

The Problems of Village Fund Management, Compensation and Village Head Leadership, on Their Performance in Reporting the Realization of the Use of Village Funds in Merauke Regency, Papua

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Abstract. *The performance of the village officials is a result that can be achieved by the targets that have been set both in quality, quantity, and time. The purpose of this study is to determine and analyze the effect of Understanding The Management of Village Fund, Compensation and Leadership on the Performance of Village Officials in Reporting the Realization of the Use of Village Funds in Semangga District, Merauke Regency. This study takes place in four villages: Semangga Jaya, Waninggap Kai, Muram Sari, and MargaMulya in Semangga District, Merauke Regency. The design of this study is a quantitative approach using total sampling since the entire population is the research sample with 120 respondents. This study focuses on four variables: understanding of village fund management, compensation, and leadership as independent variables and the dependent variable is the performance of village officials in reporting on the realization of the use of village funds in the Semangga District of Merauke Regency. This study also uses the Likert Scale to measure variables and uses Multiple Regression to analyze data on SPSS software. The results of data analysis show that partially the variables of understanding village fund management, compensation, and leadership have a significant effect on the performance of village officials in reporting the realization of the use of funds. The ability of the variable Understanding of village fund management, compensation, and leadership can influence the performance of village officials in reporting the realization of the use of village funds by 31.1%, the remaining 68.9% is influenced by other variables not examined in this study.*

Keywords: Village fund management, compensation, leadership, village official's performance, and reports on the use of village funds.

INTRODUCTION

The purpose of village funds based on Law No. 6 of 2014 concerning Villages is to improve public services in villages, alleviate poverty, advance the village economy, overcome development gaps between villages and strengthen village communities as subjects of development, but prioritize services and development. Village funds following Law No. 6 of 2014 concerning villages can also be concerned by the community in the Semangga District, Merauke Regency, but in terms of village financial management, especially in reporting the realization of the use of village funds, it has not been as expected.

on data from 2020 research, reporting on the realization of the use of village funds for the 2020 fiscal year, the report must have been reported no later than the end of December 2020, in fact until May 2021 (where researchers go to the field), the report has not received approval from the Head of the Village Government Service. This is due to a lack of evidence

of accountability that must be completed by village officials as village fund managers. This proves that the performance of the village officials in the Semangga District, especially in the villages of Semangga Jaya, Waninggap Kai Village, Muram Sari Village, and MargaMulya Village, which are the locations for researchers to conduct research, has not been maximized in managing village finances, especially in terms of reporting the realization of the use of village funds.

The research results in 2020 concerning the management of village funds in the Semangga District, especially in the four villages, obtained the following information: the village officials has not been able to operate computers and the ability to make accountability reports on the realization of the use of village funds so that the village officials in making accountability reports on the realization of the use of village funds still fully dependent on village fund management assistants.

The results of a preliminary survey conducted in four villages with 60 respondents in which 15 respondents were randomly selected from each village about the factors that affect the performance of the village officials in reporting and accountability for the realization of the use of village funds in the Semangga District, Merauke Regency is an understanding of village fund management, compensation and leadership. The low understanding of the village officials regarding the management of village funds that refers to government regulations is still low, this is due to the lack of socialization from the Village and District Government Agencies. Compensation includes direct cash payments, indirect payments in the form of facilities that can be used by employees to support their work, and incentives to motivate employees to work hard to achieve high performance (Mangkuprawira, 2015). Due to frequently delayed compensation received by village officials in Semangga District, this creates dissatisfaction for village officials. Furthermore, if not handled properly, it can affect their performance.

Leadership is the ability contained within a person to be able to influence others or guide certain parties in achieving goals. Problems that occur related to the leadership of the village head in the Semangga District are the lack of equal distribution of duties to village employees, lack of communication skills, weak decision making, and the absence of giving awards to village officials who have carried out their duties well, especially in completing reports on time. This causes village officials to feel ignored by the leader. Consequently, it affects the performance of the village officials, especially in reporting the realization of the use of village funds which is often late.

