What Determines Village Autonomy in Indonesia? A Case of Villages in Sleman Regency

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ABSTRACT
This study aims to examine the influence of community participation and the competence of village apparatus on village fund management and village autonomy. The role of the village fund management as an intervening variable was also tested. This study was conducted in the regional government in the Sleman Regency, Yogyakarta Special Province, Indonesia. The samples were selected based on the cluster random sampling technique i.e. 30 villages in Sleman Regency. The survey was undertaken from September 2018 to January 2019. The respondents consisted of village heads, village secretaries, and village treasurers. To test the hypothesis, a multiple linear regression approach was applied. The results demonstrate that the community participation directly affects the village fund management and it has an indirect influence on the village autonomy through the village fund management as the intervening variable. Meanwhile, the competence of village government officials only directly affects the management of village funds.

Keywords: Village government, community participation, competence, village fund management, autonomy

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Pemerintah desa, partisipasi masyarakat, kompetensi, pengelolaan dana desa, kemandirian

1. Introduction
The village government is the smallest administration and government level in Indonesia. As mandated by the Indonesian Law number 6 of 2014 (here in after the village law), every Indonesian village has been transformed into an autonomous entity with the power to regulate and manage its government affairs based
on the community initiatives, original rights, and/or traditional rights recognized and respected in the government system of the Republic of Indonesia. Villages in Indonesia are not only granted the authority but also fund allocation from the central government which ranges from IDR 0.8 to IDR 1 billion per year. The granting of expanded authority and new funding sources is expected to improve the development and autonomy of the villages.

Puspayanthi et al., (2018) argued that the strengthening of village fund management is required to ensure the improvement of village autonomy. The village funds can be used to establish infrastructure which supports village facilities and supports village business activities. For instance, the establishment of village-owned enterprises (or badan umum milik desa BUMDes) can support village financial autonomy. The BUMDes can generate income for the village, in turn, it gives a good impact on the financial autonomy of the village(s). Consequently, the economic welfare of rural communities can be enhanced.

Furthermore, the villages are classified based on three indices i.e. social, economic and environmental resilience. Based on these indices, villages are classified into four groups namely, autonomous, developed, developing, underdeveloped and very underdeveloped (PermendesaPDTTrans number 2, 2016)

Despite the number of autonomous villages has increased gradually, currently, there are still 4,461 underdeveloped villages in Indonesia. This figure is equivalent to 19.17% of the total villages (or 75,436 villages). Meanwhile, there are around 55,369 villages in the developing category (73.4%). Then there are only 5,606 autonomous villages or equivalent to 7.43% (Hamdani, 2018). This data shows that efforts to accelerate the number of autonomous villages are imperative, including through empirical studies on the village government.

According to Sofyani et al., (2018), the village government can carry out village development tasks properly if it is supported by the active participation of the people/villages. The village development initiative should take the mindset that the village community is no longer an object but the subject of the development (Sofyani, Suryanto, et al., 2018). Thus, the community participation in village development can have a positive impact both on achieving performance and accelerating village development (Faulina, 2015).

The expected form of community participation includes the involvement of community leaders and village heads in the village development planning meetings (or Musrembangdes), village budgeting, routine evaluations of village government performance, and implementation of village programmed activities (Faulina, 2015; Sofyani, Suryanto, et al., 2018).

In addition to community participation, the competence of village officials/apparatus is also an important element in village financial management. Mada et al., (2017) believed that village fund management apparatuses who have the competence to manage village fund management properly. This is confirmed by Munti & Fahlevi (2017), Astini et al., (2019) and Triyono et al., (2019). The existence of competent village officials will have an impact on good financial management which can be seen from the accountability and innovation of good village development as well.

However, previous literature on village governments in Indonesia focus more on finding the determinants of village management such as the capacity of village apparatuses, compliance with financial reporting standards, supervision quality from the Village Consultative Body (or Badan Pemusyarahan Desa/BPDes) (Munti & Fahlevi, 2017), compensation (Suci & Syamsir, 2018), quality of human resources and organizational commitment by (Astini et al.,
2019), presentation of financial statements, accessibility of financial statements, quality of BPDes supervision, the capacity of village officials, village financial system (or Sistem Keuangan Desal Siskeudes), and government internal control system (Triyono et al., 2019). Meanwhile, research on village autonomy mostly deals with the influence of capital expenditure and village fund allocation (or Alokasi Dana Desal/ADD) (Yulihantini et al., 2018), how to strengthen village financial management and optimize the role of BUMDes (Puspayanthi et al., 2018).

