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Effect of Human Resources Practice and Organizational Commitment on Accountability of Rural Entity

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Abstract

The optimal performance of the rural government in public administration must be supported by the presence of adequate human resources in both quantity and quality, as well as the availability of facilities and infrastructure and adequate service facilities. Weaknesses of performance in aspects of service quality can be indicated by the inability of the rural government to carry out services that satisfy the community regarding service procedures, technical and administrative requirements for services, the responsibility of the service apparatus, and the time to complete services. Organizational effectiveness is multidimensional (Campbell et al., 1996; Steers, 1977b), and there is also reason to believe that the determinants of organizational effectiveness vary (Steers, 1977; Stevens, Beyer, and Trice, 1978). This study by research objectives included in the descriptive study associative, seeking influence and explain the causality relationship between human resource practice and organization commitment on the accountability of rural government entity around eastern Kalimantan province. The data collection of this research was conducted in early December 2017 until the end of the month of January 2018, technical analysis by structural equation model (SEM). Samples technical research recommended to ten times the number of variables of the study. The large sample size in this study were 170 respondents spread over twenty rural governance entity. The result in are human resource practice insignificantly against the accountability of rural government entity because of less control from upper controller and less motivation of economic concern. Organization commitment insignificantly against the accountability of rural government entity because of less salary comparing than other job which they get offered.

Keywords: Fair Value, IFRS, Non-Financial Assets, Leverage, Control Variable

Preface

The concept of rural development has changed significantly over the past few decades. Since the 1970s, rural development has been synonymous with agricultural development, and has focused on increasing agricultural production (Fernando, 2008). The focus of rural development has been driven primarily by the interests of industrialization development to extract surplus from the agricultural sector to strengthen industrialization (Fernando, 2008). Then in the early 1980s this rural concept has changed, namely rural development which includes efforts to increase the growth, income, and output of agricultural products and the agricultural industry. This phenomenon includes an assessment of changes in the quality of life of people in rural areas, broadly defined including improvements in health and nutrition, education, living conditions that are safe for the environment, and reduction of gender and income inequality (Anton and Andrej, 2012). To this day there seems to be a universal consensus that the ultimate goal of rural development is to improve the quality of life of rural communities.

To realize the optimal performance of the rural government in public administration, it must be supported by the existence of adequate human resources in both quantity and quality, as well as the availability of facilities and infrastructure and adequate service facilities. However, if the conditions of human resource in the rural government and facilities, infrastructure and service facilities have not been adequately realized. These conditions have had an impact on the performance that is not optimal in the rural government in the implementation of public services. In providing public services there are still many weaknesses in terms of service effectiveness, service efficiency, service responsiveness, and service quality. Weaknesses in the aspect of effectiveness can be indicated by the inability of the rural government to develop and implement service programs for the community that are the scope of the tasks of the rural government. Performance weaknesses in the efficiency aspect can be indicated by the inability of the rural government to carry out services to the community quickly, accurately, and easily both in terms of activity, costs and service procedures.

Accountability of rural government management is very urgent because it is related to the continuation of rural development in the next few years. Rural financial accountability is comprised of accountability for the ability to allocate budgets to regulate and manage rural government affairs, as well as the interests of rural communities based on the government system of the Republic of Indonesia (Law Number 6 of 2014 concerning rural). The regulation provides a legal basis for the rural autonomous government in implementation, not just normative but also pragmatically. With the authority of financial management and financial accountability of rural government (based on Minister of Home Affairs Regulation No. 113 of 2014) and the allocation of funds, rural (based on Indonesian Governmental Role No. 47 of 2015). For this reason, the rural government must be more transparent and responsive to the rural financial management process. In the provisions of the Minister of Home Affairs Regulation No. 113 of 2014 affirms that the accountability of rural financial management is the whole activity which includes: planning, budgeting, administration, reporting, accountability and supervision of rural finances, so that the autonomous rights of the rural are expected to show their ability to manage their finances independently, both manage income and manage budget expenditure.