In addition to the advantages of the topic of this study, there is an inconsistency from several previous studies which one of them is by UmiPratiwi and Ulfa in 2018 in which the research results show that understanding of government regulations for managing village funds does not affect the performance of village government officials; Sumiati, et al, 2019, the results of the study show that the understanding of village officials in planning, implementing and administering village finances has a positive and significant effect on the timeliness of village fund accountability, while the understanding of village officials about village financial reporting and accountability has no significant effect on the timeliness of accountability. village fund answer.

In addition to the phenomena and inconsistencies of the results of previous studies, namely the novelty of this study, where the previous studies influenced the variables of accountability

in the management of village funds and the performance of the village officials, while this study was more specific, namely examining the performance of the village officials in reporting the realization of the use of village funds. Based on the description in the background, the problems studied are (1) understanding of Village Fund management affects the Performance of our Village Officials in Reporting the Realization of the Use of Village Funds, (2) Compensation affects the Performance of the Village Officials in Reporting the Realization of the Use of Village Funds (3) The leadership of the Village Head affects the Performance of the Village Officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency, Papua.

LITERATURE REVIEW

a. Village Official's Performance

Performance is the result of work qualitatively and quantitatively achieved by an employee in carrying out their duties following their own responsibilities (Mangkunegara, 2017). Officials are people who run the government. The officials have a strategic role in carrying out general government and development tasks. The role of the officials is following the demands of the times, especially to answer future challenges. Competent officials are needed to face the challenges of the future. Based on the understanding, the performance of the village officials is the result of the work achieved by the village officials both in quality and quantity in carrying out government tasks and village development.

b. Village Fund Management

Village Fund Financial Management (DD) (Law Number 6 of 2014) is an inseparable part of Village Financial Management in the village APBD; therefore, Village Fund Financial Management (DD) must meet the Village Fund Management Principles as follows: (1) All activities funded by the Village Fund (ADD) are planned, implemented and evaluated openly with the principles of, by and for the community. (2) All activities must be accountable administratively, technically, and legally. (3) The Village Fund (DD) is implemented using the principles of prudence. (4) The types of activities that will be financed through the Village Fund (ADD) are very open to improving community service facilities in the form of fulfilling basic needs, strengthening village institutions, and other activities needed by village communities which are decided through village meetings. (5) The Village Fund (DD) must be recorded in the Village Revenue and Expenditure Budget (APB Desa) and the budgeting progress follows the applicable mechanism.

c. Understanding Village Fund Management

Benjamin S. Bloom (in Anas Sudijono, 2015) says that understanding is a person's ability to understand or comprehend something after something is known and remembered. In other words, understanding can be interpreted to understand something and can see it from various angles. Thus, it can be defined that Understanding Village Fund Management is the ability of village officials to understand and comprehend the management of village funds based on applicable regulations to make villages more responsible in managing village funds

following Law No. 6 of 2014 and Permendagri 113 of 2014 concerning Village Funds Management.

d. Compensation

Compensation according to Panggabean (2018) states, "Compensation can be defined as any form of award given to employees as a reward for the contributions they make to the organization". According to Rivai, et al (2015) stated that, "Compensation is something that employees receive as a substitute for their service contribution to the company". Meanwhile, Rivai (2015) states that the objectives of compensation are: (a) Obtaining quality human resources. Compensation that is high enough is needed to attract applicants. Pay rates must be responsive to labor market supply and demand as employers compete for the desired employees. (b) Retaining existing employees. Employees can leave if the amount of compensation is not competitive and this will result in higher employee turnover. (c) Ensuring justice so that justice can be realized, both internally and internally. Internal justice is a payment associated with the relative value of a job so that the same work is paid the same amount. External equity of payments to workers that can be compared with payments in other companies.

e. Leadership

Leadership can be interpreted as a person's ability to move, direct and influence the mindset, the way each member works so that they are independent at work, especially in making decisions to accelerate the achievement of predetermined goals (Wahyudi, 2017). On the other hand, Nadeak, 2018, states that Leaders can be classified based on several principles. As a criterion in the principle of using communication relationships with followers, it can be categorized as follows: (1) Persuasive leaders, who have close and good relationships with their followers. (2) Dominant leaders, who are generally limited if there is a problem that occurs in their organization. (4) Institutional leaders, who prefer to delegate their executives. (5) A clever and smart leader, whose influence is felt by his/her followers and can influence surrounding people.

