

The Effect of Village Fund Allocation and Village Funds on Increasing the Welfare of Village Communities through Performance Management in Jeneponto Regency

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Abstract

The expected objective of this research is to determine and analyze the effect of Village Fund Allocation and Village Fund Allocation on improving the welfare of rural communities through performance management in the Jeneponto Regency. This research was conducted in 11 villages in 11 Districts in Jeneponto Regency and lasted for approximately 2 (two) months from January to February 2021. The population in this study were the existing Village Apparatus and Village Consultative Body (BPD). In 11 villages in 11 sub-Districts in Jeneponto Regency, as many as 258 people. The sampling technique used simple random sampling, and the final sample included was 165 people. Data collection techniques through observation, interviews, questionnaires, and documentation, while data analysis using path analysis. The results showed that the allocation of village funds, village funds, and performance management encouraged increased community welfare as indicated by the rise in village community income, improved health, availability of savings, adequate conditions and facilities, and ease of service. Village fund allocation is realized through the development of village communities individually, meaning that there is empowerment, creating peace, serving village communities, encouraging self-reliance, and increasing village income. This is different from village funds intended to promote the village economy and make the community the subject of development. On the indirect effect, performance management is an intervening variable that can moderate both the independent and dependent variables. The difference in this study is the use of the variable allocation of village funds and village funds separately, proving that the budget allocation for the two sources of funds can have different implications in promoting welfare.

Keywords

Village Fund Allocation, Village Funds, Performance Management, and Community Welfare

1. Introduction

The Village is the smallest part of the government structure. After the issuance of Law No. 6 of 2014, the Village regulates the administration because it has the right of origin in controlling and managing the development of the Village. The Village as an autonomous region has the right to regulate and improve its development and improve the community's welfare.

Village government has grown in various forms because of needing to be empowered to become firm, independent, advanced, and democratic. As a result, it can produce a solid foundation for conducting the regime and development, leading to balanced, capable, and safe citizens. The application of Law No. 6 of 2014 concerning this Village implies establishing a Village Budget (DD) for each Village is very extraordinary because of making the rulers, especially the Village Chiefs and Village Tools, better master the philosophical meaning of this regulation.

The Village Fund and the Allocation of Village Funds influence the welfare of the village community. The Law then strengthened the position of the Village under the Sub-Regency No. 22 of 1999 on Regional Autonomy, but the Law did not last long, then replaced by Law No. 32 of 2004, which was later amended into Law No. 23 of 2014 concerning Local Government.

Managing Village Funds and Allocation of Funds Des requires good performance management. It is known that performance is the achievement of work results as standards and rules apply in the organization. The management works is an organizational management tool that helps monitor and evaluate employee work. This study seeks to uncover how much influence the allocation of village funds and village funds has on improving the welfare of the villagers through performance management in Jenepono Regency.

2. Literature Review

The allocation of village funds is an essential part of the government's efforts to provide equality, especially in the development of village communities. Allocation of village funds as a form of balance funds with proportional distribution, as in the Regulation of the Ruler of the Republic of Indonesia No. 72 of 2005 concerning Villages. Village Budget Allocation is part of the central financial balance budget. The area obtained by the Regency or city for the Village is tiny 10% (10 percent), whose distribution is proportional to the Village.

According to Soleh A (2017), the Allocation of Village Funds (ADD) is part of village finance obtained from the share of Local Tax Revenues and part of the Central and Regional Financial Balance Fund received by the Regency. The implementation of Village Fund Allocation encourages a transparent level of management by involving many actors. Performance management is an important part that must be present in actors by emphasizing processes such as planning, monitoring, developing, rating, and rewarding. This is nothing but an effort to achieve the goals as planned. Wibowo (2007) stated that performance management manages. This is supported by research (Hutami, 2019; Kholmi, 2017; Putra et al., 2017; Yulihantini et al., 2018) which suggests the positive and significant influence of village fund allocation on performance management.

Based on decree No. 6 of 2016 concerning villages, hamlets are handed the authority to organize and manage their jurisdiction according to their wishes. The village budget is a budget derived from calculating income and state spending intended for hamlets transferred through the analysis of income and shopping for Regency or cities and used to help the regime, implementation of development, community development, and empowerment of citizens. The ruler nationally budgets the village budget in the state budget each year derived from the spending of the ruler by maximizing the village-plated program thoroughly and equitably (Saibani, 2014). Effective management of village funds will encourage good performance management in the organization to achieve its goals. Well-managed village funds can facilitate good performance management. This is supported by previous research, which suggests a positive and significant influence of village funds on performance management.

The government allocates village funds as a special allocation fund for villages through the Local Government (Kabupaten). The distribution of Village Funds is sourced from Regency or city budgets. The ADD component is allocated at least 10 percent of the central and local financial balance fund and 10 percent of taxes and levies. The management of the allocation of village funds that are right on target will encourage the improvement of the community's welfare. The community will be empowered and become better at building itself. The level of interest

they feel will show good conditions in their lives. This is in line with Badrudin's opinion (2012) that the community's welfare is a condition that shows the state of people's lives that can be seen from the standard of life of the community. This is supported by the previous studies' findings, which suggest a positive and significant influence on allocating village funds to the community's welfare.