The weakness of the accountability performance of the rural government staff on the responsiveness aspect can be indicated by the inability of the rural government to respond or fulfill the expectations or demands of the community quickly and accurately. While performance weaknesses in the aspect of service quality can be indicated by the inability of the rural government to carry out services that satisfy the community regarding service procedures, technical and administrative requirements for services, the responsibility of service personnel, and the time to complete the service. Some indications of the weakness of the accountability performance of the rural government in the public service are interesting to study in this study, so that in order to improve the implementation of local government, it is necessary to pay attention to the specificity and diversity of the region. In term of the participation of the local government, the regulation was issued. 32 of 2004 about the rural government as the spearhead of the government which is an acronym of the central government which is directly affiliated with the community is expected to be effective in carrying out the duties of the government as a government in the rural in order to realize development in all fields. The rural has the authority to regulate and manage the interests of the local community based on the origin and local customs that are recognized and/or formed in the national government system and located in the district / city, as referred to in the Act.

Organizational theorists seem to agree that organizational effectiveness is multidimensional (Campbell et al., 1974; Steers, 1977), and there is also reason to believe that the determinants of organizational effectiveness vary (Steers, 1977a; Stevens, Beyer, and Trice, 1978). Although general organizational theory holds that the structural features of an organization should fit the demands of environment and technology (Burns and Stalker,1961; Woodward, 1965; Lawrence and Lorsch, 1969), organizational design, alone, will not ensure organizational effectiveness. Even where the structural prerequisites have been met, there remains a crucial requirement-which the members of the organization behave in a manner supportive of organizational goals.

The financial or extrinsic rewards cover the broad spectrum of monetary or financial compensation received by the worker (Banjoko2006). The non-financial or intrinsic rewards include verbal or written commendation, recognition, appreciation, increased power and authority. Rewards play a vital role in determining the significant performance in job and it is positively associated with the process of motivation (Danish and Usman, 2010).There are two factors which determine how much a reward is attractive: the amount of reward which is given, and the weightage an individual gives to a certain reward (Lawler 2003). The relationship between productivity (performance) and satisfaction is not a direct one, but that there is a third variable that mediates and moderates the relationship. The moderating variable is „Reward". An employee does not just become job satisfied because he has performed his job, but he must receive a reward for performance. Hence, it is the value he places on such reward that leads to satisfaction (Lawler 2003).

Motivation of worker regarding as an accumulation of different processes which influence and direct the behavior to achieve some specific goal (Baron 1983, as cited in Danich and Usman2010). It is such a dynamic in today's environment that explicitly creates and encompasses a positive impact on job. Motivation contains those psychological processes that cause the arousal direction and persistence of voluntary actions that are goal directed (Kreiter and Kinicki, 2005). Motivation is premised on certain intrinsic, as well as extrinsic factors which in collaboration results in fully committed employees (Galanou et al 2010).Job satisfaction issues has being the cause of incessant dispute with the Academic Staff Union of Polytechnics and the Nigerian government. Ditto is the case with the Academic Staff Union of Universities. The issues range from autonomy, bad working conditions, failure to fulfil agreements, to inadequate remuneration. In Ogun State tertiary educational institutions, the complaints have being the unpaid salary arrears, high handedness of governing councils, late payment of monthly salaries and allowances.For employees to be effective and efficient on their job, it is imperative to be satisfied with their job. It is on the premise of „satisfaction – causes – performance" hypothesis; that this study aims at identifying the impact of reward managementon the job satisfactionamong employees in Ogun State Polytechnics.

Literature Review

The basic point of human resource practice is to motivate the worker or the whole staff. Commonly the worker regarding the economic needs is dominant in the motivation of the worker, and regular compensation or reward is required to motivate them. Reward management has been described as the development, implementation, maintenance, communication and evaluation of reward processes (Murlis as cited in Galanou et al 2010).The objectives of rewards management is to ensure the accomplishment of both corporate, individual and unions goals and objectives through the formulation and implementation of appropriate policies and strategies for the organization (Banjoko 2006). Moreover, the reward management is about compensating the employee for making himself available for work, for his capability and for the specific performance of a job, an assignment or for rendering a service to the organization. Reward system is the policy model of giving the compensation of both the financial and non-financial rewards that an employee receives in returns for his labor or services to the organization (Banjoko, 2006). An employee's compensation includes his basic pay, incentive pay, and his benefits (financial and non-financial). There are direct financial rewards, which consist of payment in the form of wages, salaries and bonuses. There are also the indirect financial rewards or benefits, such as insurance plans (life health etc.), retirement plans, sick leave etc. (Galanou et al, 2010) Banjoko (2006) made it clearer.

