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MANAGEMENT (JISTM)www.jistm.com**THE QUALITY OF HUMAN RESOURCES AND
TRANSPARENCY OF VILLAGE FUNDS ON THE UTILIZATION
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This work is licensed under [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)**Abstract:**

Organizations, including the village government sector, have faced ethical issues and transparancy issues, and the challenge of providing the best service to society. Village government stakeholders need to be concerned about performance and ensure that excellent corporate governance (GCG) aligns with the central and village government vision. The objective of this study is examine the role of human resources and transparancy of village funds on information technology, then what is the role of information technology as a mediator on the performance of village officials. The population in this study was all village government officials in north luwu regency with a total of 90 villages participating online (Google Form). Structural equation modeling (SEM) is used to test the relationship between variables. The research results show that human resources and transparancy of village funds have no effect on information technology. In contrast, information technology has a positive and significant effect on the performance of village officials.

Keywords:

Financial Performance, Human Resources, Technology, Transparancy, Village Government

Introduction

In the current era of globalization and digitalization, there has been rapid advancement in information technology (IT), bringing significant changes to various aspects of life, including the government and public administration sectors (Fauzi et al., 2022; Goswami & Agrawal, 2023). One area that has received increasing attention is how this technology can be utilized to enhance the quality of human resources (HR) and transparency in village fund management. As the smallest governmental units serving as the foundation of national development, villages face various challenges in managing funds and enhancing their human resource capacities. (Habbodin & Damayanti, 2021). Utilizing IT in this context not only offers solutions for operational efficiency but also brings hope for more transparent and accountable governance.

The government's concern for villages is manifested in the provision of special budgets allocated in the Regional Revenue and Expenditure Budget (APBD) for rural development in the form of village funds. The administration of village governance aims to enhance the growth and welfare of rural communities. According to Law Number 6 of 2014 on village financial management, a practical foundation for village autonomy is established, going beyond mere normative guidelines. Village financial management encompasses planning, budgeting, administration, reporting, accountability, and oversight. The allocation of village funds should lead to more transparent and accountable financial management, including recording, managing, and reporting.

Financial accountability is a crucial dimension in the use of funds, including the allocation of village funds. Considering this accountability, villages that previously received limited financial aid for development can now, with sophisticated modern applications, positively impact their performance in producing accurate, timely, and reliable financial reports (Junaidi, 2024). A common issue in utilizing information technology is related to the implementation itself, involving hardware, software, data updating, and the condition of human resources or labour within the institutions, often constrained by limited funding. Limited funding also becomes critical because updating technology in government offices, such as village offices, is hampered, affecting both hardware and software upgrades. These factors pose challenges in government offices that serve the public widely regarding the efficient use of information technology in governmental institutions.

Village funds aim to accelerate rural development and improve the welfare of rural communities. However, the management of village funds often faces issues of transparency and accountability. Without a sound management system, the potential for misuse and inefficiency in fund usage is high. It is where the role of information technology becomes crucial. The fund management process can be conducted more transparently and accurately with advanced village financial information systems. This system enables real-time monitoring, easier reporting, and more effective audits, reducing corruption risk and increasing public trust. On the other hand, the quality of HR in villages often becomes a barrier to optimizing village fund management and implementing development programs. Limited access to education and training and a lack of opportunities to develop new skills leave many village officials and community members unprepared to face modern challenges. Information technology can be an effective tool to overcome these barriers. Through e-learning platforms, online training applications, and digital collaboration forums, village officials and residents can access educational and training materials relevant to their needs. It helps improve technical and managerial skills and encourages active participation in the village development process.

