

UDC 334

**IMPLEMENTATION OF EMPOWERMENT-BASED REGULATION OF STATE-OWNED ENTERPRISE MINISTER PER-03/MBU/12/2016: A STUDY ON THE IMPLEMENTATION OF PARTNERSHIP AND ENVIRONMENTAL GUIDANCE PROGRAM IN JASA TIRTA I PUBLIC CORPORATION**

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**ABSTRACT**

Concern for the community surrounding the SOE's working areas has encouraged the government to formulate Partnership and Environmental Guidance Program (*Program Kemitraan dan Bina Lingkungan – PKBL*) policies. Well-programmed and well-implemented services can eliminate the incompatibility with government policies. This study examined the implementation of the government policy in the form of the State-Owned Enterprise Minister Regulation Number PER 03/MBU/12/2016 concerning the Partnership and Environmental Guidance Program in *Jasa Tirta I Public Corporation* in optimizing services for the community to become guided partner candidates of the Partnership Program (*Program Kemitraan-PK*) or beneficiaries of the Environmental Guidance Program (*Bina Lingkungan-BL*). This is in accordance with the mandate of the applicable ministerial law and regulations. The focuses of this study included (1) the Implementation of the State-Owned Enterprise Regulation PER-03/MBU/12/2016 based on Empowerment for the Partnership and Environmental Guidance Program (*PKBL*) in *Jasa Tirta I Public Corporation* and (2) the role of *Jasa Tirta I Public Corporation* in minimizing or reducing failure in the empowerment-based *PKBL* implementation. Based on the results of this study, the implementation of the Partnership and Developmental Guidance Program (*PKBL*) worked well in *Jasa Tirta I*, including the role of *Jasa Tirta I* in reducing the failure in the *PKBL* implementation.

**KEY WORDS**

Policy implementation, partnership, environmental, guidance program.

Increased values of a company will be achieved if the company is able to operate and reach the targeted profits. Through the profits earned, the company will be able to provide dividends to shareholders, increase the company's growth and maintain the viability of the company. However, for SOEs (State-Owned Enterprises), almost all of the shares are controlled by the country, making the SOEs have to be oriented to build the country by providing best services to the community. It has been the obligation of the country to prosper the community. State-Owned Companies have an objective to gain profit optimization and are also required to provide services to the public (Solihin, 2011). Furthermore, in the CSR of SOEs, there is a CSR program intended for the SOEs called as Partnership and Environmental Guidance Program (*PKBL*). *PKBL* is a term of CSR for SOEs in Indonesia (Kartini, 2009). *PKBL* consists of two types of program namely Partnership Program (*PK*) and Environmental Guidance Program (*BL*). Partnership Program (*PK*) is a program that requires SOEs to provide business loans and guidance or coaching to Micro Small and Medium Enterprises (MSMEs). Meanwhile, *BL* is a program provided through financial support for the needs of community development programs/activities. The area focus of both programs is the area of the location where a SOE operates. One thing that is very interesting about *PKBL* is related to the fund or financial sources for its implementation. Although *PKBL* is a unity in the policy and program, the fund sources of each program (Partnership Program and Environmental Guidance Program) are different. The fund sources of the partnership program are obtained from revolving funds and the administration service funds of the loans granted. As for the environmental guidance program, the fund sources derive from the

provision of the SOE profits. Despite having been transferred using corporate costs in 2013, it was changed back through the latest issued regulation. Currently, every SOE can allocate a maximum of 4% of the profit after the previous year-end booked taxes as the fund source for the *PKBL* implementation in *Jasa Tirta* started since the establishment of the company that was after the end of *Brantas* Project in 1990 which was then changed its name to *Jasa Tirta I*. At that time, the Partnership and Environmental Guidance Program (*PKBL*) was still named Small Enterprise and Cooperative Distribution (*Penyaluran Usaha Kecil dan Koperasi-PUKK*), which changed in 1999 to *PKBL*. Some efforts have been made to implement the Partnership and Environmental Guidance Program (*PKBL*) such as employing internal staffs in handling the problems emerging in the Partnership and Environmental Guidance Program (*PKBL*) implementation. However, the information development in relation to the staff information and distribution in each region has not been maximized. The very visible gap between the existing theories and the implementation of the Partnership and Environmental Guidance Program is the lack of intensity of *Jasa Tirta I* Public Corporation in providing socialization on how to develop the business of the guided partners for the reasons described above. Empowerment undertaken is felt less to meet the needs of knowledge about business products which have become more modern from day to day for the partnership program implementation. As for the Environmental Guidance Program, there has not been any routine activity undertaken after the environmental guidance fund distribution to those who deserve it. *Jasa Tirta I* Public Cooperation is one of the State-Owned Companies which the existence directly relates to the public interests. *PKBL* activities become a good strategy for company image formation if the *PKBL* implementation runs smoothly.

