
**THE IMPACT OF GOOD GOVERNANCE IMPLEMENTATION AND
SISKEUDES APPLICATION UTILIZATION ON VILLAGE FINANCIAL
MANAGEMENT**

(Evidence from Air Putih District, Batubara Regency)

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ABSTRACT

This study examines the relationships between Good Governance implementation, utilization of the Village Financial System (Siskeudes), and village financial management in Air Putih District, Batubara Regency, Indonesia. A quantitative, cross-sectional survey was administered to village personnel directly involved in financial administration. Of 68 questionnaires distributed, 60 usable responses were obtained through purposive sampling. Composite measures were analyzed using multiple linear regression in IBM SPSS Statistics 25. Good Governance implementation ($B = 0.821$; $t = 7.256$; $p < 0.001$) and Siskeudes utilization ($B = 0.496$; $t = 3.203$; $p = 0.002$) were positively associated with village financial management. The overall model was significant ($F = 102.658$; $p < 0.001$) and yielded an adjusted R^2 of 0.775. The findings suggest that governance practices and the use of digital financial systems are jointly relevant to village financial administration. Because the study uses a cross-sectional, self-reported sample from one district and the residual-normality test is significant, the findings should be interpreted as associations rather than causal effects.

Keywords: *Good Governance, Siskeudes Application, Village Financial Management, Stewardship Theory, Indonesia.*

INTRODUCTION

Village financial management is central to effective and accountable local administration in Indonesia. Law No. 6 of 2014 on Villages expanded village authority and accompanied substantial transfers of Village Funds (Dana Desa), increasing the need for reliable planning, implementation, bookkeeping, reporting, and accountability. The regulatory expectation is articulated in Ministry of Home Affairs Regulation (Permendagri) No. 20 of 2018, which organizes village financial management around these stages. Larger budgets, however, do not automatically produce transparent records or responsive services. The core research problem is whether village governments' adherence to Good Governance principles and their practical use of the Village Financial System (Siskeudes) are associated with better execution of these financial-management responsibilities.

The problem is both institutional and operational. Weak disclosure practices and inconsistent documentation can constrain public oversight, while digital financial systems may remain underused when operators lack training or when reporting is treated as a purely administrative obligation. Indonesia Corruption Watch (2023) describes continuing risks of irregularities in village-sector administration, highlighting the practical importance of financial accountability. These national concerns motivate local investigation but do not, by themselves, establish

misconduct in the villages studied.

Preliminary field observations in Air Putih District, Batubara Regency, indicated that some villages did not make budget-realization information readily accessible online, while local infrastructure conditions raised questions about the visibility of spending outcomes. These observations are contextual rather than independently verified causal evidence of financial mismanagement. The research setting covers 17 villages (alongside two kelurahan in the wider district), with differences in village development classifications that may accompany varying administrative capacities. Accordingly, a district-specific analysis is useful for understanding the association between governance practices, technology use, and perceived quality of financial management.

Two complementary mechanisms motivate the selection of predictors. First, Good Governance provides standards for participatory decisions, lawful procedures, transparency, responsiveness, and accountability (UNDP, 1997); these practices can strengthen the quality and oversight of village financial processes. Second, Siskeudes is a practical digital instrument for recording, processing, and reporting village financial transactions. Its use may improve information completeness, consistency, and traceability, although benefits depend on actual use and operator capacity. These predictors were chosen because they represent institutional practice (X_1) and administrative technology use (X_2), respectively, and both plausibly relate to the regulated financial-management cycle (Y). They are not assumed to explain every determinant of village financial performance.

Prior evidence is not uniform. Positive governance associations have been reported by Sirait et al. (2022), Mudhofar et al. (2022), Yudastio (2021), Luginah (2023), and Swasanti et al. (2024), whereas Indriani et al. (2023) and Sinta and Risal (2023) describe settings where expected improvements were not consistently evident. Studies of Siskeudes similarly report both advantages (Hardianto, 2021; Hasanah & Setiawati, 2022; Amelda et al., 2024) and practical implementation constraints (Rondonuwu et al., 2021; Pujiani & Astuti, 2022). Such variation suggests that local administrative context matters; it does not prove that context alone explains the differences. The research gap is limited evidence examining both governance practices and actual Siskeudes utilization within the same model in Air Putih District. Therefore, this study tests their separate and joint statistical relationships with village financial management among 60 village officials, while acknowledging that a cross-sectional survey cannot establish causal direction.