Organizational culture is linked to the organization's commitment as expressed Rival (2014) that, culturally valuable to the organization or employees, improving culture and organizational commitment and consistency of employee behavior. Organizational commitment is a strong desire to become a member of a group, the willingness of a high effort for the organization, as well as a certain confidence and acceptance of the values and goals of the organization (Luthans, 2006). Then

Darmawan (201) states that culture adds to the organization's commitment and improve the consistency of behavior. Organizational culture has a direct relation to the increase in employee performance. This has been demonstrated by researchers earlier found, organizational culture positively and significantly affect performance (Abdulkadir, 2005; Tobing, 2006). In addition to organizational cultural factors that can determine the success of the organization, then the factor of employee commitment to the organization occupies a strategic position in improving employee performance and organizational performance. According to Hackett, Bycio, and Hausdorf (1994) that, the willingness of employees to donate energy to the achievement of organizational objectives is significantly influenced by the shape of its commitment to the organization. Organizational commitment has a significant positive effect on employee performance (Thamrin, 2012).

Organizational commitment has been studied from so many different theoretical perspectives, however, that Hall (1977) remarked that we might better abanaon the term altogether and deal instead with a set of concepts, each focused on one or another aspect of commitment. The term "commitment" has been used, for example, to describe such diverse phenomena as the willingness of social actors to give their energy and loyalty to social systems (Kanter,1968), an awareness of the impossibility of choosing a different social identity or of rejecting a particular expectation, under force of penalty (Stebbins,1971), the binding of an individual to behavioral acts (Kiesler,1971; Salancik and Pfeffer,1978), or an affective attachment to an organization apart from the purely instrumental worth of the relationship (Buchanan,1974). Some commitment like concepts, such as organizational identification or organizational involvement, have also appeared in the literature (Patchen,1970; Hall and Schneider,1972).

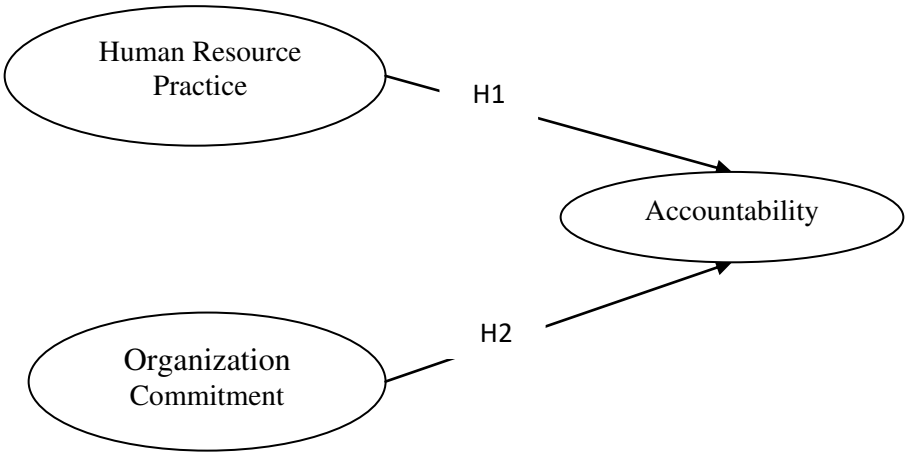
Research Methods

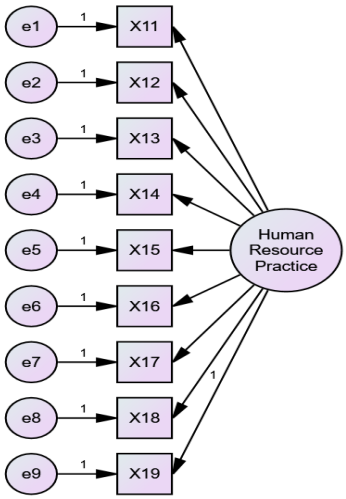
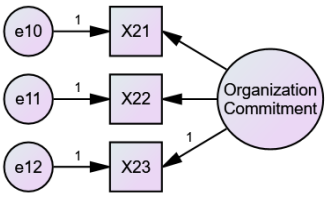
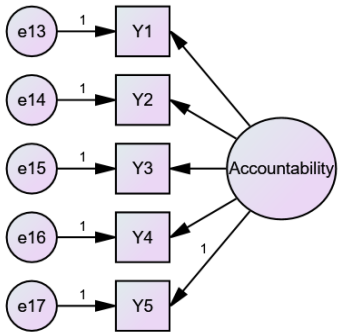
The design of this study in terms of the research objectives included in the descriptive study associative, seeking influence and explain the causality relationship between human resource practice and organization commitment on the accountability of rural government entity around eastern Kalimantan province.

