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The Influence of Intellectual Capital Dimension on the Performance of Village Apparatus

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Abstract

This research is entitled The Influence of Intellectual Capital Dimension on the Performance of Village Apparatus. The purpose of this study is to analyze The Influence of Intellectual Capital Dimension on the Performance of Village Apparatus. The sampling technique is by using a full sampling technique with a total of 121 respondents. The type of research used in this study is the survey method, which is a method that aims to collect data with questionnaires. The analysis method used is structural equation modeling (SEM). The conclusion of this study is Human Capital and Organizational capital has a positive effect on Intellectual Capital village apparatus in Pondok City District in Sungai Penuh City. Intellectual Capital and Human Capital has a positive effect on Performance village apparatus in Pondok City District in Sungai Penuh City. But Organizational Capital has no effect on performance village apparatus in Pondok City District in Sungai Penuh City. intellectual capital is a variable that cannot mediate Human Capital and Organizational Capital in the performance of village apparatus.

Keywords: Intellectual Capital, Human Capital, Organizational Capital, Performance.

INTRODUCTION

The implementation of village government is inseparable from the implementation of regional autonomy. The village government is the leading unit (spearhead) in service to the community and a strategic spearhead for the success of all programs. Therefore, efforts to strengthen villages (Village Governments and Community Institutions) are steps

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to accelerate the realization of community welfare as the goal of regional autonomy (Zuliyah, 2020). So that the implementation of Village Government is a sub-system of the government administration system, so that the village has the authority to regulate and take care of the interests of its community (Nurvianti & Hastuti, 2021).

The Village Government consists of the Village Head and Village Apparatus. The Village Apparatus consists of Village Apparatus and other Village Apparatus. Meanwhile, what is meant by Village Government is the government administration activities carried out by the Village Government and the Village Consultative Body. The Village Consultative Body is a legislative and supervisory institution in terms of the implementation of village regulations, village revenue and expenditure budgets and decisions of the Village Head (Amrullah et al., 2022). BPD has an equal position and is a partner of the village government. Meanwhile, the position of the Village Apparatus is very important in assisting the implementation of the duties of the Village Head.

One of those who has a central role in village development is the Village Apparatus (Fitriyani et al., 2018). This is as stipulated in Government Regulation Number 43 of 2014 concerning the implementation regulations of Law Number 6 of 2014 concerning Villages, namely the Village Apparatus is tasked with facilitating and assisting the community in the implementation of village government, the implementation of village development, the development of village communities, and the empowerment of village communities (Amrullah et al., 2022). The assistant is not the manager of the development project in the village. Village Assistance Work is focused on empowering village communities through the social learning process.

Village apparatus must be a pioneer as well as a driving force for development in the village. The Village Apparatus aims to create an independent, advanced, and prosperous village that is able to become an agent of change in each village. As one of the guardians of the implementation of the Village Law. A Village Apparatus must have adequate knowledge, skills and attitudes to assist the village government in the implementation of government and village development in a professional, effective and efficient, accountable, open and responsible manner (Zuliyah, 2020). To create a Village Apparatus that is the spearhead of the village potential empowerment program, village mentors who have high intellectual capital are needed, who rely more on brains and knowledge. With such conditions, to answer the demands of the main task and function of the Village Apparatus that can empower villagers and give birth to new village development cadres. To carry it out, the Village Apparatus must be able to carry out these functions (Fajar & Khoirul, 2019). So that it is expected to be able to increase

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performance-based excellence through intellectual capital so that it becomes an advantage and succeeds in achieving the goal, namely increasing the development and empowerment of village communities.

It is undeniable that this makes organizations at the village level try to improve and improve their performance so that they can continue to maintain the existence of their business. One of the factors needed to achieve the goal of improving performance is quality human resources (Khan et al., 2019; Muda et al., 2020). One of the components of intangible assets is known as intellectual capital (Ardiansari et al., 2018; Chan et al., 2012; M. Zhang et al., 2017). Intellectual capital is closely related to human resources, but in reality (Pratama et al., 2020; Tang, 2024). The role of humans as human capital has not been treated like other assets that need to be fostered and developed.

