

# The influence of apparatus competence, leadership style, tri hita karana culture and society participation on the effectiveness of village fund management

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## ABSTRACT

This study aims to determine the effect of the apparatus competence, leadership style, Tri Hita Karana culture, and society participation on the effectiveness of village fund management. The sample of this study were taken from 100 villages in Tabanan Regency consisting of 300 respondents. This sample was taken by using the proportionate stratified random sampling and the data were collected using a questionnaire and analyzed using multiple linear regression analysis. The result shows that the apparatus competence, leadership style, and society participation have a positive effect on the effectiveness of village fund management. On the contrary, Tri Hita Karana culture did not significantly affect the effectiveness of village fund management. This indicates that the better the apparatus competence, leadership style, and society participation, the better the effectiveness of village fund management.

## ABSTRAK

Penelitian ini bertujuan mengetahui pengaruh kompetensi aparat, gaya kepemimpinan, budaya Tri Hita Karana dan partisipasi masyarakat terhadap efektivitas pengelo-laan dana desa. Sampel penelitian ini diambil dari 100 desa di Kabupaten Tabanan dengan jumlah responden sebanyak 300 responden. Metode untuk menentukan sam-pel adalah proportional stratified random sampling dan pengumpulan data menggu-nakan kuesioner. Data dianalisis menggunakan regresi linier berganda. Studi ini menunjukkan bahwa kompetensi aparatur, gaya kepemimpinan, dan partisipasi ma-syarakat berpengaruh positif terhadap efektivitas pengelolaan dana desa. Sementara itu budaya Tri Hita Karana tidak berpengaruh signifikan terhadap efektivitas pengelo-laan dana desa. Ini menunjukkan bahwa semakin baik kompetensi aparatur, gaya kepemimpinan, dan partisipasi masyarakat, semakin baik efektivitas pengelolaan dana desa.

## 1. INTRODUCTION

The Minister for the Village, Development of Disadvantaged Regions and Transmigration (Mendes PDDT), stated that the government through the Nawacita Program is committed to developing Indonesia from the guidelines (Government news, Kominfo, 2017). With this program, the government also allocates a certain amount of village funds to fund each village development activity. The allocation of village funds is for achieving the goals of village development, namely improving the welfare of

village communities, quality of life and poverty reduction in the village. The effectiveness of village fund management is influenced by various factors such as timeliness, and results according to community expectations. In addition, internal and external factors such as the competence of village officials, leadership style, culture adhered to by officials and the community, as well as community participation in supporting any work programs that they have planned in accordance with the allocation of funds owned by the village.

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Bali Province is one of the districts that empower villages through allocation village funds. The allocation of village funds received by the Province of Bali in 2019 increased by 11% from the previous year, from Rp.225 million per year to Rp.250 million per year. However, the results of the audits of the Supreme Audit Agency (BPK) related to village fund management in Bali showed findings including: inaccurate data, inappropriate usage, inadequate assistance, inadequate SPJ, and improper payment of physical work (Press release, Antara, Saturday April 14, 2018). Therefore, the problem of village fund management in Bali could be due to several factors such as the competence of the village fund management officials are not yet sufficient, leadership style of the village officials, the implementation of Tri Hita Karana culture and the lack of community participation. The village funds incentives for Bali Province in 2019 are in Table 1. It shows that Tabanan Regency is the regency in Bali Province with the highest number of villages. It has 133 villages, with a very wide area of coverage. They received a Village Fund allocation of Rp. 18,204,542,000.00. Based on this background, the influence of apparatus competence, leadership style, Tri Hita Karana culture, and community participation on the effectiveness of Village Fund management will be investigated by taking research objects in Tabanan Regency.

## 2. THEORITICAL FRAMEWORK AND HYPOTHESIS

This study uses agency theory as the grand theory and relates to arguments based on the

theory of contingency situational leadership model, role theory, stewardship theory and the concept of Tri Hita Karana culture, and regulations related to the management of the Village Fund. Jensen and Meckling (1976) state agency theory is a theory that arises because of a conflict of interest between the principal and agent. The responsibility of the regional government as an agent for the authority given by the people as the principal is in the form of an accountability report. It concerns the planning and implementation of the management of the resources contained in the regional expenditure budget to the people. The Supreme Audit Board has audited all of them.