Framework

The conceptual framework of this study describes the direction of the relationship between the independent variable and the dependent variable as follows:

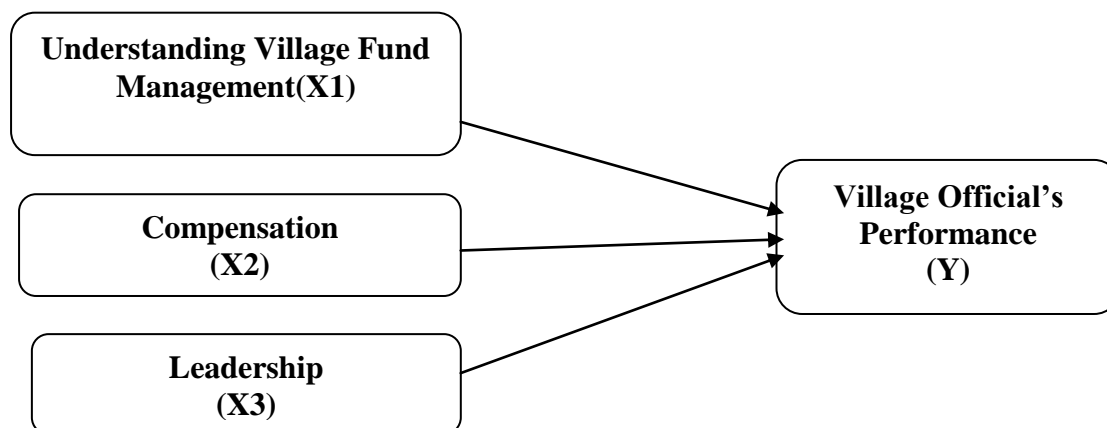


Chart 1. Conceptual Framework

Hypothesis

Based on the conceptual framework in this study, the study's hypotheses are as follows:

1. It is suspected that the understanding of Village Fund Management has a significant effect on the Performance of Village Officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency.
2. It is suspected that compensation has a significant effect on the performance of village officials in reporting the realization of the use of village funds in Semangga District, Merauke Regency.

It is suspected that leadership has a significant influence on the performance of village officials in reporting the realization of the use of village funds in the Semangga District, Merauke Regency.

3. Research Methods

This study uses a quantitative research that emphasizes analysis of numerical data (numbers) that are processed by statistical methods. With quantitative research, the significance of the relationship between the variables studied will be obtained. In general, quantitative research is a large sample study (Azwar, Saifuddin. 2016)

This study wants to generalize with a smaller error rate, so this study uses a saturated sample or total sampling through a census where all the population is a sample (Sugiono, 2016) as many as 120 samples. The instrument of this study uses a questionnaire containing a list of questions distributed to all respondents. Data collection techniques in this study is conducted by distributing questionnaires to all respondents. Sugiyono states that data collection techniques are a step that is considered strategic in research since it is the main goal in obtaining data. The data analysis technique in this study is quantitative data analysis carried out using multiple regression statistical analysis.

RESULTS

a. Validity test

The method used for testing the validity is the Product Moment Method. To examine using this validity test, 120 respondents were given a questionnaire containing statements about the

variables of Understanding Village Fund Management (X1), Compensation (X2), Leadership (X3), and the dependent variable on the performance of the Village Officials in reporting the realization of the use of Village funds (Y). Based on the criteria of Kaplan and Saccuso (1993), the indicator of each variable is declared valid if the validation coefficient is more than or equal to 0.3, the loading factor of each indicator is significant.