Studies on the relationship between village fund management and village autonomy are still limited. For example, Faulina (2015) found that village fund management had a positive effect on village autonomy. Besides, there are still research gaps in the relationship between community participation, village fund management, and village autonomy. This study is conducted to examine the relationship between different villages (places/cases).

Even though community participation and the competency of village management are high, if these two factors are not able to create good village fund management, then it would not contribute to a better village autonomy. This idea is in line with the perspective of the institutional isomorphism mechanism DiMaggio & Powell (1983) as further elaborated by (Sofyani, Akbar, et al., 2018). The proponents of the institutional theory believe that an organization will not be able to achieve the substance expected from the policy adopted if it is not based on substantive goals. As such, a substantive-oriented village fund management can be seen as a prerequisite variable for achieving village autonomy, or commonly referred to as an intervening variable. To this day, studies related to village accounting that examine the intervening role of village fund management are still limited.

Therefore, this study aims to investigate the effect of community participation and the competence of village government officials on village fund management and village autonomy. In contrast to prior studies, the perspective of institutional isomorphism mechanisms was used in this study to discuss the findings. Sofyani & Akbar (2013) believed that institutional isomorphism is a concept that is suitable for studying the institutionalization of organization in which political and cultural elements of ‘formal ceremonial and administrative’ are inherent in organizational life, including in village government.

Village fund management and village autonomy carried out by the village apparatus along with a participation policy are very likely related to the notion of institutional isomorphism as explained further in the literature review section. In addition, this study also examines the intervening effect of village fund management on the relationship of community participation and village government employee competence to village independence.

This study was carried out in the village administration of the Special Region of Yogyakarta, Indonesia (or Daerah Istimewa Yogyakarta DIY), namely in Sleman Regency. The Village Development Index (or Indeks Pembangunan Desal IPD) of 2018 in DIY showing that 158 villages (40.31%) have been classified as autonomous villages and none (0.00 %) villages are categorized as underdeveloped villages. Therefore, the village government in the scope of the province of DIY, including in Sleman Regency has the potential to be a role model for village management in Indonesia.

Theoretically, the results of this study are expected to contribute to the development of knowledge related to governance issues in Indonesia particularly on the village government from institutional theory, especially institutional isomorphism which still has not received much attention. Practically, for the central, regional and village governments, the results of this research provide input in improving village autonomy.
through community participation and competencies of its human resources.

2. Literature review

Institutional theory within the village fund management

Many experts believe that an institutionalization effort of organizational structures and processes tend to appear uniform (isomorphic) with certain rules that are considered good and widely accepted (Ahyaruddin & Akbar, 2018; Akbar et al., 2015; DiMaggio & Powell, 1991, 2000; DiMaggio & Powell, 1983; Frumkin & Galaskiewicz, 2004; Lai et al., 2006; Sofyani, Akbar, et al., 2018).

This circumstance triggers the organization to legitimize certain ways that are considered good in terms of managing the organization Sofyani & Akbar (2013), for example, the adoption of performance measurement system policies or the implementation of principles of good governance. The majority of organizational studies have used institutional theory to explain how organizations behave (Brennan & Shah, 2000; DiMaggio & Powell, 2000; Frumkin & Galaskiewicz, 2004; Kim et al., 2009; Meyer & Rowan, 1977; Munir & Baird, 2016; Suchman, 1995; Zucker, 1977). However, in recent years other perspectives have emerged and been used recently to explain organizational behavior, especially in the case of the Indonesian public sector. The perspective is institutional isomorphism (see: Akbar et al., 2015; Sofyani, Akbar, et al., 2018; Sofyani & Akbar, 2013; Wijaya & Akbar, 2013).

Gudono (2014) states that institutional isomorphism is a derivative of institutional theory. According to Pfeffer (1991) the key idea behind institutionalization is that many organizational actions reflect a pattern of doing things that develop over time and are endorsed in an organization's work and environment (Zucker, 1977). Meanwhile, March & Olse (2009) explained that in the study of institutionalism there are two main basic assumptions. Firstly, institutions create elements of order and predictability. Based on this assumption, the institution is something that can be studied systematically. Secondly, the translation from structure to political action and from action to constitutional change is brought about by routine and understandable processes. This means that there is a repetitive mode of action in which the researcher needs to study efforts on how the situation stabilizes the organization.

DiMaggio & Powell (1983) argued that organizations become similar to other organizations that work in similar fields. They believe that over time when the organizations reach an established level, they tend to move in the direction of uniformity, although it may indicate uniformity that is only at the initial level. The term to describe the process of "uniformity" is what they call "isomorphism".