Village Funds are APBN funds allocated for Villages, and transferred through the Regency/ City APBD. The government also prioritizes these for developing and empowering the rural communities. In particular, it also supports the improvement of community welfare and equitable development, as well as the Government's commitment to strengthening the implementation of regional autonomy and fiscal decentralization. More importantly, I also supports the manifestation of the implementation of Nawacita, especially the third goal, namely to build Indonesia from the periphery by strengthening regional and village development within the framework of the Republic of Indonesia.

They should optimize every single rupiah from the Village Fund for productive programs and activities so that they are able to provide sustainable outputs and outcomes. The implementation of these activities must also prioritize transparency, accountability and

**Table 1**  
**List of Details of Village Funds for Bali Province in 2019 (in Thousand Rupiahs)**

No.	Regency / City Name	Number of villages	Basic Allocation		Allocation Formula	amount
			Per Village	Per District / City		
1	Badung	46	672,421	30,931,384	21,653,383	52,584,767
2	Bangli	68	672,421	45,724,654	15,609,991	61,334,645
3	Buleleng	129	672,421	86,742,359	37,284,379	124,026,738
4	Gianyar	64	672,421	43,034,969	16,957,330	59,992,299
5	Jembrana	41	672,421	27,569,277	21,473,901	49,043,178
6	Karangasem	75	672,421	50,431,604	28,287,370	78,718,974
7	Klungkung	53	672,421	35,638,333	15,895,649	51,533,982
8	Tabanan	133	672,421	89,432,044	28,772,498	118,204,542
9	Denpasar	27	672,421	18,155,377	16,595,084	34,750,461

Source: *Ministry of Villages, Disadvantaged Regions and Republic of Indonesia Transmigration, 2019.*

the principles of good governance in order to promote economic growth and support efforts to expand job opportunities, alleviate poverty and reduce inequality. However, in reality there are work programs that are not in line with the interests of the public at large. This is inseparable from the vested interest of the Village apparatus as agents entrusted with managing the village funds.

The situational theory of leadership model was raised by Fiedler (1987), who stated that the effectiveness of leadership depends on the compatibility between personality, task, power, attitude, and perception. Leadership has cultural boundaries, meaning that leaders need to adapt their style to cultural aspects (Government news, Kominfo, 2009). A role theory is a set of norms that regulate individuals who are in certain social positions or functions that have certain behaviors (Myers, 2002). Stewardship theory states that the executive managers have a role in the achievement of organizational goals. The executive as manager can be translated into the scope of village fund management.

A competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation" (Spencer & Spencer, 1993:9).

Regulation of the Head of the National Civil Service Agency Number 8 of 2013 concerning the Formulation of Technical Standards for Civil Servants, states that technical competence is the work ability of every civil servant, which includes aspects of knowledge, skills and work attitudes that are necessary in carrying out the duties of his position.

Tri Hita Karana is a local wisdom that is a cultural personality. Wiana (2007:8) states that the container for implementing the THK philosophy is Parahyangan, Pawongan, and Palemahan (There are three elements in the mutual intentions. This understanding shows human beings individually as agents in this life who have three principals namely to God as "the creator, maintainer and fuser", humans as social beings.

Law No. 6 of 2014 gives villages a strategic role to assist local governments in the process of governance and development. (Permendagri No 13/2006) article 4 paragraph 4 states: Effectiveness focuses on outcomes. An organization, program or activity is effective if the output implemented can meet the expected target.

Participation is the active participation of the community in all development processes both in terms of planning, decision making, implementation and evaluation of activities and is the highest order of public involvement (Steffek, J, 2008) in (Riska, 2014). They expect the optimal community participation in planning to build a strong sense of ownership among the community of the results of existing development.