The results of field data processing for validity testing can be seen in table 1 below:

Table 1 Validity Test Results

Variable	Question	Person correlation	Sig	Information
Understanding Village Fund Management (X1)	1	0,845	0,000	Valid
	2	0,896	0,000	Valid
	3	0,904	0,000	Valid
	4	0,924	0,000	Valid
	5	0,873	0,000	Valid
Compensation (X2)	1	0,548	0,000	Valid
	2	0,814	0,000	Valid
	3	0,814	0,000	Valid
	4	0,844	0,000	Valid
Leadership (X3)	1	0,862	0,000	Valid
	2	0,890	0,000	Valid
	3	0,885	0,000	Valid
	4	0,854	0,000	Valid
	5	0,872	0,000	Valid
	6	0,800	0,000	Valid
Village official's performance in reporting the realization of the use of village funds (Y)	1	0,739	0,000	Valid
	2	0,856	0,000	Valid
	3	0,797	0,000	Valid
	4	0,637	0,000	Valid

Source: Examined Data 2021

Based on the results of the validity test in this study, it can be concluded that for the variable Understanding of Village Fund Management (X1) with 5 statement items, all indicators of the Understanding of Village Fund Management variable are valid because the person correlation is greater than 0.3. Compensation variable (X2) with 4 questions, also all valid indicators, and (X3) Leadership variable with 6 questions, all indicators are declared valid with person correlation value 0.3. As for the dependent variable, the performance of the village officials in reporting the realization of the use of village funds (Y), with 4 statement items is also declared valid because the person correlation value is ≥ 0.3 .

b. Reliability Test

The reliability test in this study is intended to test and measure whether the statement/questionnaire is reliable or not. The formula used in this test is Cronbach's alpha

formula with the help of SPSS. If the variable under study has a value of Cronbach's alpha (α) $> (60\%)$ or (0.60) then the variable is declared reliable, otherwise if the value of Cronbach's alpha (α) $< (60\%)$ or (0.60) then the variable is declared unreliable. The results of field data testing with the help of SPSS for reliability testing can be seen in Table 2 below:

Table 2 Reliability Test Results

Variable	number of items	Respondent	Cronbach's Alpha	Criteria	Information
Understanding Village Fund Management (X1)	5	120	0,933	0,60	Reliable
Compensation (X2)	4	120	0,760	0,60	Reliable
Leadership (X3)	6	120	0,930	0,60	Reliable
Village official's performance in reporting the realization of the use of village funds (Y)	4	120	0,740	0,60	Reliable

Source: Examined Data 2021

Based on Table 2, the test is carried out on each of the variables studied and it is seen that the Cronbach alpha value of each variable is greater than 0.60. Thus it can be declared reliable.

c. Classic assumption test

1) Normality Test

The method used in the residual normality test is the one sample Kolmogorov Smirnov test method. The results of the residual normality test can be seen in table 3 below:

Table 3. Residual Normality Test Results

Kolmogorov Smirnov	Asymp.Sig	Criteria	Information
0,546	0,927	$> 0,05$	Normal Distributed

Source: Examined Data 2021

Table 3 above shows the value obtained in asymp.sig of 0.92, which means the value of asymp.sig is greater than the criterion value (> 0.05) so it can be said that the data is normally distributed.

2) Uji Multikolinearitas

The multicollinearity test in the classical assumption test is carried out to find out whether the regression model found a correlation between the variables of understanding village fund management, compensation variables, and leadership variables. A good regression model should not correlate with the independent variables. To figure it out, it can be seen from the value of VIF (Variance Inflation Factor) contained in table 4 below:

Table 4 Multicollinearity Test Results

Variable	Collinearity Statistic		Information
	Tolerance	VIF	
Understanding Village Fund Management	0,776	1,289	Multicollinearity does not occur
Compensation	0,924	1,082	Multicollinearity does not occur
Leadership	0,797	1,254	Multicollinearity does not occur

Source: Examined Data 2021

The results of the multicollinearity test in table 4 above show that the Understanding of Village Fund Management variable has a tolerance value of 0.776, the tolerance value of compensation variable is 0.924 and the Leadership variable tolerance value is 0.797. Each of the independent variables above has a tolerance value of less than 1 and a VIF value of less than 10. Thus, it can be said that the data results of each of the independent variables above do not experience multicollinearity.