LITERATURE REVIEW

Stewardship Theory

Stewardship Theory explains how organizational actors may pursue collective objectives when their roles, values, and institutional conditions support responsible behavior (Davis, Schoorman, & Donaldson, 1997). In village administration, officials are expected to manage communal resources on behalf of residents. This perspective offers a rationale for expecting accountable governance practices to accompany better financial management. However, motivation alone does not

ensure effective reporting; staff also require practical systems and administrative capacity. Siskeudes can serve as an enabling instrument through which officials document stewardship responsibilities. The theory therefore supports testing separate positive relationships for governance practices and system utilization; the combined model assesses whether these predictors are statistically informative together, rather than demonstrating any untested interaction or causal synergy.

Village Financial Management

Permendagri No. 20 of 2018 defines village financial management as activities encompassing planning, implementation, administration, reporting, and accountability. In this study, the dependent construct represents respondents' assessments of these financial processes, measured by nine questionnaire indicators. It should not be equated with independently audited expenditure performance or community welfare outcomes. Good reporting and accountable procedures are relevant to community trust, but those downstream outcomes were not directly measured.

Good Governance Implementation

Good Governance refers to public decision-making practices characterized by participation, lawful administration, transparency, responsiveness, and accountability, among other principles (UNDP, 1997). For the present survey, five of the broader UNDP dimensions were measured, rather than all nine. A clear theoretical mechanism links these five practices to village financial management: participatory planning can improve alignment of budget priorities, lawful administration can constrain procedural errors, transparency and accountability can facilitate scrutiny of financial reports, and responsiveness can address complaints about implementation. Empirically, Sirait et al. (2022), Mudhofar et al. (2022), and Swasanti et al. (2024) report findings compatible with a positive relationship, while Indriani et al. (2023) and Sinta and Risal (2023) indicate that results need not generalize across locations. Stewardship Theory suggests that officials who internalize public responsibilities may implement these practices more consistently. On this basis, the directional hypothesis is:

H₁: Good Governance implementation is positively associated with village financial management (positive regression coefficient, $\beta_1 > 0$).

Siskeudes Application Utilisation

Siskeudes is an electronic system designed to support village budgeting, financial recording, reporting, and accountability. The study operationalizes its utilization through respondents' perceived ease of use, data completeness, accuracy/reliability, and usefulness for decision-making (adapted from Susano & Rachmawati, 2024). These dimensions are relevant because routine, accurate system use can reduce fragmentation in financial records and support timely monitoring. Empirical studies by Hasanah and Setiawati (2022), Amelda et al. (2024), and Widiani and Musmini (2024) describe improvements or transparency benefits associated with Siskeudes, while Pujiani and Astuti (2022) and Rondonuwu et al. (2021) emphasize operational constraints. From a stewardship

perspective, usable information systems can help officials carry out their reporting responsibilities. Thus:

- H₂: Siskeudes utilization is positively associated with village financial management (positive regression coefficient, $\beta_2 > 0$).
- H₃: Good Governance implementation and Siskeudes utilization are jointly associated with village financial management (the two-predictor regression model is statistically significant). H₃ concerns joint model significance; it does not test an interaction between X_1 and X_2 .

RESEARCH METHOD

This research employed a quantitative, cross-sectional survey design to examine statistical associations, not to identify causal effects. The study was conducted during 2025 across 17 villages in Air Putih District, Batubara Regency, North Sumatra, Indonesia. The stated study population consisted of 225 village government personnel. Respondents were selected purposively because they were directly involved in village financial administration (village heads, secretaries, financial officers, and Siskeudes operators). Of 68 questionnaires distributed, 60 were returned and usable ($60/68 = 88.2\%$). As selection probabilities are unknown, this nonprobability sample cannot support design-based generalization to all village personnel. Unit of analysis was the individual official's questionnaire response, rather than independently observed village-level financial outcomes.