The dimensions of intellectual capital in this study are human capital and organizational capital. The definition of human capital emphasizes the understanding that humans are one of the main capital in a company with infinite value and amount, which can be managed in a process, which can ultimately produce more value for the company (Istikhoroh et al., 2023; Juneja & Amar, 2018). Thus, human capital is not positioning humans as capital like machines so that it is as if humans are the same as machines. However, human capital can actually help decision-makers to focus on human development in order to improve the quality of the organization. Therefore, companies must be able to improve the quality of human resources in facing challenges, and also to achieve the vision and mission of the organization (Delery & Roumpi, 2017).

Organizational capital includes routines, manual processes and everything that has an impact on the organization beyond the material value owned by the organization. If the organization has a bad system of procedures, the intangible assets owned by the organization will not have a maximum positive impact on the organization (Juneja & Amar, 2018; Liu et al., 2018). Organizational capital is a suggestion of supporting infrastructure for employees to be able to work optimally. Organizational capital has a sportsmanship culture that is ready to fail so that it allows individuals to dare to try new things that have never been tried before (S. Zhang et al., 2022). Organization capital is also a critical link that can allow intellectual capital to be measured at the level of organizational analysis.

Objectives

This article intends

1. To find out whether the dimension of Intelectual capital consisting of human capital and organizational capital affects the performance of the Village Apparatus

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2. To find out whether human capital affects the performance of the Village Apparatus
3. To find out whether organizational capital affects the performance of the Village Apparatus
4. To find out whether human capital affects the intellectual capital of the Village Apparatus
5. To find out whether organizational capital affects the Intellectual capital of the Village Apparatus

METHOD

This study uses an explanatory approach because it aims to analyze the relationship between variables and explain the interdimensional influence of intellectual capital, namely human capital and organizational capital, and on the performance of village apparatus to improve village development and empowerment of village communities in Pondok Tinggi District, Sungai Penuh City. Pondok Tinggi District The number of villages is 7 villages, namely: Aur Duri, Karya Bakti, Koto Lebu, Lawang Agung, Permanti, Pondok Agung and Sungai Jernih. Population is a generalization area consisting of objects or subjects that have qualities and characteristics and then conclusions are drawn. The population in this study is all village apparatus in 7 villages in Pondok Tinggi District. The sampling technique in this study is full sampling where the entire population is used as a sample, in the study the number of samples was 121.

This study uses a survey to obtain the necessary data. The method used is to distribute a list of questions (questionaire) to the respondents. Primary data, namely data obtained from direct research on village apparatus in Pondok Tinggi District, Sungai Penuh City, from questionnaires given to village assistants to get an overview of the real condition.

According to Z. Zhang et al., (2016) SEM or Structural Equation Modeling) is the second generation of multivariate analysis techniques that allow researchers to test the relationship between complex variables, both recursive and non-recursive, to obtain a comprehensive picture of the overall model. The data was analyzed using the SEM (Structural Equation Modeling) of the AMOS.22 program to provide a clear picture of the relationship between the research constructs. The structural equation model of AMOS is used to obtain indicators of a fit model. The benchmark used in testing each hypothesis one to five is the CR (Critical Ratio) value on Regression Weights (Wang & Pan, 2023).

According to Junaidi, (2021) the criteria for hypothesis testing are as follows:

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1. CR (Critical Ratio) value of > 1.96 with a significance level of < 0.05 means that exogenous variables have an effect on endogenous variables
2. CR (Critical Ratio) value of < 1.96 with a significance level of > 0.05 means that exogenous variables have no effect on endogenous variables.

DISCUSSION

After the hypothesis model and data matrix are inputted, the following analysis results are obtained :