Competence is a characteristic of someone who has the skills (skills), knowledge and ability to carry out a job (Hevesi, 2005). According to Spencer and Spencer (1993), Palan (2007), and Adiputra et al. (2019) competence is the basic character possessed by an individual who is causally related in meeting the criteria needed in occupying a position. Based on the competency management theory, research and business practice state that now days, staff competencies have become key capital for enterprises as well as their success factor, as the make it possible for enterprises to adapt to customized market requirements and to achieve competitive advantage as well as good financial results. Many studies have confirmed a positive correlation between employee's competencies and corporate results such as Barricks, Mount, 1991, Takeuchi et al., 2009; Kupczyk, 2014 (Kupczyk and Stor, 2017:7). This condition also applies in the public sector because if the Village apparatus is competent in carrying out their duties they will be able to carry out the work program that has been determined in achieving the predetermined performance targets effectively. Purnamawati and Adnyani (2019) found that the competency of village counterpart could minimize the financial irregularities of village fund management. The higher the competence of village government officials will result in more effective village fund management.

H<sub>1</sub>: Competence of village officials has a positive effect on the effectiveness of village fund management.

Pramudita (2013), found that employees tend to follow company rules when leaders apply the right leadership style that can motivate their employees. The situational theory of leadership model put forward by Fiedler (1987) states that the effectiveness of leadership depends on the match between personality, task, power, attitude and perception. The contingency leadership model also explains that leadership influences performance Surya

et al. (2017) Dharmanegara et al. (2013). Leadership styles that are appropriate to the conditions of the community will encourage the effectiveness of Village Fund management. Based on The contingency leadership theory, sometimes-called situational theory focuses on the context of a leader. These theories look at the situational effects of the success or failure of a leader. A leader's effectiveness is directly determined by the situational context.

H<sub>2</sub>: Leadership Style has a positive effect on the effectiveness of village fund management.

Tri hita karana is a philosophy which is at the same time a concept of life and the belief system of the Balinese that prioritizes the principles of togetherness, harmony and balance between economic goals, environmental preservation and culture, aesthetic and spiritual (Adiputra et al. 2014). Culture as state by Hall (1976: 16-17) is not one aspect of human life that is not touched and altered by culture. This means personality, how people express themselves (including shows of emotions), the way they think, how they move, how problems are solved, how their cities are planned and laid out, how transportation system functions and are organized as well as how economics and governments systems are put together and function. Gunawan (2011) found that tri hita karana influences performance culture. Saputra (2012) and Adiputra et al. (2014), Mustikayani and Dwirandra (2016) found that culture of Tri Hita Karana adopted as organizational culture had a positive and significant effect on performance management. If all Village Officials and communities implement a tri hita karana -based culture, it is actually a direction or guidelines for behaving and carrying out their self-help. It due to the reality that responsibility for managing village funds is not only for each other and the environment but also for God. They hope that the management of village funds can be more effective.

H<sub>3</sub>: The culture of Tri Hita Karana has a positive effect on the effectiveness of village fund management.

Theory of participation state participation as a process where public or stakeholder individuals, groups and/or organizations are involve in making decisions that affect them (Reed et al. (2017). Mubyarto (1995:34) (in Ndraha, 1987:102) defines participation as a willingness to help the success of every person without means sacrificing self-interest participation raises expectations themselves

and personal abilities to participate. Public participation could be one of the factors that determine the effectiveness of the village fund management. For realizing an effective budget requires public participation to provide input in the preparation of budget directions and policies (Utami and Efrizal, 2013). Jurniadi et al. (2015) showed that participatory has a significant effect on the variable effectiveness of Village Fund Allocation (ADD). Mada (2017), Wulandari (2013), Kurniawan (2011) Arifin (2007) found that public participation can influence the success of rural development and has a positive effect on the accountability of village funds management.

H<sub>4</sub>: Public participation has a positive effect on the effectiveness of the management of village funds