Three constructs were measured through responses on a five-point Likert scale. Village Financial Management (Y) used nine items reflecting the stages outlined in Permendagri No. 20 of 2018. Good Governance implementation (X_1) was measured by five selected dimensions—participation, rule of law, transparency, responsiveness, and accountability—drawn from the wider UNDP framework (1997). Siskeudes utilization (X_2) used four indicators adapted from Susano and Rachmawati (2024): ease of use, data completeness, accuracy/reliability, and decision-usefulness. The measures reflect perceptions and self-reported practices, and therefore may be affected by common-method bias. Item wording, construct scoring rules, and instrument adaptation procedures should be supplied in a supplementary questionnaire or methods appendix before submission if available.

Data analysis used IBM SPSS Statistics 25. First, item correlations and internal consistency were checked; the manuscript reports a correlation reference value of 0.2542 ($df = 58$, two-tailed $\alpha = 0.05$) and Cronbach's alpha threshold of 0.70. Corrected item-total correlations should be assessed against appropriate item-analysis criteria rather than automatically treating the sample correlation critical value as a universal cutoff. Second, regression diagnostics examined residual normality (Kolmogorov–Smirnov Monte Carlo procedure), multicollinearity (VIF and tolerance), and heteroscedasticity (Glejser test). Third, ordinary least squares estimated $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$, with other predictors held constant. Fourth, two-sided coefficient p-values and the model F-test were evaluated at $\alpha = 0.05$; adjusted R^2 describes model fit. Inference is conditional on regression assumptions, and the available aggregate output does not allow additional robust-

error, influence, or specification diagnostics to be recalculated.

RESULTS AND DISCUSSION

Respondent Profile

The 60 usable respondents comprised 27 males (45%) and 33 females (55%). The dominant age cohort was 31–40 years. Educational attainment skewed toward undergraduate-degree holders, consistent with the purposive criterion of selecting personnel in technical financial roles. Most respondents reported more than three years of service in their current position, indicating substantive familiarity with village financial procedures and the Siskeudes platform.

Data Quality Assessment

Validity testing confirmed that all indicator items across the three constructs produced *r*-values exceeding the critical threshold of 0.2542, validating their measurement integrity. For Village Financial Management (*Y*), corrected correlations ranged from 0.46 to 0.91; for Good Governance Implementation (*X*₁), from 0.76 to 0.87; and for Siskeudes Utilisation (*X*₂), from 0.67 to 0.87. Reliability coefficients were equally satisfactory: Cronbach's Alpha stood at 0.78 for Village Financial Management, 0.82 for Good Governance Implementation, and 0.83 for Siskeudes Utilisation—all comfortably exceeding the 0.70 benchmark, affirming internal consistency across instruments.

Classical Assumption Tests

The reported Kolmogorov–Smirnov Monte Carlo *p*-value was 0.010 (99% confidence interval: 0.008–0.013), indicating evidence against a normal residual distribution at the 5% level. A sample size of 60 does not, by itself, establish that residual non-normality is immaterial, and the Central Limit Theorem is not a substitute for inspecting residuals or assessing the robustness of coefficient inference. Accordingly, statistical significance is reported as obtained from the original SPSS analysis, with a qualification that residual plots and, ideally, heteroscedasticity-robust or bootstrap confidence intervals should be checked using the underlying dataset. Multicollinearity diagnostics were VIF = 2.123 and tolerance = 0.471 for both predictors, which do not indicate severe collinearity under conventional screening criteria. The reported Glejser *p*-values were 1.000 for both predictors; these tests did not detect heteroscedasticity, but non-significant test results cannot prove constant error variance. The unusually identical *p*-values merit confirmation against the original SPSS output.

