

# The Influence of Village Apparatus Competence and Government Internal Control System on Village Apparatus Performance in Lhokseumawe City

Murhaban<sup>1</sup>, Indrayani<sup>2</sup>, Nurhasanah<sup>3</sup>, Murtala<sup>4</sup>

Lecturer of Faculty of Economics and Binsis - Malikussaleh University, Lhokseumawe

To Link this Article: <http://dx.doi.org/10.6007/IJARBS/v11-i8/10859> DOI:10.6007/IJARBS/v11-i8/10859

*Published Date:* 27 August 2021

## Abstract

This study aims to determine the effect of village apparatus competence and Government internal control systems on village apparatus performance in Lhokseumawe City. This study uses primary data obtained by distributing questionnaires. There are 68 Gampongs/villages in Lhokseumawe City used as the population, and the samples are 232 respondents selected using the Census sampling technique. The data analysis method used is the Multiple Linear Regression method. The results partially and simultaneously show that village apparatus competence and the internal control system significantly influence village apparatus performance in Lhokseumawe City.

**Keywords:** Village Apparatus Performance, Village Apparatus Competence, Government Internal Control System.

## Introduction

Law Number 23 of 2014 concerning Regional Government states that a village is a legal community unit that has territorial boundaries and the authority to regulate and manage government affairs and community interests. Thus, the local government is the executor of the mandate to accelerate the village community welfare. Village apparatus performance is a measure that states how far the targets (quantity, quality, and time) have been achieved by management, which targets have been determined in advance (Qanun Number 6 of 2018).

The capacity of the village government apparatus is currently still low in terms of financial management (Sidik, 2002). The improvement of village apparatus competence and the government internal control system should improve the managerial of village apparatus performance. Based on the interview with Bukhari, S.Sos, M.Si as the Head of the Village Community Empowerment Service in 2020, the village apparatus has significant roles in improving its performance. At present, efforts are being made by village officials in Lhokseumawe City, namely by providing education and training for village officials in Lhokseumawe City. However, in reality, there are facts about the unprofessionalism of village

apparatus in promoting development and tends to prioritize their position compared to the implementation of their duties. Besides, the quality of performance is still low due to education levels, which results in limited human resources. Also, the village apparatus skills in mastering computers are low due to the lack of provision and training of information technology facilities and infrastructure and less discipline of village apparatus. From the results of the interview, it shows that the performance of the village apparatus in Lhokseumawe City has not been optimal.

For good village financial management and the competence of village apparatus in realizing an increase in managerial performance, it needs to carry out internal government controls to ensure the achievement of government objectives. Government internal control functions as a measuring tool for government agency activities so that they can be carried out effectively and can support the performance of village apparatus, Saputri (2018). For that reason, the author aims to examine the Effect of Village Apparatus Competence and Government Internal Control Systems on the Performance of Village Apparatus in Lhokseumawe City.

### **Problem Formulations**

1. Does the village apparatus competence affect the performance of the village apparatus in Lhokseumawe City?
2. Does the government internal control system affect the performance of the village apparatus in Lhokseumawe City?
3. Do village apparatus competence and the government internal control system affect the village apparatus performance in Lhokseumawe City?

### **Theoretical Review**

#### *The Effect of Village Apparatus Competence on Village Apparatus Performance.*

According to Mintzberg (1973), competence is an ability that has succeeded in driving the production of several superior performances in a set of roles, one of which is service services (including administrative services). Several previous studies conducted by Anak Agung Ngurah Bagus Darmawan et. al (2012), Ika Rahmatika (2014), Juneidy, Pandey, Juneidy, Burhanuddin Kiyai, and Joorie Ruru (2015), Ade Nurmajaya Putra (2017), Syamsir (2017) get the result that competence or ability affected the performance of employees in carrying out their work. Meanwhile, research by Septiyani and Lim Sanny (2013), Muhammad Anis Zakki (2015), and Sri Langgeng Ratnasari (2016) found contradictory results that competency did not affect the performance of employees. Besides, Indrawati (2016) found that competence significantly influenced the performance of financial managers at the Sigi Regency Regional Work Unit. Thus, the first hypothesis of this study is:

H<sub>1</sub>: Village apparatus competence affects village apparatus performance.