Furthermore, Meyer & Rowan (1977) explained that there are two types of isomorphism, namely competitive and institutional isomorphism. The former refers to the assumption of rationality about changes in organizations triggered by market competition and technological changes that are considered good and tried to be applied. Meanwhile, the latter assumes that organizations compete not only for resources and customers but for the power of political and institutional legitimacy, for social and economic suitability. The concept of institutional isomorphism is considered more compatible with the context of the study of public organizations where the adoption of certain policies is the purpose of political legitimacy (Akbar et al., 2015).

Sofyani & Akbar (2013) suggest that the institutional isomorphism is a useful concept in today's organizations where politics and culture are "ceremonial and formal administrative" firmly embedded in organizational life, especially in government agencies in Indonesia. DiMaggio & Powell (1983) explicitly identified three
mechanisms for institutional change. First, coercive isomorphism, mimetic isomorphism or imitation, and normative isomorphism which is usually related to professionalism. The coercive isomorphism is the result of formal or informal pressure exerted on organizations by other organizations where they are interdependent.

Therefore, in the context of this study, community participation illustrates the coercive mechanism of the institutional process. Simply stated, the management of village funds aimed at achieving village independence can be achieved by the pressure that comes from the community through participation space that is freely opened to the community. Thus, the coercion from the community is expected to influence the management of village funds and village independence.

The mimic isomorphism emerges when organizational technology is poorly understood March & Olsen (2009) has ambiguous goals, or when the organization faces a symbolic environmental uncertainty (Wijaya & Akbar, 2013). Hence, the organizations will tend to re-model themselves in the same form with other organizations and it encourages the organizations to do imitations. Whereas normative isomorphism is related to professionalism (Collins, 1979; Larson, 1977). The presence of competent and professional officials can be an indication of the existence of normative isomorphism in the village government organization.

Research hypotheses

The existence of emotional relationships among villagers and officials requires the presence of community participation in the process of managing village funds. Oakley (1991) argues that the community participates in the activities or programs to realize their welfare. The community participation in managing village funds can ensure that the planned village activities are aligned with the aspirations and needs of the villagers. High community participation will have a good impact on village fund management because the presence of the community gives rise to an important oversight function in good governance practices (Sofyani et al., 2018).

Studies conducted by Mada et al., (2017) and Sofyani et al., (2018) found that community participation had a positive effect on village fund management. In addition, according to Slamet (2003), one of the concepts of participation is the active role of the community in the process of village development from planning, implementation, to evaluation. The purpose of such participation is to realize development that reflects the needs of the community for the realization of prosperity. Having community participation in village activities, such as village development, or supporting the process of planning and implementing activities, will lead to village autonomy. Thus good community participation will facilitate the attainment of village autonomy.

Moreover, Kusrini et al., (2017) and Laksana (2013) unveil that that community participation plays an important role in achieving an autonomous village. Hence the following hypotheses are suggested:

H1: Community participation has a positive influence on village fund management
H2: Community participation has a positive influence on village autonomy

Competence is referred to knowledge, practical skills and behavior, and mindset that distinguishes an individual from another individual, especially in terms of work achievement (Hashim & Wok, 2013; Meister, 1998). Therefore, the accomplishment of an assigned task can be determined by the competence of the people given the task. Noe et al., (2017) Competence can be obtained from formal education and long experiences in carrying out certain tasks (Ahyaruddin & Akbar, 2018; Beckert, 2010; DiMaggio & Powell, 2000;
Based on the previous studies, the competency of the village government human resource plays an important role in achieving village autonomy. The human resources, namely the village apparatus, especially the village head, are highly demanded to have required competence in various aspects. The competence includes village financial management, communication with the village community, creative ideas possessed to realize village autonomy is very much needed by a village.

Arumsari et al., (2017) demonstrated that the Village Head who has competence in public communication which takes into account the culture of the community will directly influence the development innovation in the village. Similarly, Munti & Fahlevi (2017) and Mada et al., (2017), and Triyono et al., (2019) found that the competence of the village fund management apparatus has a positive and significant effect on the accountability of village fund management. Therefore it is hypothesized that:

H3: Competence of Village Apparatus has a positive influence on village fund management

H4: Competence of Village Apparatus has a positive influence on village fund management

A sound village fund management potentially has an impact on the attainment of the village autonomy. Developments carried out by villages using village funds produce outputs in the form of facilities and infrastructure that are useful to support village activities which further contribute to the achievement of village autonomy (Sofyani, Suryant, et al., 2018). In addition, a sound village fund management could lead to better community empowerment which is also related to the vision of village autonomy realization.

In this context, Faulina (2015) and Puspayanthi et al., (2018) unveiled that strengthening village financial management had a positive effect on the independence of a village.