The government nationally budgets village budgets in the state budget each year derived from state spending by maximizing village-based programs comprehensively and equitably (Saibani, 2014). peace is some of the happiness that a person gets from the consumption of income obtained. But so, the degree of salvation itself is a relatively biased cause related to the amount of joy obtained from income consumption (Djibu et al.; Nath et al.; Suharyanto et al.; M. Chairul Basrun Umanailo et al.). For Wasistiono, peace is a rule of life and social, material, or spirituality covered by a sense of security, decency, and peace of mind that allows every citizen to carry out efforts, the best physical, spiritual and social desires for themselves, households and citizens. This is supported by previous research, which suggests the positive and significant influence of village funds on improving the community's welfare.

Performance management is a way that must be achieved, as well as its approach to organize and improve people through a method that can improve perhaps if the target is to be reached in a particular duration of either short or long (Surya Dharma, 2005,Umanailo 2020). The management of all organizational activities that have been set will encourage the improvement of the community's welfare to fulfill the community's needs and conformity with their expectations. According to Law No. 11 of 2009, on Social Welfare, social welfare or society is a condition of fulfilling the material, spiritual, and social needs of citizens to live a decent life and develop themselves to carry out their social functions. This is supported by previous research, suggesting the positive and significant influence of performance management on improving the community's welfare.

3. Methods

This research was conducted in 11 villages in 11 sub-Districts in Jeneponto Regency and lasted for approximately 2 (two) months from January to February 2021. The population in this study is village apparatus and village consultative agency (BPD) in 11 villages in 11 sub-Districts in Jeneponto regency as many as 258 people. Teknik sampling using simple random sampling, and the final sample entered as many as 165 people. Data collection techniques through observation, interview, questionnaire, and documentation, during data analysis with path analysis.

4. Results

4.1. Analysis Of Line 1. Effect of Village Fund Allocation (X1) and Village Fund (X2) on Performance Management (Y1)

Table 1. Test t Effect of X1 and X2 on Y1

Model		Unstandardized Coefficients		Standardized Coefficients	t	itself.
		B	Std. Error	Beta		
1	(Constant)	2.616	1.932		1.354	.178
	Allocation of Desa_X1 Funds	.375	.071	.348	5.268	.000
	Dana Desa_X2	.514	.086	.397	6.011	.000

Dependent Variables: Performance Management (Y1)

Source: Data processing, 2020.

Allocation of Village Funds (X1) to Performance Management (Y1) (Table 1); The coefficient of the path (α_1) = 0.348 with a significant level of 0.000 which means positive (Sig < 0.05). The impact of Variable X1 on Y1 is seen through standardized coefficients beta value of 0.348 which means that every increase of one point of Village Fund Allocation (X1) will be able to improve Performance Management (Y1) by 0.348 points.

Village Fund (X2) to Performance Management (Y1); The path coefficient (α_2) = 0.397 with a significant level of 0.000 means a significant positive impact (Sig < 0.05). The magnitude of variable impact X2 on Y1 is seen through

standardized coefficients beta value of 0.397 which means that every increase of one point of Village Fund (X1) will improve Performance Management (Y1) by 0.397 points.

4.2. Analysis Of Line 2. Effect of Village Fund Allocation (X1), Village Fund (X2), and Performance Management (Y1) on Community Welfare (Y2)

Table 2. Test t Effect of X1, X2, and Y1 on Y2

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	4.012	1.223		3.280	.001
	Allocation of Desa X1 Funds	.199	.048	.246	4.106	.000
	Dana Desa X2	.307	.060	.317	5.163	.000
	Kinerja Y1 Management	.278	.049	.371	5.626	.000

Dependent Variables: Community Welfare (Y2)

Source: Data processing, 2020.

Allocation of Village Funds (X1) to Community Welfare (Y2); The coefficient value of the path (β_1) = 0.246 with a significant level of 0.000 which means it is a significant positive (Sig < 0.05) (Table 2). The magnitude of variable impact X1 on Y2 is seen from standardized coefficients beta value of 0.246 which means that each increase in Village Fund Allocation (X1) will increase community welfare (Y2) by 0.246 points. Village Fund (X2) for Community Welfare (Y2); The coefficient value of the line (β_2) = 0.317 with a significant level of 0.000, means significant positive (Sig < 0.05). The magnitude of variable impact X2 on Y2 is seen through standardized coefficients beta value of 0.317 which means that every increase in Village Fund (X1) will increase Community Welfare (Y2) which is 0.317 points. Performance Management (Y1) on Community Welfare (Y2); The coefficient value of the line (β_3) = 0.371 with a significant level of 0.000, means positively influential (Sig < 0.05). The magnitude of the impact of Variable Y1 on Y2 is seen through standardized coefficients beta value of 0.371 which means that each increase in Performance Management (Y1) will increase community welfare (Y2) by 0.371 points (Table 3 and Table 4).