#### *The Effect of Government Internal Control System on Village Apparatus Performance*

According to Sawyer (2005: 57), Internal control contains an organizational plan and all coordinated methods and measurements applied in companies aimed at securing assets, checking the accuracy and reliability of accounting data, increasing operational efficiency, and encouraging adherence to managerial policies. In a good performance, every activity carried out by the village apparatus must have internal control at work.

Researches conducted by Hamdiah, A.S (2011), Ibrahim (2015), Benawan et al. (2017) showed that supervision influenced performance. Meanwhile, the research results of

Kuswandari, A. (2014), Panjaitan & Azlina (2015) found that the control system did not affect government performance. Thus, the second hypothesis of this study is:

H<sub>2</sub>: Government internal control system affects village apparatus performance.

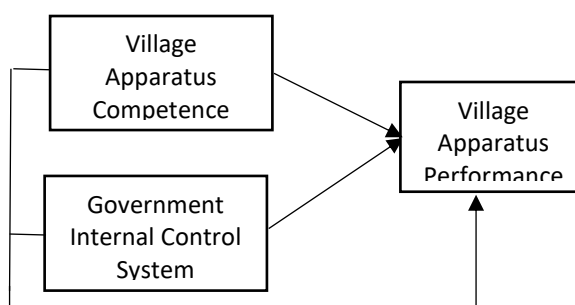
*The Effect of Village Apparatus Competence and Government Internal Control Systems on Village Apparatus Performance*

Competent apparatus will produce good output according to their performance. It is in line with human resources theory, which states that human resources are resources whose quality and competence must be improved to become a performance force in village funds management. Pandey (2015) claimed that job competencies (education, training, and work experience) simultaneously influenced village apparatus performance.

The relationship between Government internal control and village apparatus performance lies in the implementation of the Government Internal Control System (SPIP) based on the need for a system that can provide sufficient assurance regarding the implementation of activities in a government agency to achieve goals efficiently and effectively, reliable reporting of state financial management, safeguarding state assets, and to activate compliance with laws and regulations. Afrida (2013), Nasir and Ranti (2013), Putri (2013), Susanti (2104), Chintya (2015), Maharani et al. (2015), Candrakusuma and Bambang (2017), Taradipa (2017), and Saputri (2018) explain that internal control affects performance. The implementation of the internal control system by village apparatus can produce meaningful activities and make it easier to achieve better managerial performance so that these good activities make it easier for the village apparatus to achieve better managerial performance. Thus, the third hypothesis of this study is:

H<sub>3</sub>: Village apparatus competence and Government internal control system affect village apparatus performance.

**Conceptual Framework**



**Research Methods**

This study uses a quantitative descriptive method with primary data obtained from all 68 villages in Lhokseumawe city, where the samples are 272 respondents from the entire population. The data on the number of villages in Lhokseumawe City from 4 Sub-districts exist in the table below:

Table 1

*Population and Sample*

No.	Sub-districts	Villages
1	Muara Satu	11
2	Muara Dua	17
3	Blang Mangat	22
4	Banda Sakti	18
<b>Number of Villages</b>		68
Total Respondents: 68 x 4		272

Wahyudi (2019) explains that village apparatus performance is the ability or work performance achieved by village apparatus to carry out their functions, duties, and obligations in carrying out their activities. The performance indicators are Quality, Quantity, Implementation of duties, and Responsibilities

The independent variables are village apparatus competence and the Internal Control System. According to Rozanti (2017), competence is individual mastery of tasks, skills, attitudes, and appreciation needed to support success. Competency indicators are education, training, and attitudes. Meanwhile, Wahyudi (2019) mentions that the government internal control system is an integral process of actions and activities carried out continuously by the leaders and all employees overall in the central government and local governments. Indicators for the government internal control system are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

The model used in this study is the Multiple Linear Regression Analysis as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Explanation:

Y = Village apparatus performance

$\alpha$  = Constant

$\beta_1, \beta_2$  = Regression Coefficients

$X_1$  = Village Apparatus Competence

$X_2$  = Internal Control Systems

e = Error Standard

## Results and Discussions

Lhokseumawe City is a city in the Aceh province based on Law No. 2 of 2001, and is in the middle of the eastern route of Sumatra and between Banda Aceh and Medan. Lhokseumawe is a vital route of distribution and trade in Aceh and is located at an altitude of 2-24 meters above sea level with an area of 181.06 Km<sup>2</sup>. The subdistricts consist of Blang Mangat sub-district with an area of 56.12 Km<sup>2</sup>, Muara Dua sub-district with an area of 57.80 Km<sup>2</sup>, Muara Satu sub-district with an area of 55.90 Km<sup>2</sup>, and Banda Sakti sub-district with an area of 11.24 Km<sup>2</sup>. There are 18 villages in the Banda Sakti sub-district and 22 villages in Blang Mangat sub-district. Each of them has apparatus such as village head, secretary, and treasurer.

This study uses primary data obtained by distributing questionnaires to all village apparatus in Lhokseumawe City. The distributed questionnaires are 272, but only 241 questionnaires returns, while 9 of them are incomplete. The rate of return of the questionnaire appears in the following table:

Table 2

*Questionnaire Returns*

	<b>Total</b>	<b>Percentage</b>
Distributed Questionnaires	272	
Returned Questionnaires	241	88,6%
Incomplete Questionnaires	9	3,3%
Qualified Questionnaires	232	85,2

Source: Primary data analysis, 2020

Table 2 shows that the questionnaires that meet the requirements are 232 questionnaires with 189 male respondents (81.5%) and 43 female respondents (18.5%).

**Validity Test**

Based on the validity tests of 42 questions, all of them have  $r_{\text{count}}$  above  $r_{\text{table}}$  (0,138). The validity test results show that all questionnaire items on the two independent variables and the dependent variable are valid. The question items are valid because  $r_{\text{count}} > r_{\text{table}}$  with a significant value of 0.05 for each question. It shows that each of the questionnaire questions is valid and can be trusted to retrieve research data.

**Reliability Test**

Table 3

*Reliability Test Results*

<b>Variables</b>	<b>Alpha</b>	<b>Limit</b>	<b>Explanation</b>
Village Apparatus Competence ( $X_1$ )	0,743	0,60	Reliable
Government Internal Control System ( $X_2$ )	0,754	0,60	Reliable
Village Apparatus Performance (Y)	0,765	0,60	Reliable

Data analysis using SPSS 22, 2020

Table 3 above shows that all the items of the question variables above are reliable

**Classical Assumption Test****Normality Test**

In this study, the statistical test value is 0.057, and the Asymp level. Sig. (2-tailed) 0.067 is higher than 0.05. Therefore, it concludes that the residual data is distributed normally.

**Multicollinearity Tests**

**The results of Multicollinearity tests are as follows:**

Table 4

*Multicollinearity Test Results*

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	6,749	42,808		2,404	,017		
Village Apparatus Competence (X1)	,379	,074	,298	5,097	,000	,667	1,499
Government Internal Control System (X2)	,217	,027	,475	8,133	,000	,667	1,499

a. Dependent Variable: Village Apparatus Performance (Y)

Source: Data analysis using SPSS 22, 2020

Based on the data in table 4 above, each independent variable has a tolerance number above 0.10 and a VIF less than 10. It concludes that there are no symptoms of multicollinearity.

**Heteroscedasticity Tests**

Table 5

*Heteroscedasticity Test Results (Glejser Test)*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,927	1,752		2,241	,026
Village Apparatus Competence (X1)	-,007	,046	-,013	-,161	,872
Government Internal Control System (X2)	-,015	,017	-,074	-,913	,362

a. Dependent Variable: Abs\_RES

The results of the heteroscedasticity test in table 5 show that the Government Internal Control System (X2) does not have a heteroscedasticity problem.