H5: The village fund management has a positive impact on the village autonomy

Citizen participation in the village government means that the community has active participation in the development process to realize welfare following the needs and aspirations of the community (Slamet, 2003). Community participation in the process of managing village funds is expected to be able to have an impact on the realization of village independence.

High community participation can be seen from the citizen supervision in the planning and budgeting process as well as the implementation of village work programs (Faulina, 2015; Sofyani et al., 2018). With this participation, the management of village funds is also be safeguarded and the village administration as the authority of the user of the village budget will have a feeling of being supervised. Consequently, it encourages the village apparatus to manage village funds properly and according to their objectives (Sofyani et al., 2018). Therefore, the good management of village funds is expected to have an impact on the achievement of village independence.

H6: Community participation has a positive impact on village autonomy through village fund management

As previously explained in the hypothesis development related to the competence of the village government apparatus which is thought to influence the independence of the village. The competence possessed by good human resources potentially has an impact on good village fund management and subsequently will create village independence. This is also in line with some previous studies conducted by (Arumsari et al., 2017; Mada et al., 2017; Puspayanthi et al., 2018).

H7: Competence of village apparatus has a positive impact on village autonomy through village fund management
Based on the above hypotheses development, the research model/ framework of this study can be drawn as follow (figure 1):

![Diagram](image)

**Figure 1. Research framework**

### 3. Research method

**Population and sample**

This study was conducted in the village administration of the Special Region of Yogyakarta (DIY), Indonesia, namely Sleman Regency. The DIY was chosen as the research location, especially Sleman Regency based on the reason that the Village Development Index (or IPD) of 2018 in DIY showed quite good performance. 392 villages with 234 villages (59.69%) having the status of developing villages, 158 villages (40.31%) are independent, and none (0.00%) of the villages are underdeveloped.

The population is all villages in Sleman Regency. The sample was taken from a portion of the population by cluster random sampling. This random sampling cluster is one of the research sampling techniques with populations in the form of individual groups. This sampling technique is used to determine samples with extensive data sources.

This sampling technique is intended so that the results obtained can represent all villages in Sleman Regency. By using this sampling technique, the sample villages were taken from each sub-district in Sleman Regency. Sleman Regency has 17 districts with 86 villages. From each sub-district, two to three villages are selected to be sampled by random selection.

To determine the sample size, the Slovin formula was used as follow:

\[
 n = \frac{N}{1 + N \alpha^2}
\]

\[
 n = \frac{86}{1 + 86 (15\%)^2}
\]

\[
 n = 30 \text{ villages}
\]

where:
- \( n \) = Sample size
- \( N \) = Population number
- \( \alpha \) = Significance level

According to the minimum sample size formula, the total sample of this study is 30 villages out of 86 villages. The questionnaires were distributed to three groups that represent the villages, namely the Village Head, the Village Secretary, and the Village Treasurer.

**Data collection method**

In this study, data was obtained merely from the questionnaire. The survey was conducted from September 2018 to January 2019. The distribution and collection of questionnaires were distributed and obtained directly from the respondents. The questionnaire is closed and consists of positive questions. The alternative
answers is a Likert scale from 1 to 5, namely strongly disagree, disagree, neutral, agree, and very agree. The researchers visited the respondents’ offices and asked them to fill the questionnaires. The objective is to ensure a high respondent rate (Hartono, 2013).

**Variable definition and operationalization**

**Community participation**

The community participation aims to improve the ability of each party directly or indirectly involved in village development (Tumbel, 2017). The community becomes the main actor who participates in the activities. Hence, the success of an activity or program depends heavily on the role of the community.

The management process provides the impetus for the community itself to mobilize all capabilities and potentials owned for the success of the program of activities undertaken (Suri, 2018). To measure the public participation variable, this study uses an instrument developed by (Wardidin, 2015). The following are the instrument indicators:

a. Routine dialogues on the topic of village activities.

b. Delivery of community aspiration.

c. Having an interest in village activities.

d. Voluntary support.

e. Participation is not under pressure/compulsion from other stakeholders.

f. Awareness of the importance of participation.

g. Having concerns about village condition/problem.

h. Having awareness of their crucial role in the village.

i. Having awareness of the importance of villagers’ voice.

j. The excitement in village activities.

**Competence of village apparatus**

The human resource competence refers to the competence of the apparatus in the village government which is defined as the ability possessed by an individual in an organizational institution to carry out its functions and authorities for the achievement of goals effectively and efficiently (Ihsanti, 2014). In this study, human resource competencies are embedded in the competencies of village officials. To measure this variable an instrument developed by Triyanto (2014) was used. The indicators of these instruments are responsibility, training, and experience.