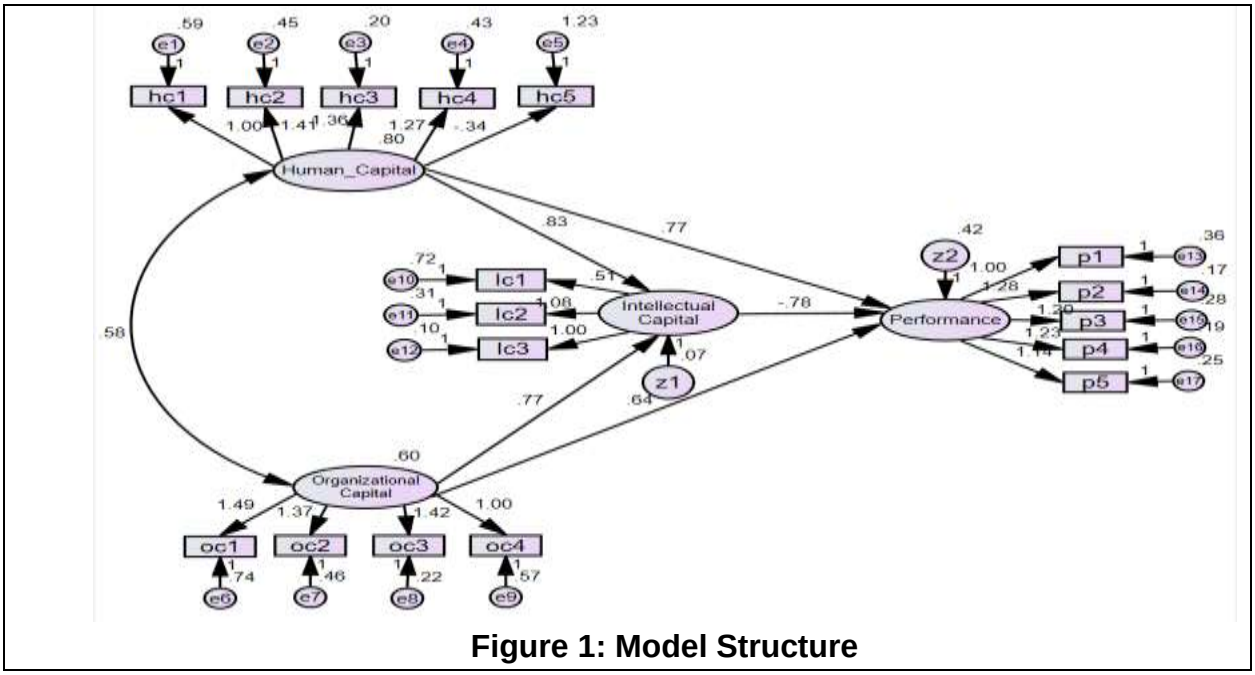


Figure 1: Model Structure

Statistical fit test of the model

The full results of the calculation of the statistical conformity test of the model can be seen in table 1.

Table 1. Structural equation modelling feasibility test index

Goodness of fit index	Cut-of value	Result	Evaluasi Model
χ 2 -Chi-square	215,56	118,4	Good Fit
Significancy probability	$\geq$ 0.05	0,002	Marginal
	$\leq$ 0.08	0,056	Good Fit

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RMSEA	≥ 0.90	0,902	Good Fit
GFI	≥ 0.90	0,783	Marginal
AGFI	≤ 2.00	1,873	Good Fit
CMIN/DF	≥ 0.95	0,873	Good Fit
TLI	≥ 0.95	0,921	Good Fit
CFI			

Hypothesis Testing

The results of SEM analysis as a step to test the hypothesis are as follows:

Table 2. Hypothesis Testing

			Estimate	S.E.	C.R.	P
Intellectual Capital	---	Human Capital	.832	.121	6.847	***
Intellectual Capital	---	Organizational Capital	.775	.143	5.423	***
Performance	---	Intellectual Capital	1.411	.134	10.548	***
Performance	---	Organizational Capital	.645	.488	1.320	.187
Performance	---	Human Capital	1.136	.118	9.626	***

1) Hypothesis Testing 1

The estimated parameter of the relationship between Human Capital and Intellectual Capital was obtained as 0,832. Testing the relationship between the two variables showed a value of C.R = 6,847 with probability = 0,000 ($p < 0,05$). So it can be concluded that Human Capital has a positive effect on Intellectual Capital, so that the higher the Human Capital owned by the village apparatus, the higher the Intellectual Capital will also be. Thus hypothesis 1 is accepted. This is strengthened by the results of data processing which shows that the probability value of 0.000 has met the requirements < 0.05 and the C.R value of 6.847 has also met the requirements ≥ ± 1.96