**The Results of Multiple Linear Regression Analysis and Partial Statistics (t-test)**

The calculation results of multiple linear regression tests show that the constant value (a) of the regression model is 6.749, and the regression coefficient (b) of each independent variable is  $\beta_1 = 0.379$ , and  $\beta_2 = 0.217$ . Based on the constant values and the regression coefficients, the relationship between the independent variables and the dependent variable in the regression model can be formulated as follows:

$$Y = 6,749 + 0,379 (X_1) + 0,217 (X_2) + e$$

Table 6

*Multiple Linear Regression Tests*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6,749	2,808		2,404	,017
Village Apparatus Competence (X1)	,379	,074	,298	5,097	,000
Government Internal Control System (X2)	,217	,027	,475	8,133	,000

a. Dependent Variable: Village Apparatus Performance (Y)

Source: Data analysis using SPSS 22, 2020

### The Influence of Village Apparatus Competence on Village Apparatus Performance

Good village apparatus competence will certainly make the village apparatus performance better because competence is a basic characteristic possessed by a person that can have a direct influence in predicting good performance.

The statistical test results of the first hypothesis indicate that village apparatus competence affects the village apparatus performance. Yudhitaningsih (2018), Rozanti (2017), Pambayun (2015), and Pandey (2015) support the results and show that village apparatus competence influences village apparatus performance.

Village apparatus competence influences village apparatus because they have carried out their duties effectively and efficiently and always hold training every month, prioritizing education, and having a fair and wise attitude in taking action. Thus, it concludes that the increase in the village apparatus competence will increase village apparatus performance.

In line with the study conducted by Wibowo (2011) in Rozanti (2107), competence is the ability to carry out a job based on skills and knowledge, which is supported by the work attitude demanded by the job. Also, Pandey (2015) states that a competent apparatus will produce satisfying output according to apparatus performance. It is in line with human resources theory, which states that human resources are resources whose quality and competence must be improved to become a performance force in village funds management.

### The Effect of Government Internal Control System on Village Apparatus Performance

In achieving good performance, the village apparatus must have internal control at work and exert all their capabilities to make effective internal control. It functions to ensure that the activities carried out can run according to what has been determined.

The second hypothesis test results indicate that the government internal control system affects village apparatus performance. Pambayun's research (2015) supports and mentions that government internal control system influences village apparatus performance. However, this is not in line with Wahyudi et al. (2019) that the government internal control system did not affect village apparatus performance.

Government internal control system affects village apparatus performance because of the qualified internal control system in every activity process, such as environmental control, risk assessment, information & communication control activities, and proper monitoring of village funds management. Thus, the better the internal control system of a village, the better the village apparatus performance.



Wahyudi et al. (2019) reinforce the above statement and state that internal control carried out by village heads and village apparatus in every activity process in managing existing resources will make it easier to improve the managerial performance of village apparatus. Also, Afrida (2013), Nasir and Ranti (2013), Putri (2013), Susanti (2014), Chintya (2015), Maharani et al. (2015), Candrakusuma and Bambang (2017), Taradipa (2017), and Saputri (2018) explain that the existence of qualified internal control system implemented by village apparatus can produce good activities as well.

### **The Effect of Village Apparatus Competence and Government Internal Control System on village Apparatus Performance**

The third hypothesis test results indicate that village apparatus competence and the internal control system simultaneously influence village apparatus performance. The results of this study are in line with previous studies conducted by Wahyudi et al. (2019), Yudhitaningsih (2018), Rozanti (2017), Pambayun (2015), and Pandey (2015) that village apparatus competence and government internal control system simultaneously had a significant effect on the village apparatus performance.

### **Conclusions**

Based on the tests and results, the first hypothesis partially shows that the village apparatus competence positively influences village apparatus performance in Lhokseumawe City. It means that the increase in the village apparatus competence will increase village apparatus performance. The second hypothesis test partially proves that the government internal control system positively influences village apparatus performance in Lhokseumawe City. It shows that the increase in the government internal control system will improve village apparatus performance. Then, the third hypothesis test results show that village apparatus competence and the government internal control system simultaneously influence village apparatus performance in Lhokseumawe City.

This research can be used as a theoretical source for similar follow-up research in the context of developing science and its relevance for development to realize knowledge itself in the process.