### 3. RESEARCH METHOD

This study used a quantitative approach that is causality relationship. It has the dependent Variable that is the effectiveness of village fund Management (Y), and the independent variable such as village apparatus competence (X1), leadership style (X2), culture Tri Hita Karana (X3), and public participation (X4). Village fund management is said to be effective if the implemented outputs can meet the expected targets (Mahmudi, 2007). Indicators of effectiveness refer to Hadyrianto (2013), which consists of achieving goals, timeliness, matching benefits, and matching expectations. The scope of village fund management according to Permendagri number 113 of 2014 article 1 paragraph (6) covers planning, implementation, administration, reporting and accountability of village finances. Village Apparatus Competency is the work ability of each village apparatus, which includes aspects of knowledge, skills and work attitudes that are necessary in carrying out the duties of his position. The competency variable of village officials is measured using indicators of skills, knowledge, and work attitude. Leadership style is the nature, habits, temperament, character and personality of a person in leading Suparna (2019), Kartono (2008: 34). Therefore, the leadership style is measured by 5 indicators, which include the ability to give direction, fair, friendly, provide correction, provide motivation. The Tri Hita Karana culture is the concept of harmonizing the relationships that are always maintained by the Balinese Hindu community Including: parahnyaangan (human relationship with God), pawongan



(inter-human relations), and palemahan (human relations with the environment) the which is sourced from the Hindu holy book of Baghawad Gita (Saputra et al. 2018) and (Riana, 2010). Community participation is an inseparable part of village development, so that all levels of society will get the same power and rights to demand or get a fair share of development benefits including in managing village funds (Krina, 2003). Indicators used include involvement in development planning. Involvement in the implementation of development, using and utilizing the results of development, community opportunities for conduct supervision. The population in this study were all villages that received village fund allocations in Tabanan Regency in 2019. Samples were selected using the Slovin method and Stratified Random sampling. The data collection using questionnaires and observations for non-participants. The questionnaire in this study was first tested for its validity and reliability. Data analysis techniques in this study used multiple linear regression analysis. The multiple linear regression models as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Notation:

Y= Effectiveness of village fund management

$\alpha$ = Constanta

$\beta_1$ = Regression coefficient of village apparatus competence

$\beta_2$ = Coefficient of leadership style

$\beta_3$ = Coefficient of cultural regression Tri Hita Karana

$\beta_4$ = Coefficient of society participation

$X_1$ = Competence of village officials

$X_2$ = Leadership style

$X_3$ = Tri Hita Karana culture

$X_4$ = Participation of society

e= Error term (confounding variable)

#### 4. DATA ANALYSIS AND DISCUSSION

In determining the number of samples, the researchers used the Slovin formula, with a 0.05 accuracy limit and sample calculation as to the following:

$$n = 33 / (1 + 133 \times 0.05^2) = 99.81 \text{ rounded up } 100$$

The results of calculation of the number of samples in each sub-district in Tabanan Regency are in Table 2.

As for the Respondents in this study in each village are the village head, secretary, and section head referring to the organizational structure according to Permendagri 84 of 2015. Thus, the number of respondents is 300 people.

Descriptive statistical test results are in Table 3.

Based on Table 3, for variables  $X_1$  and  $X_2$  the range of data distribution is not far spreading, the standard deviations are both quite low and the range between the minimum and maximum values is not too far away. For  $X_3$ ,  $X_4$ , and Y, the distribution is quite far from the standard deviation, which is quite high. For  $X_3$  and  $X_4$  can be drawn that the perception of the culture and perception of Tri Hita Karana community participation varies, but the average seen approaching its highest value. As for Y, the average value is quite far from the highest value, and the deviation is quite large, so this reflects the perception of the

**Table 2**  
**Number of Village Samples in Each Subdistrict in Tabanan Regency**

No	SUB-DISTRICT	Village amount	LEVEL	ROUNDING
1	Baturiti	12	9.022	9
2	Kediri	15	11.278	11
3	Kerambitan	15	11.278	11
4	Marga	16	12.031	12
5	Penebel	18	13.534	14
6	Pupuan	14	10.526	10
7	Western Selemadeg	11	8.270	8
8	East Selemadeg	10	7.518	8
9	Selemadeg	10	7.518	8
10	Tabanan	12	9.022	9
	amount	133	100	100

Source: data processed, 2019

effectiveness of the use of village funds is not so good.

The test results of instrument validity is as in Table 4. Based on Tables 3 and 4, it indicates that the value of Pearson Correlations of all research instruments has a value greater than 0.3 with a significance below 0.05. Therefore, the researchers conclude that all instruments in this study are valid. The test result of instrument reliability is in Table 4.