## METHODS OF RESEARCH

The perspective used in this research was qualitative research method with a descriptive approach, which was expected to dig or obtain the required information as much as possible about the problem taken as the topic of this research by using verbal data. Through the research typology above, it was expected that this research could dig and construct a proposition or explain the meaning behind reality (Alwaisah, 2002:82), as well as describe thoroughly a phenomenon through contextual considerations achieved and the extent to which the exploration of historical, social, cultural, economic and political contexts could be reached. The determination of this research design was based on the opinion expressed by Hasan (2002:22). The focuses of this research included: (1) the Implementation of the State-Owned Enterprise Regulation PER-03/MBU/12/2016 based on Empowerment of the Partnership and Environmental Guidance Program (*PKBL*) in *Jasa Tirta I* Public Corporation. In this focus, the researchers made serious efforts to see the policies implemented in accordance with the Regulation of the Minister of State-Owned Enterprises PER-03/MBU/12/2016 based on the Partnership and Environmental Guidance Program. The description and analysis used the model implementation of Edward III policies which were seen from the following variables: a) Effective Communication; b) Sources (viewed from the number of employees, *PKBL* funds and cooperation with others); c) Disposition/attitudes of implementers; and d) Bureaucracy structure (programs and activities implemented); (2) the role of *Jasa Tirta I* Public Corporation in minimizing or reducing failure in the empowerment-based *PKBL* implementation. The research site chosen was *Jasa Tirta I* Public Corporation at Malang head office. The data types used were primary data of individual respondents, focus groups (Uma Sekaran, 2011) and secondary data derived from company records or documentation, government publications, industry analysis, websites, internet and so on (Sekaran, 2011). The sources of data obtained were informants, social or event situations and some related documents. The data were collected using in-depth interviews, observation and documentation. To establish the validity of the data, the techniques of data checking were required based on certain criteria. According to Moleong (2002:175), there were four criteria namely (1) degree of trust, done with: a) prolongation of observation; b) increased persistence; c) triangulation and d) references, (2) transferability, (3) dependence and (4) certainty. The data analysis was conducted using Miles and Huberman's method with

following stages: (1) data collection, (2) data condensation, (3) data model, and (4) conclusion/verification.

## RESULTS AND DISCUSSION

*Implementation of the Empowerment-Based Regulation of the State-Owned Enterprise Minister PER-03/MBU/12/2016.* The implementation process of the empowerment-based Regulation of the Minister of State-Owned Enterprises PER-03/MBU/12/2016 concerning the Partnership and Environmental Guidance Program in *Jasa Tirta I* Public Corporation used variables according to the implementation model of Edward III's policies, covering:

*Communication.* Communication is the process of delivering information from the communicator to the communicant. The information delivery concerns the substance of the policy that must be implemented. Policy information needs to be communicated to the policy implementers so that they know and understand what the content, objectives, directions, target groups of the policy and they can prepare properly what should be prepared and done to implement the public policy so that at the end, the policy can be implemented accordingly with the expectation. Communication can be done between superiors and subordinates. In *Jasa Tirta I* Public Corporation itself, communication actually has been made. However, the consultation and coordination have not been carried out as expected. Based on the results, this occurred because the results of consultation (when instructions and orders submitted to subordinates) could not translate or interpret the instructions and orders. Meanwhile, in the coordination meeting held, the attendants sometimes were not from the leaders so that strategic decisions could not be made in the Partnership and Environmental Guidance Program implementation. However, a commitment is very important in the implementation of the established policy.

*Sources.* Sources, in this matter, are the authority possessed by *Jasa Tirta I* Public Corporation. The authority is related to the source of fund, amount of human resources, main duties and functions (*tupoksi*) and cooperation with private parties. There have been loads or bills in the source of fund allocated for the Partnership and Environmental Guidance Program (*PKBL*) for the *PKBL* policy implementation. However, there should be strengthening of the areas that directly handle problems emerging in the *PKBL* implementation so that the later budget planning, activities and programs can be arranged in accordance with the needs of the better *PKBL* implementation framework. Moreover, it also needs well-organized strategies and targets. The existing strategies in the *PKBL* division must be implemented in order to overcome obstacles in the implementation of *PKBL*. Thus, a good management in the implementation of *PKBL* is highly required so that the aims and targets of policies, particularly of the implementation of *PKBL*, can be realized. Determination of the main duties and functions of an organizational unit becomes the legal basis of the organizational unit in doing its activities as well as the signs in the implementation of duties and coordination at the application level in the field.