### **References**

- Afrida, N. (2013). The Effect of Decentralization and Government Internal Control Systems on SKPD Managerial Performance (an Empirical Study at Padang City Government). *Jurnal Akuntansi*. Vol. 1. No. 2.
- Agu, S. (2009). Accountability of Village Fund Management (a Case Study of Village Fund Allocation Management in Inner Villages of Tlogomulyo District, Temanggung Regency, 2008). Thesis Universitas Diponegoro.
- Benawan, E. T. R., Saerang, D. P. E., and Pontoh, W. (2018). The Effect of Financial Supervision, Accountability, and Transparency on Employee Performance ( a Case Study at the Tidore Islands City Transportation Service). *Jurnal Riset Akuntansi Going Concern*. Vol. 13. No. 3. p. 72-79.
- Ibrahim, P. S. (2015). The Effect of Performance-Based Budgeting, Transparency, Accountability, and Internal Control on the Performance of Secretarial Employees of the DPR RI. *Jurnal Telaah Akuntansi dan Bisnis*. Vol 6. No. 1. p. 82-95.
- Indrawati, W. (2017). The Effectiveness of Village Apparatus Performance in Public Services to the Community in Tanggunlangin Village. Universitas Lampung.



- Nasir, A., and Oktari, R. (2013). (The Influence of the Use of Information Technology and Internal Controls on the Performance of Government Agencies (a Study on the Work of the Regional Apparatus of the Kampar Regency). *Jurnal Ekonomi*. Vol. 19. No. 2.
- Pambayun. (2015). The Influence of Competence and Communication on the Performance of Village Apparatus in Ppip in Sumberurip Village, Berbek subdistrict, Nganjuk Regency in 2014. Thesis. Jurusan Ekonomi Manajemen. Universitas Nusantara PGRI Kediri.
- Pande, J., Burhanuddin, K., and Joori, R. (2015). The Effect of Job Competence on the Performance of Village Government Officials (A Study in Pineleng District, Minahasa Regency). *Jurnal Administrasi Publik*. Vol 3. No. 31.
- Putra, D. (2013). The Effect of Public Accountability and Clarity of Budget Objectives on Managerial Performance of Regional Work Units (Empirical Study on Regional Work Units of Padang City). *Journal of Accounting* Vol. 1. No. 1. Pg. 1-23.
- Putri, G. Y. (2013). The Effect of Organizational Commitment and Government Internal Control System on Managerial Performance SKPD (an Empirical Study on Regional Work Units of Padang City). *Journal of Accounting*. Vol. 1. No. 1.
- Qanun Number 5, 2003 about Gampong.
- Qanun Number 6, 2018 about Gampong.
- Rozanti. (2017). The Effect of Competence on the Performance of Nagari Instruments in Nagari Financial Management in Tanah Datar Regency. *Journal of Public Administration Science*. Vol. 1. No. 2..
- Saputri, N., Pancawati, R. S., dan Nurabiah. (2018). Analysis of the Effectiveness of the Village Financial System Utilization (SISKEUDES) and Internal Control on Village Government Performance. Thesis. Accounting Study Program, Faculty of Economics and Business, Mataram University. Mataram.
- Susanti, I. (2014). The Effect of Good Governance, Information Technology Utilization, and Internal Control on Organizational Performance (a study at SKPD Siak Regency). *Online Journal Mahasiswa Ekonomi*. Vol. 1. No. 1.
- Wahyud, A. (2019). Factors Affecting the Managerial Performance of Village Officials (a Study on Village Officials in Sumbawa Regency). *Jurnal Akuntansi*. Sekolah Tinggi Ilmu Ekonomi Indonesi (STIESIA). Surabaya
- Yudhitaningsih. (2018). Perceptions of Village Officials Regarding Training, Motivation, and Management of Village Funds on Village Government Performance (a Case Study in Villages of Sungai Tabuk subdistrict, Banjar Regency, South Kalimantan Province. *Accounting Articles*. Faculty of Economics and Business, Lambung Mangkurat University Banjarmasin.