**Village fund management**

Village fund management is a management process that starts from planning by involving all strata of the community to realize participatory development and be able to accommodate the aspirations of village communities. Village funds are managed by the village government by involving village officials and also the village community (Sofiyanto et al., 2017). In this study, the village fund management is considered as a mediating or intervening variable. To measure this variable, an instrument developed by Munti & Fahlevi (2017) was used with indicators in the form of effectiveness, efficiency, economics, and adequate reporting.

**Village autonomy**

Village autonomy is an effort of the community through the capacity of village government institutions and the emancipation of the community to utilize their abilities, initiatives and cooperation in developing the local potential of the village both physical and non-physical (Puspayanthi et al., 2018). Many parties and factors are involved in the development of the village, namely the village government, village community organizations, economic actors, and possibly the involvement of external parties (Sidik, 2015).

To measure the autonomy of the village, an instrument developed by Puspayanthi et al., (2018) was used in this study. Nevertheless, the instruments were modified to take into account the regulation of Indonesian Ministry of the
village, Development of Disadvantaged Regions and Transmigration (or *Permendesa PDTTrans*) No. 2 of 2016 concerning the village development index. The three indexes are social, economic and environmental resilience. Based on the indexes, the indicators of village autonomy level were constructed as follows:

1. Social security index:
   a. Health services (including clean water).
   b. Access to education
   c. Communication access
   d. Mutual cooperation
   e. Handling of conflicts

2. Economic index:
   a. Fulfillment of daily needs
   b. Community economic activities
   c. Ease of access to financial institutions

3. Environmental index:
   a. Environmental quality
   b. Disaster management

The indicators of these instruments are planning, organizing, implementing, and accountability. All variables in this study were measured on a Likert scale ranging from (1) strongly disagree; (2) disagree; (3) neutral; (4) agree; to (5) strongly agree.

The data were analyzed using path analysis and multiple regression analysis which were operated through the application of the SPSS (Statistical Package for the Social Science). Before testing the hypothesis, the validity and reliability of the instruments were measured by using the confirmatory factor analysis technique and the classic assumption test. The path analysis test is used to address the questions on whether there is an indirect effect of the independent variable on the dependent variable through intervening variables. Testing hypotheses 1 through hypothesis 5 uses multiple linear regression and for hypothesis 6 and hypothesis 7 using path analysis. The regression equation in this study that uses path analysis is as follows:

\[
Z = \alpha_1 + \beta_1 X_1 + \beta_2 X_2 + e \quad \ldots \quad (i)
\]

\[
Y = \alpha_2 + \beta_3 X_1 + \beta_4 X_2 + \beta_5 Z + e \quad \ldots \quad (ii)
\]

where:
- \(X_1\) = Community participation
- \(X_2\) = Competence of village apparatus
- \(Z\) = Village fund management
- \(Y\) = Village autonomy
- \(\alpha\) = Constants
- \(\beta\) = Regression coefficient
- \(e\) = Errors

Referring to Ghozali (2013), the alternative hypothesis is accepted if the significance value of each hypothesis is less than 0.05 and the regression coefficient has a direction following the derived hypothesis. For intervening testing (hypothesis 6 and hypothesis 7 is), the causal step technique, namely mediation testing which is calculated from the coefficient of direct effects, indirect effects and total effects, was applied (Baron & Kenny, 1986).

The conditions that must be fulfilled for acceptance of hypothesis 6 are hypothesis 1 and hypothesis 5 are accepted and the value of \(H1^*H5 > H2^*H2\). Furthermore, two conditions must be met for accepting the hypothesis 7, namely the hypothesis 3 and hypothesis 5 have been accepted and the value of \(H3^*H5 > H4^*H4\).

### 4. Results and discussion

The subjects in this study were villages located in Sleman Regency of Yogyakarta Special Region Province, Indonesia. Table 1 provides information on villages that present the total population, area, and a number of village funds in 2017 from the 26 selected village sample village.

| No | Village name     | Populations | Area (km²) | Village fund (in thousand rupiah) |
|----|------------------|-------------|------------|-----------------------------------|
| 1  | Sardonoharjo     | 19,646      | 9.38       | 972,707                           |
| 2  | Purwomartani     | 34,880      | 12.05      | 1,101,714                         |
| 3  | Sendangmulyo     | 6,900       | 6.70       | 931,999                           |
The number of distributed questionnaires was 90, but only 78 questionnaires were filled in completely and returned (or 26 villages). Thus, the data analysis was performed for only 78 sets of questionnaires.