The main duties and functions (*Tupoksi*) also have been implemented by *Jasa Tirta I* Public Corporation, especially by the *PKBL* division. Nevertheless, not all of the main duties and functions related to the *PKBL* can be implemented in the program and activities completely. According to the research results, this was largely influenced by several factors in the process of activity planning and budgeting. Therefore, the implementation of main duties supported by the existing functions in an organizational structure must be realized into activities that will help the organization achieve the vision, mission, goals and objectives that have been determined.

*Disposition/Attitude.* Positive attitudes of personnel carrying out activities in the Partnership and Environmental Guidance Program (*PKBL*) implementation are very helpful in the implementation of duties. The positive attitudes are established through regular staff meetings held in order to find solutions to problem-solving. However, the high work motivation and good cooperation among personnel or between superiors and subordinates should be balanced with rewards given to those who show outstanding performance so that positive attitudes can be maintained.

*Organizational Structure.* Based on the research results above, the organizational structure is related to the program and activities carried out for the Partnership and Environmental Guidance Program (*PKBL*) policy implementation. With the organizational structure owned, the budget allocation distributed to the community has increased each year, indicating the commitment and consistency of *Jasa Tirta I* Public Cooperation in the *PKBL* implementation. However, it is necessary to evaluate programs and activities based on performance.

*Efforts of Jasa Tirta I Public Cooperation to Minimize or Reduce Failure in the Empowerment-Based Implementation of Partnership and Environmental Guidance Program.* In this research, the efforts undertaken to minimize or reduce the failure in the implementation of Partnership and Environmental Guidance Program (*PKBL*) were to implement the rules of *PKBL* in accordance with the policy of the State-Owned Enterprise Minister, covering:

- *Jasa Tirta I* Public Cooperation (*PJT I*) established relationships with other external parties for the empowerment of *PKBL* beneficiaries in order to make the guided partners be strong and independent through working capital loans obtained from the Partnership and Environmental Guidance Program (*PKBL*).
- The community took a role in reducing failure in the empowerment-based implementation of Partnership and Environmental Guidance Program (*PKBL*). Indeed, the community is the policy recipient who should follow every regulation that has been established by the government and *Jasa Tirta I* Public Corporation as the policy implementer of the Partnership and Environmental Guidance Program (*PKBL*). Moreover, the community is also the benchmark of the success of the government program.
- Sanctions were given to those against violations in the Partnership and Environmental Guidance Program (*PKBL*). According to the ministerial regulation, for companies who do not undertake Partnership and Environmental Guidance Program (*PKBL*), they will get the sanction of having a bad image from the Ministry. In other words, the report about the troubled companies will be a special record which will be submitted to the Minister in charge. On the other side, for the community receiving the benefits or assistance of *PKBL*, they will also get a reprimand from the State-Owned Enterprise Builder (in this case referring to *Jasa Tirta I*) if they break the applicable rules.

## CONCLUSION

The implementation of the Partnership and Environmental Guidance Program (*PKBL*) policy in *Jasa Tirta I* has been realized, in which there are four focuses: effective communication, existing sources, disposition or attitudes and organizational structure. However, the implementation of the program is still not optimal. Some of the causes are the lack of staffs for the *PKBL* implementation in *Jasa Tirta I* Public Corporation, especially at the regional office of *Jasa Tirta I* Public Corporation Division.

*Jasa Tirta I* Public Corporation has a role in minimizing or reducing the failure in the implementation of the empowerment-based Partnership and Environmental Guidance Program by establishing cooperation with the university to provide training for improving the products of the guided partners. Additionally, *Jasa Tirta I* Public Corporation participates in the marketing of the guided partners' products by joining national exhibitions.

Referring to the results of this research, more information dissemination is very required to socialize the Partnership and Environmental Guidance Program (*PKBL*) in *Jasa Tirta I* Public Corporation. Moreover, additional staffs need to employ for monitoring activities of *PKBL* in each division to be reported to the head office of *Jasa Tirta I* Public Corporation. Lastly, *Jasa Tirta I* Public Corporation also needs to build a cooperation with various parties in several Division offices to optimize the Partnership and Environmental Guidance Program (*PKBL*), e.g. with training on the quality improvement of guided partners' products.

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