Multiple Linear Regression Results

Table 1. Multiple Linear Regression Results

Variable	B	Std. Error	Beta	t	Sig.	Result
Constant	9.243	1.853	-	4.988	.000	-
Good Governance (<i>X</i> ₁)	.821	.113	.653	7.256	.000	Accepted
Siskeudes Utilisation (<i>X</i> ₂)	.496	.155	.288	3.203	.002	Accepted

Source: SPSS 25 Output, 2025

The estimated regression equation was $Y = 9.243 + 0.821X_1 + 0.496X_2 + \varepsilon$. With Siskeudes held constant, a one-unit increase in the governance composite score was associated with an estimated 0.821-unit increase in the financial-management score. With governance held constant, a one-unit increase in the Siskeudes utilization score was associated with an estimated 0.496-unit increase in the outcome. These are unstandardized coefficients (B), not standardized beta coefficients. Their relative magnitudes should not be compared without considering construct scales; the standardized estimates reported in Table 1 are 0.653 for governance and 0.288 for Siskeudes. Because the Likert composites do not take a value of zero on their observed response scale, the intercept of 9.243 has no substantive zero-predictor interpretation.

Hypothesis Testing

Table 2. Hypothesis Test Summary

Variable	B	t-value	t-table	Sig.	Decision
Constant	9.243	4.988	1.672	.000	-
Good Governance (X_1)	.821	7.256	1.672	.000	H_1 Accepted
Siskeudes Utilisation (X_2)	.496	3.203	1.672	.002	H_2 Accepted
F-statistic		102.658	2.769	.000	H_3 Accepted
Adjusted R^2		0.775 (77.5%)			

Source: SPSS 25 Output, 2025

The adjusted R^2 of 0.775 indicates that, after adjustment for the two predictors and sample size, the model accounts for approximately 77.5% of the variation in the sample outcome scores. This is not evidence that the predictors cause 77.5% of financial-management performance. The remaining variation cannot be assigned to particular omitted factors without explicitly measuring and testing them; potentially relevant constructs include staff competencies, oversight, leadership, and community engagement. Shared respondent sources and overlap between governance and financial-management measures could also inflate observed associations.

The reported overall regression test was $F = 102.658$ ($p < 0.001$), consistent with statistical significance for the two-predictor model (H_3). Good Governance implementation was positively associated with the outcome ($B = 0.821$; $t = 7.256$; $p < 0.001$), supporting H_1 . Siskeudes utilization was likewise positively associated with the outcome ($B = 0.496$; $t = 3.203$; $p = 0.002$), supporting H_2 . These decisions are based on reported p-values; the original t-table and F-table comparison values should be verified against the intended one-sided/two-sided testing conventions and the appropriate degrees of freedom. Here, the reported p-values are the more transparent basis for interpretation.

RESULT AND DISCUSSION

Good Governance Implementation and Village Financial Management

The governance coefficient was positive and statistically significant ($B = 0.821$; $p < 0.001$). The descriptive governance mean was 4.14, with the highest score for rule of law (4.23) and the lowest for responsiveness (4.01). This pattern suggests that respondents perceive relatively stronger procedural compliance than prompt responses to public concerns. Under Stewardship Theory, administrators who treat the community as the beneficiary of their work are expected to prioritize accountable procedures, which is compatible with the observed association. Nevertheless, the survey cannot determine whether governance practices improved financial outcomes, whether better-administered villages reported stronger governance, or whether common reporting tendencies influenced both responses.

The positive association corresponds to the findings reported by Sirait et al. (2022), Mudhofar et al. (2022), Yudastio (2021), Luginah (2023), and Swasanti et al. (2024), supporting the view that transparency, compliance, and accountability can accompany stronger administration. By contrast, Indriani et al. (2023) and Sinta and Risal (2023) show that Good Governance implementation does not uniformly translate into measurable improvements across village settings. A plausible interpretation is that formal compliance may be insufficient when public access to information, responsiveness, or administrative capacity is weak, but the present data do not directly test those mechanisms or explain between-study differences. Air Putih's relatively lower responsiveness score points to a concrete area for further investigation: accessible complaint channels and documented follow-up to community feedback.