2) Hypothesis Testing 2

The estimated parameter of the relationship between Organizational Capital and Intellectual Capital was obtained as 0,775. Testing the relationship between

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the two variables showed a value of C.R = 5,423 with probability = 0.000 (p < 0.05). So it can be concluded that Organizational Capital has a positive effect on Intellectual Capital, so that the higher the Organizational Capital owned by the village apparatus, the higher the Intellectual Capital will also be. Thus hypothesis 2 is accepted. This is strengthened by the results of data processing which shows that the probability value of 0.000 has met the requirements < 0.05 and the C.R value of 5,423 has also met the requirements ≥ ± 1.96

3) Hypothesis Testing 3

The estimated parameter of the relationship between Intellectual Capital and performance was obtained as 1,411. Testing the relationship between the two variables showed a value of C.R = 10,548 with probability = 0.000 (p < 0.05). So it can be concluded that Intellectual Capital has a positive effect on performance, so that the higher the Intellectual Capital owned by the village apparatus, the higher the performance will also be. Thus hypothesis 3 is accepted. This is strengthened by the results of data processing which shows that the probability value of 0.000 has met the requirements < 0.05 and the C.R value of 10,548 has also met the requirements ≥ ± 1.96.

4) Hypothesis Testing 4

The estimated parameter of the relationship between Organizational Capital and performance was obtained as 0,645. Testing the relationship between the two variables showed a value of C.R = 1,320 with probability = 0,187 (p < 0.05). So it can be concluded that Organizational Capital has no effect on performance. Thus hypothesis 4 is rejected. This is strengthened by the results of data processing which shows that the probability value of 0,187 has met the requirements > 0.05 and the C.R value of 1,320 has also met the requirements ≤ ± 1.96

5) Hypothesis Testing 5

The estimated parameter of the relationship between Human Capital and performance was obtained as 1,136. Testing the relationship between the two variables showed a value of C.R = 9,626 with probability = 0.000 (p < 0.05). So it can be concluded that Human Capital has a positive effect on performance, so that the higher the Human Capital owned by the village apparatus, the higher the performance will also be. Thus hypothesis 5 is accepted. This is strengthened by the results of data processing which shows that the probability value of 0.000 has met the requirements < 0.05 and the C.R value of 9,626 has also met the requirements ≥ ± 1.96.

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Mediation Effect Testing Results

Table 3. Mediation Effect

			Direct Effect	Indirect Effect	Total	Result
Intellectual Capital	---	Human Capital	.567	-	.567	-
Intellectual Capital	<---	Organizational Capital	.457	-	.457	-
Performance	<---	Intellectual Capital	-1.468		-1.468	-
Performance	<---	Organizational Capital	.719	-0,671	0,048	Unmediated
Performance	<---	Human Capital	0,988	-0,832	0,155	Unmediated

The results of the above research can be interpreted as:

1) The direct influence of Human Capital on Performance is 0.719. Meanwhile, the indirect influence of Human Capital through intellectual capital on Performance was -0.671. This means that direct influence < indirect influence (0.719 > -0.671). Therefore, it is concluded that intellectual capital is a variable that cannot mediate Human Capital in the performance of village apparatus.
2) The direct influence of Organizational Capital on Performance is 0.988. Meanwhile, the indirect influence of Organizational Capital through intellectual capital on Organizational is -0.832. This means that direct influence < indirect influence (0.988 > -0.832). Therefore, it is concluded that intellectual capital is a variable that cannot mediate Organizational Capital in the performance of village apparatus.

CONCLUSION

1. Human Capital has a positive effect on Intellectual Capital village apparatus in Pondok City District in Sungai Penuh City.
2. Organizational Capital has a positive effect on Intellectual Capital village apparatus in Pondok City District in Sungai Penuh City.

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3. Intellectual Capital has a positive effect on Performance village apparatus in Pondok City District in Sungai Penuh City.
4. Organizational Capital has no effect on performance village apparatus in Pondok City District in Sungai Penuh City.
5. Human Capital has a positive effect on Performance village apparatus in Pondok City District in Sungai Penuh City.
6. intellectual capital is a variable that cannot mediate Human Capital and Organizational Capital in the performance of village apparatus.

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