

THE ROLE OF HUMAN RESOURCES IN VILLAGE FINANCIAL MANAGEMENT IN TAMBAKREJO SUBDISTRICT, BOJONEGORO REGENCY

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ABSTRACT

This study aims to examine the role of human resources, identify inhibiting factors, and formulate strategies to improve the quality of human resources in village financial management in Tambakrejo Subdistrict, Bojonegoro Regency. The research method used is qualitative research with a qualitative descriptive approach. Primary data was obtained through interviews, while secondary data was collected from village regulations and financial reports. Data collection techniques used include observation, interviews, and document analysis. The data obtained will be reduced and analyzed using data triangulation techniques. The results of the study indicate that human resources play a crucial role in village financial management. The knowledge and skills of village human resources have an impact on the effectiveness of village financial management. Good communication and coordination are key factors in decision-making and implementation of village financial activities. The responsibility and accountability of village human resources in financial management are essential to ensure transparency and compliance with applicable regulations. The challenges faced include limited resources, insufficient budget, limited training opportunities, and a lack of accountability among village officials in carrying out their duties. Strategies that can be implemented to overcome these challenges include targeted training and education, leadership development, collaboration and networking, the development of village financial information systems, and recognition and appreciation.

Keywords : Human resources, Village financial management, Accountability and Transparency.

INTRODUCTION

Development in Indonesia now involves not only the central and provincial governments but also local governments at the district, sub-district, and village levels. This shift is highlighted by Law No. 6 of 2014 on Villages, which empowers villages to manage their finances and establish work programs to meet community needs. However, this law does not grant villages complete autonomy, as oversight from sub-district governments remains essential. According to Law No. 23 of 2014 on Regional Government, sub-districts are tasked with coordinating, guiding, and supervising village governance. The Minister of Home Affairs Regulation No. 113 of 2014 on Village Financial Management states that village heads have the authority to manage village finances and represent the village in asset ownership matters. They are supported by village officials, who are part of the Technical Implementers of Village Financial Management (PTPKD). These officials, led by the village head, include various positions such as Heads of Affairs (Kaur), Heads of Sections (Kasi), and Heads of Sub-districts (Dusun). Villages have multiple income sources, including Village Original Income (PAD), Village Funds (DD) from the national budget, and Regional Tax Revenue

Sharing (BHPD)/ Effective village financial management encompasses planning, budgeting, implementation, bookkeeping, reporting, accountability, and oversight. Therefore, village governments must manage finances efficiently and transparently to achieve their development goals. The capacity of village officials is critical for effective financial management. They must be professional, law-abiding, and possess high integrity to serve their communities effectively, which includes skills in budgeting, financial reporting, and understanding relevant regulations.

Challenges in village financial management include effectiveness, prioritization of programs, fund misappropriation, and low-quality human resources. Effective management requires collaboration among various stakeholders, as the quality of human resources significantly impacts the transparency and effectiveness of financial governance. The goal is to enhance community welfare through improved infrastructure, public services, and economic empowerment. The need for effective and efficient village financial management is underscored by the demand for transparent governance. Supporting this perspective is the human capital theory, which posits that investing in human resources yields long-term benefits for organizations, including village governance. Competent officials can effectively manage budgets, adapt to policy changes, and foster community engagement, ultimately leading to improved financial management and community development. This research aims to provide new insights into local financial governance dynamics and challenges, contributing to the understanding of village financial management and the critical role of human resources in achieving successful governance.

RESEARCH METHOD

Research Location and Time

The study was conducted in Tambakrejo Subdistrict, Bojonegoro, located about 147 km from the State University of Surabaya (UNESA). The research was carried out from February to July 2023. The target population consists of human resources involved in village financial management in this area. Due to time and resource constraints, sampling methods such as simple random sampling or stratified sampling will be used to select respondents.

Data Types and Sources

Data sources include primary data collected from interviews with key informants, such as village heads, staff, and local government representatives. Secondary data includes relevant documents, such as village regulations, financial reports, and cooperation agreements. The research instrument is based on previous studies and validated through initial tests to ensure accuracy and relevance.

Research Variables

Key variables include the role of human resources (HR) in village financial management, which is measured by HR knowledge, skills, and competencies. Other variables are external factors, such as government regulations and external support, and community participation in financial decision-making and oversight.

Data Collection Techniques

The data collection methods used include observation, interviews, and document analysis. Observation will be non-participatory, focusing on HR interactions and financial management activities. Semi-structured interviews will be conducted with officials, such as the subdistrict head, village heads, and other relevant staff. Document analysis will involve reviewing relevant records and policies related to village financial management.

Data Analysis Techniques

Data analysis will follow the process outlined by Sugiyono (2009), including data collection, reduction, presentation, and conclusion drawing. Triangulation will be applied to validate the data by comparing findings from multiple sources (interviews, observations, and documents).