The location of this research in the twenty rural entity in East Kalimantan. The data collection of this research was conducted in early December 2017 until the end of the month of January 2018, which adjusted the time or work hours. Sampling in this study adapted to the technical analysis of SEM. Samples technical research using regression analysis according Sekaran and Roger (2010), for social studies ranges from 30 samples to 500 samples, and studies using two latent variables, it is recommended to ten times the number of variables of the study. The large sample size in this study were 170 respondents spread over twenty rural governance entity.

The types of data used in this research is quantitative data and qualitative data is data obtained by measuring the value of one or more variables in the sample. In this study, several variables are measured with ordinal scale data, primary data sourced from respondents is done by filling the questionnaire. Analysis model used in this study are as follows: $Y_1 = f(X_1 X_2)$. To estimate the above equation, it cannot be done with OLS *(Ordinary Least Square)* prior to the identification of coefficients by moving all the endogenous variables to the left and exogenous. Conceptually, this study is described in a concept model in Figure .1

Figure 1: Model Research



Latent Variable Structure	Symbolic	Indicator Variables
	**X1.1** **X1.2** **X1.3** **X1.4** **X1.5** **X1.6** **X1.7** **X1.8** **X1.9**	Individual Performance Working Security Technical Training Non-Technical Training Career Planning Decentralized Decision Making Complaint System Internal Promotion Compensation
	**X2.1** **X2.2** **X2.3**	Affective Commitment Normative Commitment Continuance Commitment
	**Y1** **Y2** **Y3** **Y4** **Y5**	Working Quantity Working Quality Creativity Flexibility Abstention

Each variable is associated with a function called b-splines or base splines in the regression equation which is limited to the range of, which is formed by polynomials at levels associated with points at the interval which later became. Basic equation is that each component PLS is the number of

spline functions and curve coordinates that usually is interpreted as the influence of different variables on the latent variable. Measurable dimensions of p on the model. PLS algorithm is based on by column matrix equation. The estimation of the parameters in the PLS is least squares methods that includes three terms (Solimun 2008; Ghozali, 2008):

1. Weight estimate used to calculate the latent variable data.
2. Estimates path that connects between the latent variables and the estimation of loading between the latent variables with the indicator.
3. Means and location parameters (value of the constant regression, intercept) to indicators and latent variables

As a first step iterative approximation algorithm is calculating the outside estimate of latent variables by adding the main indicators in each group the indicators with equal weights (equal weight). Weight for each iteration scaled to get the unit variance of scores for the latent variables N scaled cases in the sample. By using the scores for each latent variable that has been estimated to be done inside approximation estimate the latent variables. There are three initial iteration scheme that has been developed to combine the latent variables neighbors to get specific estimates of latent variables: centroid, and path weighting factor. Centroid weighting scheme with an original procedure used World. This method considers only the sign of the correlation between the latent variables and latent variables neighbors. Values of correlation strength and direction of the structural model is not taken into account. By a factor weighting scheme using the correlation coefficient between the latent variables with latent variables neighbors with weighting. Latent variables become principal component of the latent variables neighbors. Scheme weight by a factor of maximizing variant of the main components of the latent variables as the number of latent variables becomes infinite in number. Scheme with variable weighting weighing path antecedents or consequences from the latent variable that wants to be estimated.

Based on estimates of the latent variable approximation inside, then obtained a set of new weighting of approximation outside. If the score approximation inside made permanent, then do a simple regression or regression depending on whether the indicator is latent variable formative or reflective. Therefore, and is reflexive to the direction of causality as if from latent variables to indicators, each indicator within each group of indicators of latent variables individually regressed to estimate the latent variables. In the case of a formative model shaped by the direction of causality as if from the indicator to the latent variables, then do regression to estimate the indicator. Simple regression coefficient and multiple regression was then used as the new weighting for the approximation outside any latent variables.