Table 2 presents the characteristics of the respondents showing the identity of the respondents which includes gender, age, and also the job position of each respondent:

| Profile         | Descriptions | Number (People) | Percentage (%) |
|-----------------|--------------|-----------------|----------------|
| Gender          | Male         | 70              | 90             |
|                 | Female       | 8               | 10             |
|                 |              | 78              | 100            |
| Age             | 24 to 33 years old | 13           | 17             |
|                 | 34 to 43 years old | 27           | 35             |
|                 | 44 to 53 years old | 27           | 35             |
|                 | 54 to 63 years old | 10           | 13             |
|                 | 64 to 73 years old | 1            | 1              |
|                 |              | 78              | 100            |
| Position        | Village head | 26              | 33             |
|                 | Village secretary | 26          | 33             |
|                 | Village treasury | 26          | 33             |
|                 |              | 78              | 100            |

Table 3 presents descriptive statistics of research variables. This data aims to provide an overview of the average answers given by respondents to the statements submitted in the questionnaire.
Table 3. Descriptive statistics of variables

| Variables                  | N  | Min. | Max. | Median | Mean  | Standard Deviation |
|----------------------------|----|------|------|--------|-------|--------------------|
| Community participation    | 78 | 26   | 35   | 30.50  | 29.49 | 2.356              |
| Competence of village apparatus | 78 | 16   | 25   | 20.50  | 20.40 | 2.218              |
| Village fund management    | 78 | 22   | 30   | 26     | 26.41 | 2.561              |
| Village autonomy           | 78 | 19   | 35   | 27     | 28.54 | 2.935              |

Validity and reliability tests

In this study, the Kaiser Meyer Olkin Measure of Sampling Adequacy (KMO MSA) was performed to test the instrument validity. An instrument is considered valid if the KMO value > 0.5 and has a loading factor > 0.5. From the test results, the KMO value and loading factor are more than 0.5. Thus, it can be said that all construct indicators are valid and fit to be used as a measurement tool. Meanwhile, the instrument reliability test was conducted using Cronbach's alpha. If the Cronbach's alpha coefficient of the research instrument is > 0.7, the instrument is considered reliable and can be used for the data collection (Ghozali, 2013). Table 4 presents the results of the instrument reliability tests of all constructs. Because the Cronbach's alpha value of all constructs has exceeded 0.7, it can be concluded that the statement items used in the four constructs in this study have good reliability.

Table 4. Reliability test results

| No | Variables                  | Cronbach’s Alpha Value | Conclusions |
|----|----------------------------|------------------------|-------------|
| 1  | Community participation    | 0.816                  | Valid       |
| 2  | Competence of village apparatus | 0.848               | Valid       |
| 3  | Village fund management    | 0.904                  | Valid       |
| 4  | Village autonomy           | 0.839                  | Valid       |

The classical assumption test results

The classical assumption tests performed in this study are normality, multicollinearity and heteroscedasticity tests. The normality test is carried out using the Kolmogorov Smirnov test. The result showed that the significant level is 0.283 for the first regression equation, while for the second regression equation, the significance level is 0.272. As the significance levels are greater than the alpha (0.05), it can be concluded that the residuals are normally distributed (Nazaruddin & Basuki, 2015).

Furthermore, the multicollinearity test results through tolerance values of all independent variables. The result of the test showed that the tolerance values are more than 0.1 and for VIF values less than 10. Therefore, it can be concluded that there is no multicollinearity between each independent variable. Lastly, the heteroscedasticity test results indicate that the test results have a significance value greater than alpha 0.05 for all variables. Therefore, it can be concluded that heteroscedasticity did not occur in the data (Ghozali, 2013). As these data meet the classical assumption tests, thus hypotheses tests can be performed.

Hypotheses test results

Table 5 presents the results of all hypotheses tests conducted in this study. If the regression coefficient is the same with the hypothesized relationship direction and the significance value is less than 0.05, the hypothesis will be supported. As for the intervening test results in this study are based on separate calculations.
Table 5. Results of hypotheses test

| Regression | Hypothesis | Hypothesis direction | Coefficient | Sig.     |
|------------|------------|----------------------|-------------|----------|
| CP -> Vfm  | H₁         | +                    | 0.433       | 0.000*   |
| CP -> VA   | H₂         | +                    | -0.084      | 0.483    |
| CVA -> Vfm | H₃         | +                    | 0.317       | 0.002*   |
| CVA -> VA  | H₄         | +                    | 0.366       | 0.002*   |
| Vfm -> VA  | H₅         | +                    | 0.318       | 0.013*   |

| Regression | Hypothesis | Hypothesis direction | Coefficient | Conclusions   |
|------------|------------|----------------------|-------------|---------------|
| CP -> Vfm -> VA | H₆ | + | 0.138 | Intervening |
| CP -> Vfm -> VA | H₇ | + | 0.101 | Non Intervening |