Table 3. Recapitulation of direct, indirect and total influence

Independent Variables	Independent	Immediately	Indirect	Total Influence
Village Fund Allocation (X1)	Performance Management (Y1)	0.348	0.130	
Village Fund (X2)		0.397	0.147	
Village Fund Allocation (X1)	Community Welfare (Y2)	0.246	0.130	0.376
Village Fund (X2)		0.317	0.147	0.464
Performance Management (Y1)	Community Welfare (Y2)	0.371		

Source: Data processing, 2020.

4.3. Hypothesis Test Results

Table 4. Hypothetical test results

No	Hypothesis	Value	Sig	Inferred
1	Allocation of Village Funds has a significant positive impact on Performance Management in Jeneponto Regency	0.348	0.000	evident

2	Village Fund has a significant positive impact on Performance Management in Jeneponto Regency	0.397	0.000	evident
3	The allocation of village funds has a significant positive impact on the welfare of the village community in Jeneponto Regency	0.246	0.000	evident
4	Village Fund has a significant positive impact on the Welfare of Village Communities in Jeneponto Regency	0.317	0.000	evident
5	Performance Management has a significant positive impact on the Welfare of Village Communities in Jeneponto Regency	0.371	0.000	evident
6	Allocation of Village Funds has a significant positive impact on the Welfare of Village Communities through Performance Management in Jeneponto Regency	0.130	0.021	evident
7	Village Fund has a significant positive impact on the Welfare of Village Communities through Performance Management in Jeneponto Regency	0.147	0.030	evident

5. Discussion

Effect of Village Fund Allocation on Performance Management in Jeneponto Regency. Positive and significant, the results of this study are supported by research (Hutami, 2019; Kholmi, 2017; Putra et al., 2017; Yulihantini et al., 2018). The allocation of village funds as a form of government attention in encouraging the equalization of development in the Village and allocating village funds that are implemented evenly enables improved performance management for village organizations and community structures.

The Influence of Village Funds on Performance Management in Jeneponto Regency. Positive and significant. The results of this study are supported by research (Aziz, 2016; Fahri, 2017; Mamelolo et al., 2016; Subroto, 2009). Village funds become a stimulus of the central government to the development of village communities. The benefits are felt not only for the community at large but also the organization of village devices is getting better at managing its measurable resources through the precise direction of village funds.

The Effect of Village Fund Allocation on Community Welfare in Jeneponto Regency. Positive and significant. This is supported by the findings of previous studies (Florensi, 2014; Kehik & Mael, 2017; Rusydi, 2012; Tahir, 2018). The allocation of village funds is a form of budget allocation that aims to encourage community welfare improvement. The distribution of community, village funds will be better in income, health, the state, and facilities of housing and ease in services because all lead to equitable equalization.

The Influence of Village Funds on Community Welfare in Jeneponto Regency. Positive and significant. Village funds in its management encourage the equalization of village development by improving public services, poverty alleviation, advancing the village economy, addressing inequality, and strengthening communities as the subject of the action. Well-managed village funds can encourage the improvement of community welfare.

Effect of Performance Management on Community Welfare in Jeneponto Regency. Positive and significant. The results of this study are supported by the findings of the survey (Berliani, 2016; Mulia & Saputra, 2020; Putry & Badrudin, 2017; Suryaningsih et al., 2015). Performance management is a form of resource structuring with optimization of the performance of an activity carried out to achieve the goal. Good performance management will improve community welfare because there are perceived benefits from many adjustments made by an organization/village device.

The Effect of Village Fund Allocation on Community Welfare through Performance Management in Jeneponto Regency. Positive and significant. The reallocation of village funds as an allotment for the village community through APBD has encouraged enthusiasm for all parties, not only for stakeholders (village devices) but also the community as beneficiaries of the allocation of village funds. Thus, the distribution of village funds managed optimally should encourage performance management improvements that then impact the community's welfare.

The Influence of Village Funds on Community Welfare Through Performance Management in Jeneponto Regency. Positive and significant. Village funds as funds aimed at village development evenly, with the ability of stakeholders in managing it, will encourage better welfare improvement.

6. Conclusion

Based on the research results, it can be concluded that a location of Village Fund, Village Fund, and Performance Management can encourage the improvement of community welfare. It is indicated by increasing the income of the village community, improving health, savings, adequate circumstances, and facilities, as well as ease of service. The allocation of village funds is realized through the development of individual village communities, meaning creating empowerment programs, creating peace, village community services, encouraging self-help, and increasing village income. It is different from the Village Fund, which is intended for the overall economic progress of the Village and makes the community the subject of development. On indirect influence, performance management as an intervening variable can moderate both independent variable relationships against dependents. Different things in this study are the use of variable Allocation of Village Funds and Village Funds separately, proving that the allocation of budgets at both sources of funds can have different implications in encouraging the welfare of village communities in Jeneponto Regency.

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