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The Influence of Budget Transparency, Accountability, and Human Resource Competence on the Management of Village-Owned Enterprises in Pusako and Bungaraya Districts

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Abstract

This study aims to analyze the influence of budget transparency, accountability, and human resource competence on the management of Village-Owned Enterprises (BUMDes) in Pusako and Bungaraya Districts, Siak Regency. The study used a quantitative approach with a survey method on 34 respondents selected through purposive sampling. Data analysis was carried out using multiple linear regression with the help of SPSS. The results of the study showed that simultaneously budget transparency, accountability, and human resource competence had a significant effect on BUMDes management. Partially, only budget transparency had a positive and significant effect, while accountability and human resource competence had no significant effect. The Adjusted R Square value of 0.630 indicated that the three variables were able to explain 63% of the variation in BUMDes management, while the remaining 37% was influenced by other factors. It can be concluded that budget transparency is a factor that plays an important role in improving BUMDes management in Pusako and Bungaraya Districts, Siak Regency

Keywords

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INTRODUCTION

Village-Owned Enterprises (BUMDes) have become one of the Indonesian government's strategic instruments for strengthening rural economic independence, optimizing local resources, and improving community welfare. Since the enactment of the Village Law, BUMDes have been encouraged to function not only as commercial entities but also as social institutions capable of creating employment opportunities, increasing village income, and supporting sustainable rural development. However, despite substantial financial support from village funds and government policies, the performance of many BUMDes remains below expectations. Numerous enterprises face challenges related to weak financial governance, limited managerial capacity, low transparency, and inadequate accountability mechanisms, resulting in inefficient resource utilization and limited contributions to local economic development. Consequently, understanding the determinants of effective BUMDes management has become increasingly important for policymakers and village administrators seeking to maximize the impact of rural development programs (Permatasari et al., 2022; Pratama & Kurniawan, 2023).

Budget transparency has emerged as one of the fundamental principles of good governance in village financial management. Transparent budgeting enables stakeholders, including village communities, supervisory bodies, and local governments, to access accurate financial information regarding planning, implementation, and reporting processes. Transparency encourages public participation, reduces information asymmetry, and minimizes opportunities for corruption or misuse of public funds. In the context of BUMDes, transparent budgeting strengthens public trust, enhances managerial credibility, and supports informed decision-making that aligns with community needs. Previous studies have consistently demonstrated that higher levels of budget transparency contribute to better organizational performance and financial management by fostering openness and improving monitoring mechanisms (Mardiasmo, 2021; Sari et al., 2022; OECD, 2021).

Accountability is another essential element influencing the success of Village-Owned Enterprises. Accountability reflects the obligation of managers to explain and justify the utilization of public resources while ensuring that organizational activities comply with applicable regulations and community expectations. Effective accountability systems require clear performance indicators, periodic financial reporting, internal controls, and external supervision. In village enterprises, accountable governance encourages responsible decision-making, prevents financial irregularities, and improves organizational sustainability. Empirical evidence indicates that organizations implementing strong accountability practices tend to achieve higher financial efficiency, better service quality, and stronger stakeholder confidence. Therefore, accountability is expected to play a significant role in enhancing the management effectiveness of BUMDes operating in rural communities (Bovens, 2020; Kewo & Afiah, 2021; Mahmudi, 2021).

In addition to governance mechanisms, human resource competence represents a critical organizational asset that determines the effectiveness of Village-Owned Enterprise management. Competent human resources possess adequate knowledge, technical skills, managerial capabilities, and professional attitudes necessary for planning, implementing, and evaluating business activities. Many BUMDes experience operational difficulties because managers lack financial literacy, entrepreneurial competence, strategic planning abilities, and digital management skills. The increasing complexity of rural economic activities requires BUMDes managers to continuously improve their competencies through education, training, and capacity-building programs. Research has shown that competent personnel significantly influence organizational innovation, financial performance, service quality, and institutional sustainability, particularly within public-sector organizations and community-based enterprises (Armstrong, 2021; Sutrisno, 2022).