3) Heteroskedastic Test

The heteroscedasticity test is used to see whether there is an inequality of variance from the residuals of one observation to another. The prerequisite that must be met in the regression model is the absence of heteroscedasticity symptoms. To detect the presence of heteroscedasticity, a statistical test is carried out by regressing the absolute value of the residual with each independent variable, with the following requirements:

- If the significance value (Sig) > 0.05, it means that there are no symptoms of heteroscedasticity.
- If the significance value (Sig) < 0.05, it means that there are symptoms of heteroscedasticity.

The results of data processing can be seen in Table 5, as follows:

Table 5. Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.044	.060		-.728	.468
Understanding of Village Fund Management (X1)	.003	.002	.134	1.314	.191
Compensation (X2)	-.002	.003	-.084	-.900	.370
Leadership (X3)	.003	.002	.183	1.823	.071

Source: Examined Data 2021

Table 6. Multiple Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.232	1.666		2.540	.012
Understanding Village Fund Management (X1)	.238	.067	.307	3.556	.001
Compensation (X2)	.148	.072	.163	2.064	.041
Leadership (X3)	.179	.053	.290	3.402	.001

Sumber : Data diolah, 2021

Based on Table 5, it shows that the significance value of the Understanding Village Fund Management variable is 0.191, the significance value of the Compensation variable is 0.370 and the significance value of the Leadership variable is 0.071, this shows that all the significance values of the independent variables are > 0.05 , it means that all independent variables have no symptoms of heteroscedasticity.

d. Hypothesis testing

1) Multiple Linear Regression Analysis

The results of multiple linear analysis in this study using the help of SPSS and it can be seen in table 6 below:

Based on table 6 above, if it is included in the general equation for multiple linear regression, it is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

$$Y = 4.232 + 0,238X_1 + 0,148X_2 + 0,179X_3 + \epsilon$$

The multiple linear regression equation above can be explained partially the effect of the independent variable on the dependent variable in this study as follows:

1. The constant value (α) = 4.232, indicating that if the Understanding of Village Fund Management (X1), compensation (X2), and Leadership (X3) are in a fixed or constant condition, then the value of the performance variable of the Village Officials in Reporting the Realization of the Use of Village Funds (Y) is 4,232 units. In other words, without the independent variables (X1, X2, X3), the performance value of the Village Officials in Reporting the Realization of the Use of Village Funds (Y) will remain at 4.232.
2. The coefficient value of the Village Fund Management Understanding variable ($\beta_1 X_1$) = 0.238 shows that the value is positive, which means that every increase in the Understanding of Village Fund Management variable is one unit; therefore, the performance of the Village Officials in Reporting the Realization of the Use of Funds will increase by 0.238 with the assumption that the compensation variable and the leadership variable studied in this study have a fixed or constant value.
3. The coefficient value of the compensation variable ($\beta_2 X_2$) = 0.148 shows that the value is positive, which means that for every unit increase in compensation, so the performance of the Village Officials in Reporting the Realization of the Use of Village Funds (Y) will increase

by 0.148 by assuming the variable Understanding of village fund management (X1) and the Leadership variable (X3) studied in the regression model is fixed or constant value.

4. The coefficient value of the leadership variable ($\beta_3 X_3$) = 0.179 shows that the value is positive, which means that every increase in the leadership variable of one unit; therefore, the performance of the Village Officials will increase in Reporting the Realization of the Use of Village Funds (Y) by 0.179 by assuming the variable Understanding of Village Fund Management (X1) and compensation variable (X2) being studied in the regression model is fixed or constant value.
5. Based on table 4.4 above, the value of Standardized Coefficients Beta of variable Understanding Village Fund Management has a value of 0.307, the highest compared to the value of other independent variables. This shows that the variable understanding of village fund management contributes the most to the performance of the Village Officials in Reporting the Realization of the Use of Village Funds.

2) T-Test

The T-test conducted in this study aims to determine the effect of the variable Understanding of Village Fund management, compensation, and leadership partially on the performance variable of the Village Officials in Reporting the Realization of the Use of Village Funds in Semangga District, Merauke Regency. The criteria provisions are if $t_{\text{count}} > t_{\text{table}}$ then the hypothesis is accepted while if $t_{\text{count}} < t_{\text{table}}$ then the hypothesis is rejected. In this study, the degree of freedom (df) with the formula $n - k = 120 - 4 = 116$, then the t_{table} in this study is 1.658.

