

ABSTRACT

Village officials play a vital role in public service and local development. However, in Karangtengah Subdistrict, Cianjur Regency, their performance still faces several challenges, such as irregular performance reporting and low compensation, which remains below the regional minimum wage (UMK). Additionally, limited digital literacy hinders the optimal use of the Kampung Pinter platform, even though it has been provided by the government. This research is driven by the need to understand how compensation and digital literacy influence the performance of village officials in order to provide policy recommendations that improve service efficiency and accountability at the village level.

This study aims to examine the current conditions of compensation, digital literacy, and performance of village officials, and to analyze the effects of compensation and digital literacy—both partially and simultaneously—on their performance in Karangtengah Subdistrict, Cianjur Regency.

A quantitative approach was used with descriptive analysis and Structural Equation Modeling based on Partial Least Square (PLS-SEM) to measure and analyze the relationships between variables. Descriptive analysis was employed to describe the conditions of compensation, digital literacy, and employee performance using Likert scale data from 118 respondents. Meanwhile, PLS-SEM was used to test both direct and simultaneous influences through outer model evaluation (validity and reliability) and inner model evaluation (R^2 , f^2 , and Q^2) to assess the strength and predictive relevance of the model.

The results indicate that compensation and digital literacy have a positive and significant influence on the performance of village officials in Karangtengah. Fair and appropriate compensation boosts motivation, while digital literacy enhances efficiency and effectiveness in public services. Weaknesses were found in the allowance dimension and the use of online media, suggesting a need for improvements in the compensation system and digital training. The T-statistics and P-values confirmed the significance of these influences. Simultaneously, both variables synergistically contribute to sustainable performance improvements.

This study offers practical and theoretical contributions to the understanding of how compensation and digital literacy impact employee performance. Practically, the findings may serve as a basis for the Cianjur Regional Government to evaluate compensation systems, enhance digital literacy, and conduct decision-making training. Theoretically, this research model can be used as a reference for future studies by expanding variables, research locations, and analytical approaches. Further studies are recommended in other regions using different methods and considering additional factors that may affect employee performance.

Keywords: Compensation, Digital Literacy, Performance, Village Apparatus, Karangtengah.