After the latent variable scores were estimated at one stage, the relationship path (path relations) estimated by OLS (Ordinary Least Square) in two stages. Each dependent variable in the model, both endogenous latent variables and indicators in the model of reflexive regressed against independent variables (latent variables or indicators in the form of formative. If the results of the estimation in two stages to produce a meaningful value of difference in mean values, scale and variants provide meaningful results, then the parameters mean and location for the indicator and the latent variables are estimated at three stages. This is done by the mean of each indicator is calculated in advance by using the original data, and then using the weights obtained from the first phase, the mean for each latent variable calculated. With a mean value for each variable latency and path coefficients of phase two, the location parameters for each dependent variable is calculated as the difference between the newly calculated mean the systematic part accounted by the independent latent variables that affect it.

By explaining boosting as functional gradient can be described by the following function equation: where continuous the regression equation and its predictor. So that the function parameter estimation, namely: (1), which is the infinitive function parameters, are the weighted coefficients and parametric functions are basic to accommodate non-linearity functions and multiple interactions. Had expected the equation that produces a more efficient combination of the coefficient considered crucial. To ensure the gradient indicator works well, and the cost function is concave or convex, the function

should be with, there is a boost function costs, with, functions boost the cost, with the function logit boost costs.

When the crocodile functions lose the next step with a gradient algorithm by looking at the function F, in the form of F (x) = E [y | X = x]. In the equation of the line with the latent its variable PLS is a component of the equation, which is and symbols <> is an inner product. In the non-linear equation PLS limited to, where expenses incurred are nonlinearities and interactions are supported by PLS with dimensions. P pseudo-predictors in the regression equation of the pseudo-response to any components known as partial least-squares regression. PLS models sometimes not based on indicators but also take into consideration as natural predictors, which can be described in the equation, where the coefficients are frequently calculated with a value of θ. Precisely equation PLS if dependent on low value compared with the latent variable, while the election conducted cross-validation of the sample.

Testing Goodness of Fit Outer Model

Outer models, when the indicator is reflexive, it is necessary to evaluate the calibration of instruments, namely the validation and reliability of the instrument:

a. Convergent validity
   The correlation between the value of the latent variable indicator reflective of 0.5 to 0.6 is considered fairly in the number of indicators per latent variable is not large, ranging from 3 to 7 indicators.
b. Discriminant Validity
   Reflective indicator measurement based on cross loading with latent variables. When the value of cross loading on the latent variables in question compared to the largest cross loading on the other latent variables then be valid. The other method by comparing the square root of average variance extracted (AVE) any correlation between the latent variables with other latent variables in the model, if AVE latent variables is greater than the correlation with all other latent variables then said to have discriminant validity was good. Recommended value measurement should be greater than 0.5 (Solimun, 2008: 79). AVE formulation is as follows:
c. Composite Reliability (Pc)
   Groups of variables that measure a variable has a composite reliability was good if it has a composite reliability ≥ 0.7, although not an absolute standard (Solimun, 2008, 79). Formulation composite reliability are:

Inner goodness of Fit Testing Model

Goodness of Fit Model for inner models is measured by R-square of latent dependent with the same interpretation with regression: Q-square predictive relevance for the structural model, measure how well the observed values generated by the model and parameter estimation. Q-Square value> 0 indicates the model has predictive relevance; conversely if the value of the Q-Square ≤ 0 indicates the model lacks predictive relevance. The computation of Q-Square performed by the formula is given by

$$R^2 = 1 - \frac{SSE}{SST}$$

Where SSE is the sum of squared errors of our regression model

$$SSE = \sum_{i=1}^{n} (y_i - \hat{y}_i)^2$$

And SST is the sum of squared errors of our baseline model.

$$SST = \sum_{i=1}^{n} (y_i - \bar{y}_i)^2$$

What is the range of values that R-squared can take?

Our worst possible regression model could be the baseline model itself.

Hence SSE would be equal to SST in this case.

Where, and R-square is an endogenous variable in the model equations. The magnitude of the coefficient of determination is equivalent to the total on the path analysis.