The results of hypothesis testing based on the results of field data processing using SPSS assistance can be seen in table 7 below:

Table 7. Hypothesis Testing Results

Variable	t count	t table	Significant (sig)	Information
Understanding of Village Fund Management (X1)	3,556	1.6580	0,001	Significant
Compensation (X2)	2,064	1.6580	0,041	Significant
Leadership (X3)	3,402	1.6580	0,001	Significant
		<i>R Square</i>		0,328
		<i>Adjusted R Square</i>		0,311

Source: Examined Data 2021

Based on table 7 above, it can be said that the t_{count} value generated in the variable Understanding of Village Fund management is 3.556, which is greater than t_{table} 1.6580, with a significance level of 0.001. It can be seen that the sig value of 0.001 is smaller than 0.05, which means that partially the understanding of the Village Fund management variable

has a significant positive effect on the performance variable of the Village Officials in Reporting the Realization of the Use of Village Funds. Furthermore, the calculated t-value generated by the compensation variable is 2.064, which is greater than the t-table 1.6580 with a significance level of 0.041. This sig value of 0.041 is smaller than 0.05, which means that the compensation variable partially has a positive and significant effect on the performance of the Village Officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency. Furthermore, the t-count value of the Leadership variable is 3.402, which is greater than the t-table 1.6580 with a significance level of 0.001. It can be seen that the value of sig 0.001 is smaller than 0.05 which means that the leadership variable partially has a positive and significant effect on the performance variable of the Village Officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency.

3) Coefficient of Determination Test

The R^2 test (coefficient of determination) conducted in this study aims to measure the ability of the variable model understanding of village fund management (X1), compensation (X2), and leadership (X3) in explaining the variation of the performance variables of the Village Officials in Reporting the Realization of the Use of Village Funds in Semangga District, Merauke Regency (Y). The value of R^2 is between 0 and 1. Based on table 7 above, the test results show the Adjusted R Square value of 0.311, so it can be interpreted that the ability of the Village Fund Management Understanding, compensation and Leadership variable model can affect the performance variables of the Village Officials in Reporting the Realization of the Use of Village Funds in Semangga District, Merauke Regency by 31.1% and the remaining by 68.9% is influenced by other independent variables not examined in this study.

DISCUSSION

a. The Effect of Understanding Village Fund Management on the Performance of Village Officials in Reporting the Realization of the Use of Village Funds

Sudaryono (2017) states that understanding is the ability of an individual to capture the meaning of something he learns by outlining the contents of the reading or changing the available data into other forms. According to Sudijono (2015), understanding is a person's expertise in understanding something and being able to see something from various aspects. Based on agency theory which states that the contractual relationship between principals and agents, the village head has the responsibility as a decision-maker and the village officials as an agent have a role in the accountability of village fund management. In carrying out this role, the village head and his officials must have an understanding of the accountability of village fund management. The understanding possessed by village officials also raises hopes that they can make villages more responsible in managing village funds following Law No. 6 of 2014 and Permendagri 113 of 2014 concerning Village Financial Management.

Based on the explanation above, understanding the management of village funds by the village officials is very important in supporting the performance of the village officials, especially in reporting the realization of the use of village funds. By understanding the management of village funds starting from planning, implementation, administration,

reporting, and accountability, it is hoped that the performance of the village officials, especially in reporting the realization of the use of village funds can be better and more accurate, so that in the end the use of village funds can contribute to improving the welfare of the village community as a whole and it can certainly increase the trust of the central government and local governments in managing village funds.

Based on the results of the analysis in this study, the Variable Understanding of Village Fund Management has a significant effect on the performance of the Village Officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency. It means that the hypothesis in this study is that the Understanding of Village Fund Management has a significant effect on the performance of the Village Officials in Reporting on the Realization of the Use of Village Funds in Semangga District, Merauke Regency, is proven or accepted.