Table 5 shows that the Cronbach's alpha value of all instruments in this study already has a Cronbach's alpha value greater than 0.6, so that all instruments are said to be reliable.

The classical assumption testing conducted according to the terms of the regression test includes tests of data normality, multicollinearity and heteroscedasticity. The results of the normality test contained 6 extreme data so that they were excluded from the sample. The number of N was 294. The normality test results are as in Table 6.

Based on the Kolmogorov-Smirnov test, it shows that the Asymp . Sig. (2-tailed) of 0.067, this number is greater than 0.05, so it is said that the regression residuals are normally distributed.

The multicollinearity test results are as in Table 7. Based on Table 7, it indicates that all VIF values below 10 and Collinearity Tolerance are above 0.1, so there are no symptoms of multicollinearity. However, between  $X_3$  and  $X_4$  there is a correlation relationship even though it does not affect the regression model.

The heteroscedasticity test results are as in Table 8 as follows. Based on Table 8, only  $X_1$  causes symptoms of heteroscedasticity, but this study can still use the regression model.  $X_1$  namely the competency of the apparatus shows it causes symptoms of heteroscedasticity because competence is an example of error-learning models. It can be referred to as the statement that humans will always learn from

their mistakes in behavior so that mistakes get smaller and smaller (Gujarati and Sumarno (1988:179). Heteroscedasticity can cause estimators to be overestimated, but the tests are one-tailed tests. This is not significantly affected by the results of the t value estimator, especially if the t value is already large.

Table 9 shows that the F value of 26.931 with a sig value of 0.000, which means that there is a match between the model and the data, in other words the model used is feasible as a predictor.

The magnitude of the coefficient of determination was measured from value adjusted ( $R^2$ ) as presented in Table 10.

Value adjusted ( $R^2$ ) of 26.1%, meaning that all variable in the models could explaining the variance in the models by 26.1%, while 73.9% is explained by other variables outside the models.

The results of tests using multiple linear regression analysis are n Table 11.

Based on the results of the multiple linear regression test in Table 11, the prediction model is as follows.

$$Y = 0.123 + 0.191X_1 + 0.119X_2 - 0.019X_3 + 0.162X_4$$

Based on the results of multiple linear regression analyzes, the following results are as to the following.

Apparatus Competency ( $X_1$ ) has a beta coefficient of 0.191 with a sig value of 0,000. Therefore, sig 0,000/ 2 less than 0.05, then  $X_1$  has a positive influence on Y. Leadership Styles ( $X_2$ ) has a beta coefficient of 0.149 with significance of 0.007. Therefore sig 0.007/2 less than 0.05, then  $X_2$  has a positive effect on Y. Culture Tri Hita Karana ( $X_3$ ) has a beta coefficient of -0.019 with sig at 0.804. Therefore sig 0.804/ 2 greater than 0.05, then  $X_3$  has no effect on Y. Public Participation ( $X_4$ ) has a beta coefficient of 0.162 with sig at 0.033. Therefore, sig 0.033/ 2 less than 0.05, then  $X_4$  effect on Y.

**Table 3**  
**Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	The mean	Std. Deviation
$X_1$	294	4.00	10.47	7.07	2.22
$X_2$	294	10.26	24.28	17.38	2.63
$X_3$	294	11.67	24.38	18.14	4.10
$X_4$	294	11.68	24.40	18.26	4.09
Y	294	12.81	50.03	22.80	4.35

Source: data processed, 2019

**Table 4**  
**Test Validity of Instruments**

Variable	Correlation	Signification
X1.1	0.890	0.000
X1.2	0.747	0.000
X1.3	0.618	0.000
X1.4	0.749	0.000
X2.1	0.615	0.000
X2.2	0.557	0.001
X2.3	0.701	0.000
X2.4	0.693	0.000
X2.5	0.575	0.001
X2.6	0.705	0.000
X2.7	0.528	0.003
X3.1	0.662	0.000
X3.2	0.717	0.000
X3.3	0.760	0.000
X3.4	0.633	0.000
X3.5	0.784	0.000
X3.6	0.753	0.000
X3.7	0.742	0.000
X3.8	0.689	0.000
X4.1	0.648	0.000
X4.2	0.743	0.000
X4.3	0.600	0.000
X4.4	0.695	0.000
X4.5	0.709	0.000
X4.6	0.729	0.000
X4.7	0.685	0.000
X4.8	0.757	0.000
Y1	0.726	0.000
Y2	0.629	0.000
Y3	0.743	0.000
Y4	0.653	0.000
Y5	0.703	0.000
Y6	0.652	0.000
Y7	0.731	0.000
Y8	6.774	0.000