The districts of Pusako and Bungaraya in Siak Regency provide an important setting for examining the relationship between budget transparency, accountability, human resource competence, and BUMDes management. Both districts possess considerable economic potential in agriculture, plantations, fisheries, and rural entrepreneurship, making Village-Owned Enterprises important drivers of local economic development. Nevertheless, differences in managerial capacity, governance quality, and institutional performance among BUMDes suggest that several organizational factors may influence their effectiveness. Variations in financial reporting practices, stakeholder participation, managerial competence, and accountability systems provide an opportunity to investigate how governance principles contribute to better organizational outcomes. Understanding these relationships is expected to provide empirical evidence for improving governance practices and strengthening institutional performance across Village-Owned Enterprises in the region.

Based on these considerations, this study aims to analyze the influence of budget transparency, accountability, and human resource competence on the management of Village-Owned Enterprises in Pusako and Bungaraya Districts. The findings are expected to contribute theoretically by enriching the literature on public sector governance and rural enterprise management while also providing practical recommendations for village governments, BUMDes managers, and policymakers in designing strategies that enhance organizational effectiveness, financial accountability, and sustainable rural economic development through improved governance practices.

METHODS

This study employed a quantitative research approach with an associative research design to examine the influence of budget transparency, accountability, and human resource competence on the management of Village-Owned Enterprises (BUMDes) in Pusako and Bungaraya Districts. The population consisted of managers and administrators of BUMDes operating in the two districts, with respondents selected using a purposive sampling technique based on predetermined criteria related to their involvement in financial management and organizational operations. Primary data were collected through structured questionnaires using a five-point Likert scale, while secondary data were obtained from relevant documents and official reports. The collected data were analyzed using multiple linear regression to determine both the partial and simultaneous effects of the independent variables on BUMDes management. Prior to hypothesis testing, the research instrument was assessed through validity and reliability tests, and classical assumption tests—including normality, multicollinearity, and heteroscedasticity—were conducted to ensure the suitability of the regression model. Statistical analysis was performed using SPSS software with a significance level of 5%.

FINDINGS AND DISCUSSION

The statistical test conducted using the simultaneous significance test, or f-statistic, yielded a calculated f-value greater than the f-table value, and a sig. value less than 0.05. These test results support the hypothesis that budget transparency, accountability, and human resource competency simultaneously have a significant effect on the management of Village-Owned Enterprises. Therefore, it can be accepted.

4.2.1 The Effect of Budget Transparency on the Management of Village-Owned Enterprises in Pusako and Bungaraya Districts

Based on the results of the t-statistical test, a significance value of 0.001 was obtained, which is lower than the 0.05 level (0.001 > 0.05). These results indicate that budget transparency has a partial positive and significant effect on the management of village-owned enterprises in Pusako and Bungaraya Districts, Siak Regency. Therefore, the hypothesis that budget transparency influences the management of village-owned enterprises is accepted.

The results of this study indicate that the better the implementation of budget transparency in the management of village-owned enterprises, the better the quality of village-owned enterprise management. Openness in providing information regarding budget planning, implementation, and reporting allows the community and relevant parties to understand and monitor the use of funds managed by village-owned enterprises. With good transparency, public trust in village-owned enterprises will increase, thereby supporting more effective, efficient, and accountable governance.

From a stewardship theory perspective, budget transparency plays a crucial role in reducing information asymmetry between BUMDes managers, as the entrusted party, and the village community, as the trustee. Information transparency by BUMDes managers will encourage better oversight and minimize the possibility of irregularities in the management of village funds.

These results align with research conducted by Nadya Pakaya et al. (2019), which found that transparency has a positive impact on the management of village-owned enterprises. If information regarding the work programs and financial condition of village-owned enterprises is openly communicated to the community, public trust will increase and the management of village-owned enterprises will run more effectively. Therefore, the implementation of budget transparency is an important factor in realizing the management of village-owned enterprises that are healthy, productive, and oriented towards the welfare of village communities.

4.2.2 The Effect of Accountability on the Management of Village-Owned Enterprises in Pusako and Bungaraya Districts

Based on the results of the t-statistical test, a significance value of 0.971 was obtained, which is greater than the 0.05 level (0.971>0.05). This partially indicates that accountability has a negative but insignificant effect on the management of village-owned enterprises in Pusako and Bungaraya Districts, Siak Regency. Therefore, the hypothesis stating that accountability influences the management of village-owned enterprises cannot be accepted.