The implication of the results of the analysis above shows that understanding of Village Fund Management has a positive and significant effect on the performance of the Village Officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency. will affect the performance of the village officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency, or the better understanding of the village officials in managing village funds, the better performance of the village officials in making reports on the realization of the use of village funds in the Semangga District, Merauke Regency.

These indications can be seen from the descriptive analysis of the Understanding Village Fund Management variable, where the average value of 4.3 is in the High category. It means that in carrying out the duties and responsibilities as Village Officials, the village officials can clearly understand the rules and regulations in the management of village funds starting from planning, implementation, administration, reporting, and accountability for the use of village funds. By understanding well the rules that apply to the management of village funds, especially in the accountability for managing village funds, it is hoped that in the preparation of reports on the realization of the use of village funds, it can be better, especially in terms of quality and timeliness of reporting and the utilization of village funds is appropriate. target.

The findings of the first hypothesis testing in this study shows Understanding Village Fund Management has a significant effect on the performance of the Village Officials in reporting the realization of the use of village funds, in line with the results of previous study conducted by Azhari (2019), Sumiati, et al (2019), Setiana (2017), Saputri (2020), which states that understanding affects the accountability of village fund management but this study is not in line with that of Purba (2020) which states that understanding does not significantly affect the accountability of village fund management.

b. The Effect of Compensation on the Performance of the Village Officials in Reporting the Realization of the Use of Village Funds

Compensation according to Panggabean (2018) "Compensation can be defined as any form of award given to employees as a reward for the contributions they make to the organization". According to Rivai, et al (2015) "Compensation is something that employees receive as a substitute for their service contribution to the company".

Compensation is one of the factors that can affect the performance of the village officials. The better compensation given, both direct compensation and indirect compensation and the compensation received by the village officials can meet the needs of life and refers to the principle of justice, it can stimulate the village officials in improving its performance, especially in reporting the realization of the use of village funds that must be concerned following applicable regulations.

Based on the results of the analysis in this study, the Compensation variable has a significant effect on the performance of the Village Officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency. It means that the hypothesis in this study is that compensation has a significant effect on the performance of the Village Officials in Reporting the Realization of the Use of Village Funds in Semangga District, Merauke Regency, is proven or accepted.

The implication of the results of the analysis above shows that compensation has a positive and significant effect on the performance of the village officials in reporting the realization of the use of village funds in the Semangga district, Merauke regency. the performance of the Village Officials in Reporting the Realization of the Use of Village Funds in the Semangga District, Merauke Regency, or the better compensation received by the village officials, the better performance of the Village Officials in preparing reports on the realization of the use of village funds in the Semangga District, Merauke Regency.

This indication can be seen from the descriptive analysis of the Compensation variable, where the average value of 3.97, is in the High category, this means that in carrying out the duties and responsibilities as Village Officials, the village officials earn an award in the form of compensation where the village officials receive a salary following the regulations based on the results of their work, the village officials receive additional income in the form of incentives according to the results of their work, the village officials gets additional benefits outside of the salary and incentives following the results of their work and the village officials gets adequate facilities in working following the duties and responsibility. With the compensation given, it is hoped that it will give satisfaction to the village officials which in turn can improve its performance, especially the quality in reporting the realization of the use of village funds following applicable rules or guidelines.

The findings of the second hypothesis testing in this study, namely compensation have a significant effect on the performance of the village officials in reporting the realization of the use of village funds, in line with the results of previous studies conducted by Astarina, et al (2019), IskandarYeni, et al (2019), Batlajery (2014).), Amrulloh (2017), Rosdiana (2015), Husain (2014), which states that compensation has a significant effect on employee performance including the performance of the village officials, the better compensation received by the village officials, the better performance of the village officials in reporting the realization of the use of funds village in the Semangga District, Merauke Regency.

c. The Effect of Leadership on the Performance of the Village Officials in Reporting the Realization of the Use of Village Funds

Leadership can be interpreted as a person's ability to move, direct and influence the mindset, the way each member works to be independent in working, especially in making decisions for the sake of accelerating the achievement of the goals that have been set (Wahyudi, 2017).