Validity Test

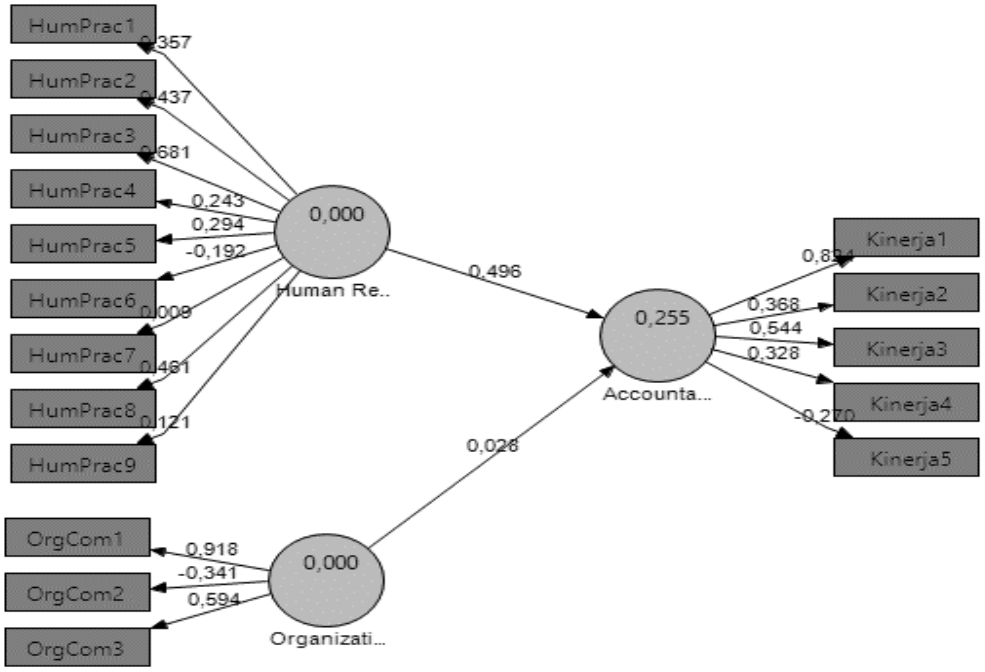
Validity test is done to ensure that each question is classified in any of the variables have been set (Malhotra, N., Budhwar, P., & Prowse, 2007). The questionnaire has been prepared, tested by asking a question to a group of respondents with the aim to determine the extent of the measuring instrument has validity and reliability. The instruments are valid and reliable are the main requirements to obtain valid research results and reliable (Sugiyono, 2011). The validity of a scale of measurement can be defined "the extent of the difference between the scores from the observation (observed scale score) shows the stark contrast between the object/respondent on the characteristic being measured and not for their systematic or random error". Valid or not an item can be determined by comparing the product moment correlation index with a probability value (Arikunto, 2006), if the items are not significantly correlated to the significant level of 5%, then the instrument disqualified. To test the validity, then used the Pearson Product Moment , where the instrument is said to be valid when the value of the correlation coefficient (r)> r table.

Test Reliability / Reliability

Reliability testing instrument in this study using Cronbach alpha coefficient formula by using SPSS package, whereby if a larger alpha value of 0.6 indicates the instrument reliable (Sugiyono.2011). Reliability could also be based on criteria according to Ghozali (2005) which states that the reliability of an instrument can be accepted or not is by looking at the number of grains / categories used. If the amount of grain used as much as 5 item, then that item is said to be reliable if the standardized item alpha greater than or equal to 0.20. When the amount of grain equal to 10, then the standardized alpha coefficient should be greater than or equal to 0.33.

Evaluation Measurement Model (Outer Model)

In this research will be testing the validity and reliability on each latent variable is the variable human resource practice and organization commitment on accountability of rural entity governance with the help of software SmartPLS. Size reflexive individual is said to be valid if it has a value of loading with latent variables to be measured ≥ 0.5, if one indicator value loading <0.5, the indicator should be discarded (dropped) because it would indicate that the indicators are not good enough to measure latent variables appropriately. Here is the output path diagram on PLS structural equation by using software Smart PLS.