Based on the Stewardship Theory proposed by Donaldson and Davis (1991), an organizational manager (steward) will essentially act in the interests of the organization rather than personal interests. Managers with high commitment will carry out their responsibilities optimally, thereby improving organizational performance. However, the results of this study indicate that the accountability implemented by village-owned enterprise managers does not fully reflect the behavior of a steward. This results in accountability not being able to significantly influence the management of village-owned enterprises.

The results of this study indicate that the implementation of accountability by village-owned enterprise managers has not significantly impacted the quality of village-owned enterprise management. This situation may occur because the implementation of accountability is still limited to fulfilling administrative and reporting obligations, thus not fully reflecting management responsibilities oriented towards effectiveness, efficiency, and improving the performance of village-owned enterprises. In other words, although accountability mechanisms have been implemented, they have not yet become a primary factor determining the success of village-owned enterprise management.

These results align with several previous studies that also discuss village-owned enterprise management. Research by Ni Putu Ayu (2021) concluded that accountability does not significantly impact village-owned enterprise management because the accountability is still administrative in nature and has not fully improved the quality of village-owned enterprise governance. These findings are supported by research by Akbar, Sasanti, and Suryanta (2022), which shows that the implementation of accountability in village-owned enterprise management still faces various obstacles, such as weak reporting and oversight systems, which prevent optimal implementation. Furthermore, research by Prasetya and Puspita (2025) also concluded that accountability is a crucial aspect of village-owned enterprise (BUMDes) financial management, but its effectiveness is significantly influenced by the quality of governance and transparency within the organization. Therefore, this study confirms that accountability cannot significantly impact the management of village-owned enterprises unless its implementation is supported by a strong oversight system, management commitment, and good organizational governance.

4.2.3 The Influence of Human Resource Competence on the Management of Village-Owned Enterprises in Pusako and Bungaraya Districts

The results of the t-test analysis indicate that human resource competence has a partial, negative, and insignificant effect on the management of village-owned enterprises in Pusako and Bungaraya Districts, Siak Regency. Based on Stewardship Theory proposed by Donaldson and Davis (1991), a steward will use their abilities, knowledge, and skills to achieve organizational goals. Human resource competence will produce optimal results when supported by an organizational environment that fosters commitment, trust, and cooperation. However, the results of this study indicate that the competence of village-owned enterprise managers is not supported by an adequate organizational management system, thus not having a significant impact on village-owned enterprise management.

These results also align with several previous studies that address the management of village-owned enterprises. Research by Elda Elfiance Julianti Riwu et al. (2025) stated that human resource competency is not able to provide a direct impact on the management of village-owned enterprises if it is not supported by good guidance, supervision, and organizational systems. Research by Muhammad Ulvi Anowta et al. (2023) also concluded that the competence of administrators does not have a significant effect on the accountability of village-owned enterprise management because it is still influenced by other factors, such as community participation, the use of information technology, and the role of the village head. In addition, research by Muhammad Haykal et al. (2023) shows that the competence of village-owned enterprise managers can only improve the performance of village-owned enterprises if supported by good management implementation, so that individual competence alone is not enough to produce optimal village-owned enterprise management. Thus, the results of this study strengthen that human resource competency is not able to provide a significant influence on the management of village-owned enterprises if it is not supported by a good organizational governance system.

CONCLUSION

The findings of this study indicate that budget transparency has a positive and significant effect on the management of Village-Owned Enterprises (BUMDes) in Pusako and Bungaraya Districts, demonstrating that the better the implementation of budget transparency, the better the quality of BUMDes management. Transparency in providing information on budget planning, implementation, and accountability enhances public trust and supports more effective and efficient governance. In contrast, accountability has a negative and insignificant partial effect on the management of Village-Owned Enterprises, indicating that the accountability practices implemented by BUMDes managers have not yet significantly improved management quality. This may be because accountability is still primarily focused on fulfilling administrative and reporting requirements rather than strengthening managerial effectiveness and organizational performance. Consequently, accountability alone is insufficient to enhance the effectiveness of BUMDes management without being supported by stronger governance practices and performance-oriented management.

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