Literature Review and Hypothesis Development

Human Resources (HR) are one of the critical factors influencing the performance of village governance. Understanding the management of village funds is a fundamental and essential aspect that stakeholders at the village government level, especially village officials, must possess to achieve transparency and accountability in village finances. The village head has the authority over the entire management of village finances, as they hold the power of financial management. In contrast, village officials are the technical executors in financial management activities. Village officials are directly appointed by the village head for managing village finances. These officials must be competent in fulfilling their responsibilities as executors of village financial management. The village head and related officials must have quality resources for effective village financial management. Quality resources should be supported by an accounting education background, frequent training, and experience in finance (Hainil et al., 2021). Research results (Nursin et al., 2023) show a positive and significant relationship between human resources and village financial management performance. Further research (Anton et al., 2023; Limpo & Junaidi, 2023; Salote et al., 2024; Thoyib et al., 2020) concluded that human resources significantly positively affect village financial management and government performance.

H1: Human Resources positively influence Information Technology.

The provision of village funds is a manifestation of fulfilling the village's rights to exercise its autonomy for growth and development. Village Fund management is based on several policies, ranging from Laws, Government Regulations, and Ministerial Regulations to Regional Head Regulations. Implementing these policies in managing Village Funds can be considered effective if these three perspectives function well since they align with the governing laws. If these perspectives do not function smoothly, implementing Village Fund management policies or following the governing laws will not work well. Good village financial management is expected to influence village government performance, where the stricter the rules applied by village officials, the higher the quality of their performance (Anton et al., 2023; Ramlawati et al., 2023). Research results (Binawati & Badriyah, 2022) show that regional financial management affects regional government performance. If regional financial management can be managed effectively, efficiently, transparently, and accountably, it can improve regional government performance, especially in fulfilling public services genuinely needed by the community. Regional financial management can enhance a government agency's performance by carrying out activities according to its duties and functions effectively and efficiently. Thus, good village financial management can result in higher-quality village government performance and be free from corruption, collusion, and nepotism. It indicates that the success of village government performance is influenced by the quality of human resources and a sound and accountable village fund management system.

H2: Village Fund Transparency positively influences Information Technology.

Information technology supports various tasks as a medium of information and communication. Utilizing information technology to manage village finances or funds will help village officials perform various governmental duties. One benefit of using information technology in managing village finances or funds is facilitating the preparation of more accountable financial reports. Internet technology also makes it easier for village officials to obtain information related to government interests, and the community can easily access information. To achieve good financial performance, village governments must understand and be capable of using information technology, such as computers, software, and internet

networks, to improve public service delivery and ease village officials in fulfilling their obligations.

Regarding village government performance, information technology can be used as a medium to simplify village fund management, such as in preparing financial reports and other accountability reports. Additionally, information technology can serve as a medium for accessing information related to village fund management by village governments and the community more easily. The internet provides ease in increasing transparency in village fund management by creating websites that provide village fund financial reports. This openness demands that village officials perform their roles as primary actors in village fund management as best as possible and report the actual situation. The obligation to use information technology by the government is regulated in Government Regulation No. 56 of 2005 on the Regional Financial Information System, which states that to support development processes aligned with good governance principles, the central and regional governments are obliged to develop and utilize technological advancements to enhance the quality of regional financial management and facilitate financial information dissemination to the public. It indicates that the government needs to optimize the utilization of technological advancements to build an integrated information management system and work processes that enable the government to work in an integrated manner by simplifying access between work units. According to (Darwis & Meliana, 2020; Serang et al., 2023), the greater the use of information technology, the better the quality of financial reports produced by the government. Utilizing an information technology system will facilitate the village government in obtaining financial information and performance from village financial management.

H3: Information Technology Influences Village Officials' Performance.

Commitment to performance is a crucial factor that affects the effectiveness and efficiency of the village financial performance in carrying out its duties and responsibilities (Limpo & Junaidi, 2023). Performance is the achievement of policies/programs/activities using resources to achieve pre-established organizational goals (Aziz & Dewanto, 2020). Performance also the outcome of a person's ability to complete a task in accordance with the established criteria, both in terms of quality and quantity of work. Performance in village government is the output or result of activities or programs that have been or will be achieved using village fund budgets with measurable quantity and quality. The village's ability can be measured by assessing the efficiency of services provided to the community. Village government performance also reflects the village government's ability to explore and manage the village's original financial sources to meet its needs to support government systems, public services, and village development without relying entirely on the central government and having the flexibility to use funds for community interests within the limits set by laws and regulations.