Source: data processed, 2019

**Table 5**  
**Instrument Reliability Test**

Variable	Cronbach's Alpha	Information
X <sub>1</sub>	0.743	Reliable
X <sub>2</sub>	0.738	Reliable
X <sub>3</sub>	0.861	Reliable
X <sub>4</sub>	0.848	Reliable
Y	0.842	Reliable

Source: data processed, 2019

**Table 6**  
**Data Normality Test**

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		294
Normal Parameters <sup>a, b</sup>	The mean	0.00 million
	Std. Deviation	0.72711626
Most Extreme Differences	Absolute	0.051
	Positive	0.051
	Negative	-0.050
Statistical Test		0.051
Asymp. Sig. (2-tailed)		0.067 <sup>c</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: data processed, 2019

**Table 7**  
**Multi-collinearity Test**

Variable	Collinearity Tolerance	VIF
X1	0.854	1.171
X2	0.823	1.216
X3	0.132	7.586
X4	0.132	7.589

Source: data processed, 2019

### **The Effect of Competence of Village Officials on the Effectiveness of Village Fund Management**

The results showed that the competence of village officials had a positive effect on the effectiveness of village fund management so that Hypothesis one (H1) is accepted. This reflects that the higher competency of village government officials would result in more effective village fund management. This result is in accordance with role theory which states that a role is a set of norms that regulate individuals who are in a certain social position or function that have certain behavioral requirements (Myers, 2002). The social position

that shows a certain role for example is the role of the village head, village government officials, and the community. Competence is a characteristic of someone who has the skills, knowledge, and ability to carry out a job (Hevesi, 2005). Competent HR. must support the social role of the village government-as the manager of village funds. This is in line with the Regulation of the Head of the National Civil Service Agency No. 8 of 2013. It concerns the Formulation of Civil Services' Technical Competency Standards, which states that technical competency is the work ability of every civil servant, which includes aspects of knowledge, skills and work attitudes that are



**Table 8**  
**Heteroscedasticity Test**

Model	Coefficients <sup>a</sup>						Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Tolerance	VIF	
	B	Std. Error	Beta					
1 (Constant)	0.575	0.028		20.325	0,000			
X1	-0.044	0.020	-0.142	-2.263	0.024	0.854	1.171	
X2	0.054	0.028	0.123	1.931	0.055	0.823	1.216	
X3	-0.061	0.048	-0.200	-1.260	0,209	0.132	7.586	
X4	0.024	0.048	0.079	0.498	0.619	0.132	7.589	

a. Dependent Variable: ABS\_RES  
Source: data processed, 2019

**Table 9**  
**F Test Results**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.742	4	14.436	26.931	0.000 <sup>b</sup>
	Residual	154.909	289	0.536		
	Total	212.651	293			

a. Dependent Variable: Y  
b. Predictors: (Constant), X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, X<sub>4</sub>  
Source: data processed, 2019

necessary in carrying out the duties - his job duties. This result is in line with Purnamawati and Adnyani (2019) that the competency of village counterparts and the high commitment of the village apparatus can minimize financial irregularities.

**The Effect of Leadership Style on the effectiveness of Village Fund management**

The results of this study indicate that Leadership Style positively influence the effectiveness of the fund management, is the second hypothesis (H<sub>2</sub>) and it is accepted. A leadership style suitable for the community's condition can encourage the effectiveness of the village management fund more effectively. This result is in line with the Situational Theory of Leadership Model raised by Fiedler (1987) stating that the effectiveness of leadership depends on the compatibility between personality, task, power, attitude and perception. The contingency leadership model also explains that leadership influences performance Surya et al. (2017) (Dharmaneggara, et al. 2013). These results also support the Stewardship theory, which is a branch of psychology and sociology to

explain the conditions in which executives, as managers will be motivated to do their best for the best interests of the organization. In stewardship theory explained that executives as managers have a role in achieving organizational goals. The executive as manager can be translated into the scope of village fund management, namely the village government as executive/implementing/manager responsible. The suitability of the executive leadership style as the manager of village funds will encourage leaders to take strategic policies in managing existing funds with appropriate and appropriate designations, namely for the progress of the village.