Note: CP = Community participation; CVA= Competence of village apparatus; Vfm= Village fund management; VA=Village autonomy.
*Significant level 0.05

The intervening test was performed by referring to the causal step described by (Baron & Kenny, 1986). In the H6 test, the first requirement, namely hypotheses 1 and 5 must be accepted and this has been fulfilled. For the second requirement, namely H1*H5 > H2*H2 has been fulfilled with details of 0.137694 > 0.007056. This shows that the sixth hypothesis was accepted. In addition, because H2 is not significant, it can be concluded that community participation has a positive effect on village independence through the village fund management in the form of full intervening. In the H7 test for the first condition, namely hypotheses 3 and 5 must be accepted already fulfilled. For the second condition, H3*H5 > H4*H4 is not fulfilled with details 0.100806 < 0.133956.

This shows that the seventh hypothesis was rejected. Thus, it can be concluded that human resource competence does not affect the village autonomy through the village fund management. All conclusions on the results of the hypotheses test are presented in Table 6.

Table 6. Summary of hypotheses test results

| No | Hypotheses                                                                 | Results  |
|----|---------------------------------------------------------------------------|----------|
| H₁ | Community participation has a positive impact on the village fund management. | Supported |
| H₂ | Community participation has a positive impact on the village autonomy.     | Not supported |
| H₃ | The competence of the village apparatus has a positive impact on the village fund management. | Supported |
| H₄ | The competence of the village apparatus has a positive impact on the village autonomy. | Supported |
| H₅ | The village fund management has a positive impact on the village autonomy. | Supported |
| H₆ | Community participation has a positive impact on the village autonomy    | Supported |
| H₇ | Community participation has a positive impact on the village autonomy through the village fund management. | Not supported |

Discussions

H₁ test results show that community participation has a positive effect on village fund management. The results of this study indicate that the higher the level of participation carried out by the community, the higher the quality that will be generated in the village fund management in reflecting the needs of the community. From the analysis of the questionnaire, it can be concluded that the community participated in the process of managing village funds, starting from the planning process, implementation, to the evaluation process.

The results of this study are in line with the results of previous research by Mada et al., (2017) who found that community participation had a
positive and significant effect on village fund management. This result is also consistent with the study of Sofyani et al., (2018) who found that one determinant for a village to move forward with aggressive development is the participation of the community. Mada et al., (2017) said that participation is one of the ways undertaken by the community to improve the performance of village fund management.

The existence of participation by the community makes the community feel a real contribution to the management of village funds. Thus, the results of the management of village funds are following community needs in the field. From the standpoint of institutional isomorphism, community participation as a coercive mechanism that is the role of supervisors in managing village funds means that it runs effectively. These results confirm the view of DiMaggio & Powell (1983) that one of the institutionalization mechanisms within the organization of the new policy adopted can be carried out with a coercive mechanism.

H2 states that community participation affects the village autonomy is was not supported in this study. This is consistent with the research conducted by Kusrini et al., (2017) and Laksana (2013). These studies found that community participation determines village autonomy. The activities include training, mentoring, and village forums, as well as socialization activities to increase community insights and skills.

The most probable reason why this study did not confirm the positive impact of community participation for the village autonomy could be a limited activity in the studied villages. In Sleman Regency, the routine of mutual assistance activities performed by the community is cleaning, building village roads, and repairing village facilities. This type of development program did not significantly contribute to efforts towards village autonomy which are measured by health services, access to education, meeting daily needs, access to communication, increasing community economic activities, and ease of access to financial institutions.

Furthermore, the results of the H3-test indicate that the competence of the village apparatus is indeed very important in managing village funds. From these findings, it can be concluded that the better the competencies possessed by the village apparatus as actors in managing village funds, the better the results of management, the higher the quality of village fund management results. The results of this study support the results of research conducted by Mada et al., (2017) and Munti & Fahlevi (2017) who also found that the competence of the village fund management apparatus had a positive and significant effect on the accountability of village fund management.

The competency of the village government apparatus in charge of managing village finances will have an impact on the results of its management. The low competence of the village government apparatus is one of the obstacles in the management of village funds (Munti & Fahlevi, 2017). Meanwhile, village officials who have high competence or ability in village financial management especially village funds have an impact on the high quality and correctness of village fund management practices.

The village fund management process includes several activities where parties are needed to know and understand this. Knowledge and understanding can be achieved from the training process, further studies, and the experience they have. With good competence in human resources, in this case, village officials, it leads result in good village fund management.