From the picture above we can conclude that: To test the validity below:

Table 1: Validity

Variable			Loading (Λ)	Average sub sample	standard error	T-test	information
Account1	<-	Accountability	0,698	0,463	0,264	2,644	Valid and significant
Account2	<-		0,413	0,089	0,445	0,928	Valid and not significant
Account3	<-		0,238	0,233	0,188	1,266	Valid and not significant
Account4	<-		0,098	0,032	0,321	0,305	Valid and not significant
Account5	<-		-0,412	-0,075	0,324	1,274	Valid and not significant
HumPrac1	<-	Human Resource Practice	0,356	0,225	0,182	1,960	Valid and significant
HumPrac2	<-		0,415	0,262	0,199	2,087	Valid and significant
HumPrac3	<-		0,593	0,407	0,161	3,685	Valid and significant
HumPrac4	<-		0,237	0,154	0,161	1,471	Valid and not significant
HumPrac5	<-		0,223	0,019	0,312	0,716	Valid and not significant
HumPrac6	<-		-0,024	-0,067	0,179	0,133	Valid and not significant
HumPrac7	<-		-0,068	0,046	0,189	0,362	Valid and not significant
HumPrac8	<-		0,342	0,092	0,266	1,283	Valid and not significant
HumPrac9	<-		0,024	0,128	0,234	0,103	Valid and not significant
OrgCom1	<-	Organization Commitment	0,802	0,519	0,297	2,702	Valid and significant
OrgCom2	<-		-0,088	-0,086	0,378	0,234	Valid and not significant
OrgCom3	<-		0,392	0,461	0,402	0,975	Valid and not significant

Source: Smart PLS Output V 2

Based on above table it can be concluded that the value of *the loading* of variable correlation indicators each having a value *loading ≥ 0.5* and t –test below than 1,96 as the cut-off of and has a value of T-statistics> 1.64 at a significance level of = 0.05. The insignificance which are Account2 0,928, Account3 1,266, Account4 0,305, Account5 1,274, HumPrac4 1,471, HumPrac5 0,716, HumPrac6 0,133, HumPrac7 0,362, HumPrac8 1,283, HumPrac9 0,103, OrgCom2 0,234, and OrgCom3 0,975.

Test Reliability and Evaluation for Structural Model (Inner Model)

In this study a variable is said to be sufficient reliability when that variable has a value Composite Reliability less than 0.6. Here are the results of testing the reliability of each latent variable with the help of *software Smart PLS*.

Table 2: Testing Reliability

	AVE	Composite Reliability	R Square	Cronbachs Alpha	Communality	Redundancy
Accountability	0,258	0,464		0,497	0,258	
Human Resource Practice	0,132	0,427	25%	0,065	0,132	0,058
Organization Commitment	0,438	0,449		-0,153	0,438	

Source: Smart PLS Output

Based on the results of the above table, it can be concluded that for the latent variable exogenous value AVE< 0.5 and ≥ *0.7 as well as the latent variable endogenous* value AVE> 0.5 and ≥ *0.7* it can be concluded that the indicators regard that the variable has a reliability that good enough or capable of measuring its construct.

Table 3: Significances Testing

Variable			Loading (Λ)	Average sub sample	standard error	T-test	information
Human Resource Practice	<-	Accountability	0,496	0,440	0,288	1,723	Insignificant
Organization Commitment			0,028	0,105	0,185	0,152	Insignificant

Source: Smart PLS Output V 2

Conclusion and Discussion

Based on data obtained and analysis performed in this study, it can be concluded the following matters:

1. Human resource practice insignificantly against the accountability of rural government entity to disclose a report concerning with the attainability and the achievement of rural entity goal. The findings of this study indicate that whole staff is lack in capability to capture the opportunity, not only of less control from upper controller, but less motivation of economic concern, because they get paid lesser than what the other entity given. That way the leader of financial project commitment auditor tends to intensify its efforts to managed human resource in rural entity as the central point of government service.
2. Organization commitment insignificantly against the accountability of rural government entity to managed all of management process, start from compiling the budget sheet, organizing the staff and financial instrument, and finalizing the report of rural performance. The staff commitment should be encouraging to stay longer in their post, not to share their time to looking for extra income from others job. In the other hand, that the more practice and competencies staff that leaving their job when they get opportunity in the other job which given the higher salary. The findings of this study indicate that whole staff is lack in commitment and less motivation because of less salary comparing than other job which they get offered. So that the leader of financial commitment more responsible to share their budget for human resource and staff which directly involve in handling the project of rural entity program

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