Method

This study applied a pre-test and a pilot test to confirm the content of research instruments among participants and avoid bias issue bias (Podsakoff et al., 2003). The research instruments evaluated by an English-Indonesian professional translator. To ensure that it was fully understood in the Indonesian context, the pre-testing recommended the removal and alteration of some statements. A pilot study was then conducted to validate the final wording of the official investigation. The purpose of the pilot test is to find out how participants responded to the pre-test questions in different ways and what that means (Hair Jr. et al., 2019). In this study, the chosen research object is Village Officials. This research aims to analyze the influence of Human Resources and Village Fund Transparency on Information Technology and its impact

on the performance of Village Officials. The research method is a survey method that distributes questionnaires to village officials. The population in this study comprises all village government officials in North Luwu Regency, with a total of 90 villages. The sample of respondents was selected using the purposive sampling method, which is a sampling method based on specific criteria. In this case, the criteria refer to village officials responsible for managing village funds. The data required for this research were collected through questionnaires. The researcher self-developed the questionnaire through a review of relevant theories related to the research variables. The collected data were processed using SEM (Structural Equation Model) analysis tools. The research design can be seen in Figure 1 for a clearer understanding.

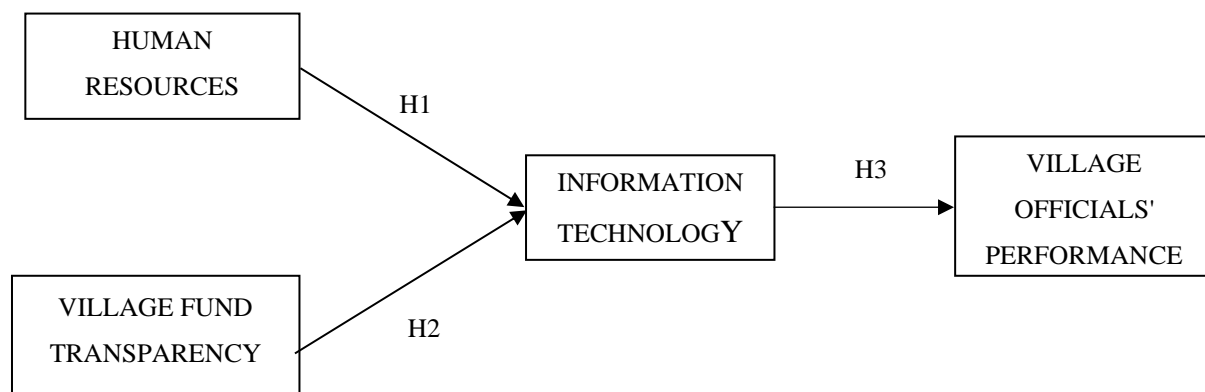


Figure 1: Research Model

The SEM model for this research sample includes several variables. In its measurement, each respondent was asked for their opinion on a question using a 7-point Likert scale. The data from the research were analyzed using AMOS 22 and SPSS 22 software to produce data quality tests.

Findings and Discussion

The data obtained have several characteristics based on gender, highest education level, position, and length of employment, as presented in Table 1. This process of collecting data was carried out using an online survey. 150 participants filled out the survey. However, 108 samples were valid. This indicates a completion rate of 84.4%. Table 1 provides details regarding the demographic characteristics of the participants.

Table 1. Participant Demographics

Demographic Items	Frequency	Percentile (%)
Gender		
Male	62	57.4
Female	46	42.6
Highest Education Level		
SMP	1	0.9
SMA/SMK	38	35.2
S1/S2	63	58.3
Others	6	5.6
Position		
Village Chief	4	3.7
Head of Affairs	38	35.2
Operator	8	7.4
Head of Hamlet	10	9.3
Village Secretary	25	23.1
Cadre	2	1.9
Others	21	19.4
Length of Employment		
0-6 months	5	8.3
6-2 months	5	4.6
1-2 months	9	8.3
2-3 months	14	13.0
3-4 months	15	13.9
5-5 months	24	22.2
5-15 months	32	29.6

The Measurement Model Test examines the relationship between indicators and latent variables. Combining structural model testing and measurement allows researchers to test measurement errors as an integral part of SEM and conduct factor analysis simultaneously with hypothesis testing. In the measurement model test, the probability levels obtained follow the criteria and rules of quantitative research. The results of the measurement test can be seen in Table 2.

