational commitment is intended to be able to assist in managing village funds accountably, this is a form of organizational commitment in the success of managing village funds [27].

The results of the second test prove that the competence of human resources has a positive effect on the management of village funds. This result is in accordance with research [3], namely the competence of human resources to have the skills needed in managing village funds. Qualified human resource competencies affect the accountability of basic funds financial statements. The competence of competent human resources will affect the management of village funds in an accountable manner. Human resource competence will encourage working effectively, efficiently and productively, so that it will improve the performance of village fund management [3]. Human resources have an important role in carrying out their duties for village fund management such as planning, implementation and reporting [28]. This requires the preparation of human resources

TABLE 4: Result of Validity Test (X_3 variable).

No	Question	Person correlation
X3.1	do good without expecting anything in return	0.360**
X3.2	when making important decisions, will ask God for guidance	0.392**
X3.3	prayer is a source of power that can change lives	0.512**
X3.4	presenting unethical things in front of the public	0.519**
X3.5	by being obedient to worship, God will not take part in my life	0.470**
X3.6	make many sacrifices in doing good to others	0.374**
X3.7	worship to God had no effect on my life	0.540**
X3.8	worship is not a need that must be prioritized	0.389**
X3.9	do good to others only when you want to be praised	0.603**
X3.10	help others when it will provide an advantage	0.544**
X3.11	able to cooperate with others in order to achieve common goals	0.495**
X3.12	don't like helping others	-0.587**
X3.14	everyday, God always watching us	0.274*
X3.15	not looking for opportunities to do good in every opportunity	0.216*
X3.16	by obeying worship, God will take part in helping life	0.655**
X3.17	in everyday life, feel reluctant to ask for help from others	0.304**
X3.18	give rewards to others for good deeds done	0.251*
X3.19	worship is something that is not effective	0.460**
X3.20	take learning of past mistakes and make improvements later	0.577**
X3.21	telling lies is a natural thing as long as it doesn't hurt other people	0.399**
X3.22	not worship at all	0.509**
X3.23	try to do good and help others as much as possible	0.649**
X3.24	trying to give more than others want	0.371**
X3.25	material success is more important than inner calm	0.413**
X3.26	practicing religious values in everyday life	0.477**
X3.27	when making mistakes, don't blame others	0.427**
X3.28	when experiencing difficulties, ask for help from others without feeling embarrassed	0.320**
X3.29	hoping to be the center of attention for others	0.382**
X3.30	pray to be the center of attention for others	0.333**

such as socialization, monitoring, evaluation and supervision in the management of village funds [20].

The results of the third test prove that spirituality has no effect on the management of village funds. High and low levels of spirituality do not affect the management of village funds, namely competent or incompetent human resources to manage village funds properly even though they are not supported by spirituality [13]. This spirituality is

TABLE 5: Result of Reliability Test.

Variable	Cronbach's alpha	Statement
Organization commitment	0.745	Reliable
Human resource competencies	0.763	Reliable
Spirituality	0.779	Reliable
Village fund's management	0.868	Reliable

TABLE 6: Result of Hypothesis Test.

Variable	β	t	P value	Result
Constant	-2.163		0.663	
Organization commitment	0.293	3.248	0.002	H1 accepted
Human resource competencies	0.442	2.841	0.006	H2 accepted
Spirituality	0.074	1.704	0.092	H3 unaccepted
F count= 17.648 Sig. F = 0.000		Adjusted R square = 0.379 Significant <5%		

expected to be able to provide insight and understanding regarding the management of village funds, but basically spirituality only applies supervision related to irregularities carried out by village officials. This spirituality embodies transparency and responsibility for the management of village funds [3].

5. Conclusion

Based on the results of research conducted on the variable organizational commitment, human resource competence and spirituality, it can be concluded as follows: (1) Organizational commitment has a positive effect on the management of village funds. (2) human resource competencies have a positive effect on resource management. (3) Spirituality has no effect on the management of village funds.

5.1. Limitations and suggestions

The research was conducted only in developing villages in Gunungkidul Regency with a sample of the village head / Lurah, the village secretary / Carik and the treasurer / Danarta. For next research, it will provide clearer result if researcher expand the object of research, not only in developing villages but in developed or independent villages and also increase the sample size so that they can contribute to the management of village funds [29]. Future research are suggested to add other independent variables that can

affect the management of funds in such as community participation and transparency [30].

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