ANALYSIS AND DISCUSSION

General Description of the Research Object Tambakrejo Subdistrict is a part of Bojonegoro Regency, East Java, Indonesia, comprising several villages with diverse demographics, economic potential, and varying levels of administrative capacity. The research focused on village officials involved in financial management, including village heads, financial managers, and administrative staff.

The demographic data of village officials show a predominant age range between 30 to 50 years, which indicates a balance of experience and energy.

Table 1

Age Range	Number of Officials	Education Level	Number of Officials
20-30 years	5	High School	30
30-40 years	15	Diploma/Undergraduate	10
40-50 years	20	Postgraduate	2
50+ years	5	-	-

Source : Field Research (2023)

Detailed Description of Research Results

- The study found that human resources play a critical role in each stage of village financial management, from planning and budgeting to execution, administration, reporting, and accountability. Key findings are summarized as follows:
- Planning Stage: HR with strong analytical skills contributed to realistic and effective financial planning (Dessler et al., 2022). This involved identifying village needs and prioritizing budget allocations efficiently.
- Budgeting Stage: The budgeting process demonstrated the necessity of collaboration between village officials and community representatives. Leadership and effective communication were critical in aligning financial plans with community needs (Pradita, 2019).

- **Implementation Stage:** Limited training among village staff posed significant challenges in executing financial tasks, leading to inefficiencies and delays in project completion (Mouallem & Analoui, 2014).
- **Administration and Reporting:** Villages with structured training programs showed better documentation and reporting practices. The ability to use financial management tools was a significant advantage (Gita Saraswati & Budiasih, 2019).
- **Accountability and Supervision:** The accountability mechanisms were effective in villages where HR demonstrated high motivation, integrity, and adherence to regulations (Latif et al., 2021).

Illustrates the relationship between training frequency and the effectiveness of financial management practices.

Table 2

Training Frequency	Villages with Effective Financial Management
Regular (monthly)	5
Semi-regular (quarterly)	8
Rare (annual)	10
None	7

Source: Interview Data (2023)

In-depth Discussion The analysis revealed several factors that influence HR performance in village financial management. Educational background, work experience, and ongoing training significantly impacted the quality of financial management. Villages with higher education levels and regular training programs demonstrated superior financial governance and accountability.

The study aligns with the Human Capital Theory, emphasizing that investment in HR through targeted education and capacity-building initiatives leads to better financial outcomes (Mayssara A. Abo Hassanin, 2018). The research also highlights specific strategies to enhance HR quality, such as:

- Implementing continuous education and training sessions focused on financial management and compliance.
- Developing leadership skills to foster a transparent and collaborative organizational culture.
- Leveraging financial management software to increase efficiency and transparency.
- Establishing a reward and recognition system to motivate high-performing staff.

The findings of this research contribute valuable insights into village financial management, showing that HR competencies are a pivotal factor in achieving effective, transparent, and accountable governance. These results are consistent with previous studies by Sara (2021) and Yudhira (2020), who also emphasized the critical role of HR in managing public funds.

CONCLUSION

It is the closing of the article which reflects the essence and reasoning of the research by the writer. Through a qualitative analysis, the study reveals how HR competencies impact various stages of financial management, including planning, budgeting, implementation, administration,

reporting, and accountability. Villages with well-trained human resources demonstrated higher efficiency in budget forecasting, effective resource allocation, and improved public service delivery (Dessler et al., 2022). The study also underscores the importance of strong leadership, effective communication, and collaboration between village officials and community representatives to enhance transparency and build trust (Pradita, 2019). Challenges were identified, particularly regarding financial execution due to limited training among village staff. Villages with regular capacity-building programs performed better in financial administration and accountability, highlighting the need for ongoing education and development (Mouallem & Analoui, 2014). Furthermore, accountability and transparency were more robust in villages where HR displayed high motivation, ethical standards, and integrity, contributing to governance effectiveness and reducing the risk of financial mismanagement (Latif et al., 2021).

The research also emphasized that continuous education and structured training programs significantly enhanced both the technical skills and ethical conduct of village officials. The Human Capital Theory supports this finding, suggesting that investment in HR through education and targeted capacity-building initiatives leads to better financial management outcomes (Mayssara A. Abo Hassanin, 2018). The study recommended several strategies to enhance HR quality, including targeted training, leadership development, promoting a collaborative culture, utilizing financial management tools, and establishing incentive systems to encourage accountability and high performance. Overall, the study concludes that investment in human resources is not just an operational necessity but a strategic imperative for achieving transparency, accountability, and efficiency in village financial management. By focusing on HR quality, village administrations can improve financial governance, adapt to evolving challenges, and contribute meaningfully to sustainable development goals. These insights serve as valuable guidance for policymakers and village administrators, advocating for continuous HR development to strengthen public service delivery and community welfare in Tambakrejo Subdistrict.

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