Table 2. Measurement Result

Constructs	MLE estimates factor loading/ measurement error		Squared multiple correlation (SMC)	Composite reliability (CR)	Average of variance extracted (AVE)	Cronbach's α
Human				0.875	0.584	0.877
HR1	0.688	0.554	0.446			
HR 2	0.733	0.463	0.537			
HR 3	0.783	0.387	0.613			
HR 4	0.767	0.412	0.588			
HR 5	0.857	0.266	0.734			
Transparency of Village Funds				0.874	0.699	0.854
TVF 1	0.895	0.199	0.801			

TVF 2	0.854	0.271	0.729			
TVF 3	0.753	0.433	0.567			
Information Technology				1.792	0.581	0.862
IT1	0.794	0.370	0.630			
IT 2	0.871	0.241	0.759			
IT 3	0.868	0.247	0.753			
IT 4	0.705	0.503	0.497			
IT 5	0.504	0.746	0.254			
IT 6	0.768	0.410	0.590			
Performance of				0.872	0.538	0.872
PVO1	0.891	0.206	0.794			
PVO 2	0.791	0.374	0.626			
PVO 3	0.678	0.540	0.460			
PVO 4	0.758	0.425	0.575			
PVO 5	0.579	0.665	0.335			
PVO 6	0.655	0.571	0.429			

Fit statistics (N = 613)

$\chi^2/df = 3.378$ Goodness-of-Fit Index (GFI) = 0.609, Nonnormed fit index (NFI) = 0.753, Comparative Fit Index (CFI) = 0.810, Incremental fit index (IFI) = 0.813, and Root Mean Square Error of Approximation (RMSEA) = 0.149

Structural Model Testing is the relationship between independent latent variables (variables that cannot be directly measured and require several indicators to measure) and dependent variables (Bollen, 1989). The results of the structural model test can be seen in Figure 2.

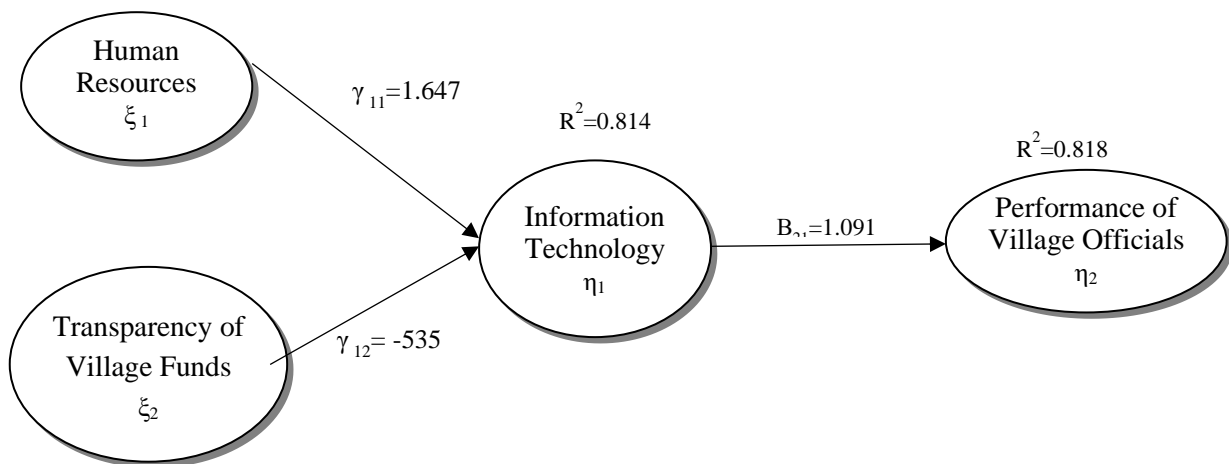


Figure 2 Structural Model Result

Note. $\chi^2/df = 3.340$, GFI = 0.609, NFI = 0.753, CFI = 0.811, IFI = 0.813 and RMSEA = 0.148
Significant at *: $p < 0.05$, **: $p < 0.01$, ***: $p < 0.001$