This result also confirms the views of DiMaggio & Powell (1983) who state that institutionalization can also work with the mechanism of normative isomorphism. Normative isomorphism is characterized by the presence of people who work professionally with adequate competence and experiences (Collins, 1979; Larson, 1977). Thus, the substance of the objectives of a policy can be achieved.
The results of the H$_4$ test show that the better the competency of the village government apparatus will have an impact on the progress of his village to be an independent village. The results of this study support the research of Arumsari et al., (2017) which states that village officials who have good competence will directly influence the development innovation in the village.

Referring to Sofyani et al., (2018) the independence of the village as in the case of the Dlingo Village in Bantul was strongly influenced by the competence of its officers. Competent apparatus have sufficient capacity to complete village government tasks that are not easy and even complex, especially related to administrative, management and governance issues. That is why lately the village government and district government (pemkab) have determined certain conditions for job applicants to become village elevators. This is done to ensure that the required competencies are met. In addition, for the village administration, competency improvement is carried out by conducting workshops, training, and assigning further studies at the university.

The results of the H$_3$ test provide evidence that a sound village fund management will have an impact on the attainment of village autonomy. A better village fund management indicates the use of the village fund is following the needs of the community and the village development. It will help to realize village autonomy.

The results of this study support the results of research conducted by (Puspayanthi et al., 2018). They found that strengthening village financial management has a positive and significant effect on village autonomy. Efforts to allocate village finance following village objectives in each current period will help the development process carried out by the village (Puspayanthi et al., 2018).

The autonomy of the village is characterized by the ease in obtaining health services, access to education, meeting daily needs, access to communication, community economic activities, easy access to financial institutions, environmental quality. The results of the H$_6$ test show that community participation has an influence on village independence through village fund management. This result is related to the support of H$_4$. This result reinforces that community participation does not have effect on village autonomy if the participation is not related to village fund management. Therefore community participation must take the form of ideas and active aspirations for the management of village funds so that the idea of village development that is assisted with village funds is carried out properly.

The community participation that only puts the community as a participant present (inaactively) in the management of village funds without being given an aspiration room certainly cannot achieve village independence. A proper village fund management refers to the presence of an active role of the community in achieving management results following community needs. The results of this study are in line with previous studies conducted by (Kusrini et al., 2017; Mada et al., 2017; Puspayanthi et al., 2018). They stated that having an active role in the community or empowering the village community to carry out activities in the village would help in the realization of the village's independence.

Finally, the results of the H$_7$ test which stated that the competence of the village apparatus did not influence village autonomy through village fund management were not supported. Based on the results of this study, human resource competencies have a greater direct effect on village independence than through intermediaries in village fund management. This is consistent with the phenomenon that occurs in Sleman Regency.

Human resource competencies devoted to village fund management do not have a large influence on the realization of village independence because community participation
has a greater influence on village fund management to achieve village autonomy in Sleman Regency. This result is a new suspicion that to achieve village autonomy, poor village government employee competencies can be covered by an active participation policy from the community. This is in line with the concept of the public sector, where the community can act as supervisors and supervisors of the village government, so that the presence of the community in village development can provide positive value, in this case, to realize the independence of the village.

In general, the findings of this study have confirmed that when viewed from the perspective of institutional isomorphism mechanisms, village fund management and efforts to create an independent village can be pursued with two mechanisms, namely coercive through participation and normative through increasing the competence of village government officials (DiMaggio & Powell, 1983; Sofyani, Akbar, et al., 2018).

5. Conclusions

This study found that the competence of village government officials had a significant effect on village independence only directly. Community participation also has a significant effect on village management. However, its influence on village independence is only significant if it is through a sound village fund management. An important implication of this research is the strengthening of the argument that in the current era of autonomy village reform, the competence of the village apparatus is very important. Many academics have explained that to achieve good performance, especially in terms of managing village funds and realizing village autonomy, the role of competent village government officials and active community participation in overseeing management activities in the village government must be encouraged. It may be a very meaningful input for regulators and village practitioners namely officials, village heads and staff as well as village communities.

This study has several limitations that need attention. First, this study only used a sample of villages in Sleman Regency, Indonesia. Hence the results and conclusions obtained in this study cannot be applied or realized for all rural areas in Indonesia. Secondly, this research is limited to the limitation of questionnaires based data collection.

With this method there are some weaknesses including possible answers given by respondents are not honest, not objective, and maybe the answers are not following the actual situation. In addition, the respondents may not clearly understand the statement submitted because the respondent did not have the opportunity to confirm the statement to the researcher before filling in the answers. Therefore other approaches to subsequent research are highly recommended, for example, qualitative studies with interviews such as case studies, phenomenology, ethnography, and/or mixed research approaches.

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