Based on the results of research, leadership has a significant effect on the performance of the village officials in reporting the realization of the use of village funds in the Semangga District, Merauke Regency. It means that the hypothesis in this study is that leadership has a significant effect on the performance of the village officials in reporting the realization of the use of village funds in the Semangga district, Merauke Regency, is proven or accepted.

The implications of the results of the study show that if the leadership of the village head goes well and can be accepted by all village officials, especially in terms of decision-making ability, ability to motivate employees, proficient in communicating with others, able to control the situation, be responsible for what is done by his subordinates, and being able to control their emotional feelings, especially when facing problems, can improve the performance of the village officials, especially in making reports on the realization of the use of village funds in the Semangga District, Merauke Regency.

This indication can be seen from the results of descriptive analysis, where the average value of the Leadership variable is 4.5, which is in the very high category. It means that the leadership of the village head is responded correctly by every village officials. It is expected with good leadership accepted by every village officials, it can improve the performance of the village officials, especially in loading reports on the realization of the use of village funds in the Semangga District, Merauke Regency.

The findings of the third hypothesis testing in this study, namely Leadership has a significant effect on the performance of the Village Officials in reporting the realization of the use of village funds, in line with the results of previous studies conducted by Laras and Aden (2016), Putri and Yadiati (2020), Amrullo (2017), Husain (2014), Pamayun (2020), which state that leadership has a significant effect on the performance of the village officials, the better leadership of the village head, the better performance of the village officials.

This article discusses the influence of Compensation and Leadership on Performance. This variable has been studied by many previous studies, including: 1) Compensation: (Purba et al., 2017), (Ridwan et al., 2020); 2) Leadership: (Ali et al., 2016), (Elmi et al., 2016); 3) Performance: (Prayetno & Ali, 2017), (Agussalim et al., 2016), (Silitonga et al., 2017), (Rivai et al., 2017).

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of study and discussion, it can be concluded several things: Understanding Village Fund Management has a significant effect on the Performance of Village Officials in reporting the realization of the Use of Village Funds in the Semangga District of Merauke Regency. The better understanding of the village officials towards village and village management, the better performance of the village officials in reporting the realization of the use of village funds. Village officials understand the implementation of

village fund management is the most dominant indicator understood by village officials in understanding village fund management.

1. Compensation has a significant effect on the performance of village officials in reporting the realization of the use of village funds in the Semangga District, Merauke Regency. The better compensation received by the village officials, the higher performance of the village officials in reporting the realization of the use of village funds. Village officials receive salaries following regulations based on their work, which is the most dominant indicator of the compensation variable.
2. Leadership has a significant effect on the performance of the village officials in reporting the realization of the use of village funds in Semangga District, Merauke Regency. The better leadership applied by the village head, the higher performance of the village officials in reporting the realization of the use of village funds. The village head is proficient in communicating with other people so that people understand every idea of the village head, which is the most dominant indicator in the leadership variable.

Suggestion

The Understanding of Village Fund Management variable has the greatest contribution among the other two variables studied on the Performance of the Village Officials in reporting the realization of the use of village funds. The high influence of understanding the management of village funds on the performance of the village officials in reporting the realization of the use of village funds shows that the village officials understand the implementation of village fund management, but on the other hand, the understanding of responsibility for managing village funds is the lowest among the other three indicators, so training or technical assistance guidance are needed village officials in managing village funds, especially in terms of accountability for village fund management.

Village officials receiving salaries following regulations based on their work is the most dominant indicator, but on the other hand, village officials getting additional benefits outside of salaries and incentives following work results are the lowest indicators among the other three indicators, so that it becomes a concern for leaders, both village or district heads to be able to pay attention to benefits other than salaries and incentives following the budget capabilities of the village in the Semangga District, Merauke Regency. The village head is proficient in communicating with other people so that people understand every idea of the village head, which is the most dominant indicator of the leadership variable. On the other hand, the village head being able to be responsible for what his subordinates have done is the lowest indicator among the other five indicators. Therefore, it is recommended that the village head always encourage his subordinates to be able to produce high performance and also assist and supervise the work of subordinates since the work of subordinates is the responsibility of the village head as a leader.

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