The structural model above shows that the values CMIN/DF= 3.340, GFI= 0.609, NFI= 0.753, CFI= 0.811, IFI= 0.813, and RMSEA= 0.148 meet the criteria. Although CFI, GFI, and AGFI values are marginal, according to (Hair et al., 2019), these values approach the recommended range, indicating that the model is still suitable to proceed. It means that the model is sufficiently fit and appropriate for use and supports analysis using structural equation

modelling (SEM). The research results indicate that Human Resources (HR) does not have a positive and significant effect on Information Technology (1.647; $p > 0.05$); thus, hypothesis 1 is not supported. It suggests that Village Officials are not adequately supported with the appropriate technological knowledge for their tasks, and their job assignments may not match their skills. However, other studies have shown that HR does influence Information Technology (Nursin et al., 2023). It demonstrates that officials with lower HR tend not to be knowledgeable about information technology to complete their tasks. Furthermore, this research also indicates that the Transparency of Village Funds does not positively and significantly affect Information Technology (-.535; $p > 0.005$). Thus, hypothesis 2 is also not supported. It indicates that village fund management has not been well implemented, from planning, implementation, recording, and reporting to accountability. It is supported by research Kusrawan et al. (2022) which states that the transparency of village funds influences information technology.

Information Technology has a positive and significant effect on the performance of village officials (1.091; $p < 0.001$); thus, hypothesis 3 is supported. It indicates that information systems in the village are already in place, such as village financial information systems being installed and utilized effectively and software being implemented. This research is consistent with (Rini & Khasanah, 2023). Therefore, optimal utilization of technology and accountable village fund management are two inseparable factors for improving village government performance. This study is consistent with previous research. Mediator variable analysis using Hayes' (2018) bootstrapping technique proves that information technology plays a positive and significant role in mediating the relationship between human resources, transparency of village funds, and the performance of village officials. It demonstrates that information technology plays a crucial role in the development of a village.

Table 3. Mediaton Result

IV	M	DV	IV->DV	IV->M	IV+M->DV		Bootstrapping 95% CI	
			(c)	(a)	IV (c')	M(b)	Percentile	Bias-corrected
SDM	TI	KAD	0.900***	0.940***	0.416***	0.515	[0.571, 0.410]	[1.237, 0.888]
		Standard Error (SE)	0.045	0.049	0.079	0.073		
TDD	TI	KAD	0.756***	0.784***	0.340***	0.529***	[0.468, 0.398]	[1,038, 0.883]
		Standard Error (SE)	0.038	0.043	0.064	0.071		

Note. Significant at *: $p < 0.05$, **: $p < 0.01$, ***: $p < 0.001$

Conclusion

Overall, a village government leader who incorporates ethical concerns into their activities, upholds moral and ethical values in the workplace, and establishes clear ethical standards for their employees strongly influences their integrity and sense of belonging to the organization. Employees and organizations in the human resource development field use ethics, leadership, and trust as instruments. The rapid development of information technology has made the exchange of information and knowledge possible. High-quality human resources with adequate knowledge and skills can adopt and utilize information technology more effectively. Additionally, transparency in village fund management enhances community trust and participation, ultimately supporting the use of information technology in village administration. Therefore, to enhance the utilization of information technology in villages, it is recommended that governments and stakeholders focus on improving the quality of human resources through

training and education programs and ensure high transparency in village fund management. It is expected to promote better integration of information technology in various administrative activities and public services in villages.

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