Siskeudes Application Utilisation and Village Financial Management

Siskeudes utilization also showed a positive association with village financial management ($B = 0.496$; $p = 0.002$). Its mean score was 4.18, with data completeness/reliability reported as the strongest dimension (4.26) and ease of use as the weakest (4.08). This configuration is consistent with a system that supports record completeness but may still place demands on operator skills. From the perspective of Stewardship Theory, a reliable reporting instrument can facilitate officials' discharge of their financial responsibilities; however, technology alone does not guarantee transparency to citizens or the accuracy of every underlying transaction. The measures reflect user assessments rather than system log data or independent record audits.

This result is consistent with the favorable Siskeudes-related findings of Hardianto (2021), Hasanah and Setiawati (2022), Amelda et al. (2024), and Widiani and Musmini (2024). Conversely, the implementation limitations discussed by Rondonuwu et al. (2021) and Pujiani and Astuti (2022) qualify claims of universal effectiveness. Their contrasting observations suggest that staff training, technical support, and everyday utilization may condition practical benefits. The present model did not include training intensity, infrastructure quality, or system usage logs,

so these explanations remain hypotheses for future work. The lower ease-of-use score nevertheless justifies recommending continued operator support and usability-oriented training.

Joint Effect of Good Governance and Siskeudes Utilisation

The regression model was jointly significant ($F = 102.658$; $p < 0.001$) and had an adjusted R^2 of 0.775. Taken together, these results indicate that institutional governance practices and digital system utilization provide substantial statistical information about self-reported financial management within the sampled officials. Conceptually, governance practices may help establish norms for accountability, while Siskeudes can provide the technical means for recording and reporting financial activities. This complementary interpretation is consistent with Stewardship Theory, but it must not be misread as proof of causal synergy: the model contains additive predictors only and does not estimate a governance-by-Siskeudes interaction. Comparison with supportive studies (Sirait et al., 2022; Amelda et al., 2024) and studies noting governance or implementation difficulties (Indriani et al., 2023; Pujiani & Astuti, 2022) indicates that favorable relationships in Air Putih should be read in light of measurement choices and local conditions, not generalized automatically to all villages.

CONCLUSION

Main Findings

The study finds positive, statistically significant associations between Good Governance implementation ($B = 0.821$; $t = 7.256$; $p < 0.001$) and Siskeudes utilization ($B = 0.496$; $t = 3.203$; $p = 0.002$), respectively, and the reported village financial-management scores of surveyed officials in Air Putih District. The model was jointly significant ($F = 102.658$; $p < 0.001$) with an adjusted R^2 of 0.775. The findings are consistent with Stewardship Theory in suggesting that public-oriented administrative practices and digital reporting capacity both matter for perceived village financial administration. These results establish relationships within the sample, not causal impacts or verified improvements in audited financial outcomes.

Limitations

Four main limitations require caution. First, the purposive sample comprised 60 officials from a single district; its findings may not represent other localities or all personnel. Second, the one-period, cross-sectional survey does not resolve causal direction. Third, all main constructs were self-reported, creating possible social-desirability and common-method biases; governance and financial-management items may also partly overlap conceptually. Fourth, the residual-normality test was significant (Monte Carlo $p = 0.010$), and full residual and robustness diagnostics are not available in the manuscript, limiting confidence in conventional inferential precision. The two-predictor specification additionally leaves other potentially relevant determinants untested. An adjusted R^2 of 0.775 should not be interpreted as a causal partition of explained and unexplained mechanisms.

Recommendations

For local administration, the relatively lower responsiveness score suggests clearer public feedback channels and recorded follow-up procedures, while the lower Siskeudes ease-of-use score suggests practical training and continuing technical assistance. These interventions are recommendations based on observed perceptions, not interventions whose effectiveness was evaluated here. Future research should combine survey responses with audited reports, Siskeudes usage records, and objective disclosure measures; draw broader probability-based or stratified samples where feasible; and investigate staff skills, internal controls, and contextual moderators. Replication should also check questionnaire construct validity, residual plots, influential observations, robust or bootstrap standard errors, and the original SPSS diagnostics. A longitudinal or mixed-method design could better examine change over time and clarify the mechanisms connecting governance practices, technology utilization, and financial management.

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