**Effect of Tri Hita Karana Cultural on the effectiveness of Village Fund management**

The results of this study indicate that the third hypothesis is rejected. The Tri Hita Karana culture has no effect on the effectiveness of village fund management. According to Taylor (2010) culture is a complex whole and includes aspects of knowledge, beliefs, art, decency, law, customs, and abilities and other habits that are learned by humans as community members. In the Indonesian Dictionary (KBBI)

**Table 10**  
**Model Summary**

Model Summary <sup>b</sup>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.521 <sup>a</sup>	0.272	0.261	0.73213	0.272	26.931	4	289	0.000

a. Predictors: (Constant), X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, X<sub>4</sub>

b. Dependent Variable: Y

Source: data processed, 2019

**Table 11**  
**Results of Multiple Liner Regression Analysis**

Coefficients <sup>a</sup>								
Model	B	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
			Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.123	0.045		2.748	0.006		
	X <sub>1</sub>	0.191	0.031	0.336	6.177	0.000	0.854	1.171
	X <sub>2</sub>	0.119	0.044	0.149	2.697	0.007	0.823	1.216
	X <sub>3</sub>	-0.019	0.076	-0.034	-0.249	0.804	0.132	7.586
	X <sub>4</sub>	0.162	0.075	0.296	2.143	0.033	0.132	7.589

a. Dependent Variable: Y

Source: data processed, 2019

Culture is one of the ways of life in a group that continues to develop and be passed on from generation to generation. Based on this definition, culture is not able to stand-alone, culture must be attached to something in a case humans (individuals) act as actors so that culture tends to be attached to humans. This result also shows that there is a correlation between the cultures of Tri Hita Karana (X3) with the participation of the public (X4). Hall (1976: 16-17) stated that culture is not one aspect of human life. It means personality, how people express themselves (including shows of emotions), the way they think, how they move, how problems are solved, how their cities are planned and laid out, how transportation system functions and are organized as well as how economics and governments systems are put together and function.

**The effect of community participation on the effectiveness of Village Fund management**

The results of this study indicate that public participation can contribute to the effectiveness of the management of village funds so that

Hypothesis 4 (H4) is accepted. This result is in accordance with the Agency theory. This theory assumes that the individual's interest can motivate him to create a conflict of interest between the principal and agent. Public relations as principal and regional head as agent are regulated in Law Number 32 of 2004 concerning Regional Government, which states that the people elect regional heads. In this study, the community participation is one of the principal assessments of the performance of agents, namely the village government as the manager of village funds. Community participation in managing village funds is regulated in Law No. 6 of 2014 in article 54 concerning village deliberations. High community participation during the deliberations reflects that the results of these decisions have indirectly accommodated the interests of the community. Thus, it will bring a positive impact on the performance of village officials in managing existing funds. This result is in line with Jurniadi et al. (2015) that showing participation has a significant influence on the effectiveness of Village Fund Allocation (ADD).

Amalia (2017), Mada (2017), Wulandari (2013), Kurniawan (2011) and Arifin (2007) found that community participation affected the success of village development and had a positive and significant effect on village fund management accountability.

##### 5. CONCLUSION, IMPLICATION, SUGGESTION AND LIMITATION

This study shows that the apparatus's competence, leadership style, and society participation have a positive effect on the effectiveness of village fund management. However, the Tri Hita Karana culture did not significantly affect the effectiveness of village fund management. This reflects the better competency apparatus, leadership style, and community participation, the better the effectiveness of village fund management. This result implies the importance of increasing the competence of village officials, choosing a good leader and increasing community participation so that village fund management becomes more effective. Future research could use other variables to enhance the robustness of these results, or to find out the factors affecting the effectiveness of the village fund management.

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