

UDC 332

**THE INFLUENCE OF POLICY IMPLEMENTATION, BUDGET USE, ACCOUNTABILITY,
AND COMMUNITY EMPOWERMENT ON MARKETING SERVICE PERFORMANCE
OF VILLAGE-OWNED ENTERPRISES IN SRAGEN REGENCY, CENTRAL JAVA
PROVINCE OF INDONESIA**

Bayuseno Tri Agus

University of Satyagama, Indonesia

E-mail: tri.a.bayuseno@gmail.com

ABSTRACT

Regional autonomy provides local governments the flexibility to regulate and develop their regions using the budget from the central government. In practice, this requires monitoring and evaluation so that the government's objectives can be achieved. This research aimed to analyze the influence of policy implementation, budget use, accountability, and community empowerment on marketing service performance of Village-Owned Enterprises (*Badan Usaha Milik Desa* – BUMDES) in Sragen Regency, Central Java Province. This explanatory research used a quantitative method involving 175 people as samples. This research used the t-test method for data analysis. The research results indicated that policy implementation, budget use, accountability, and community empowerment had a significant and positive influence on the marketing service performance of Village-Owned Enterprises in Sragen Regency, Central Java Province.

KEY WORDS

Policy implementation, budget use, accountability, community empowerment, service performance.

All regions in Indonesia need attention from the government. However, because the central government may not reach all parts of the country, the local government needs to help manage these regions by monitoring and evaluating policy implementation and budget use. The local governments are chosen because of their familiarity with the regions and their needs for human resource development and regional economic improvement. These local governments include the village government.

Law Number 6 of 2014, along with the Ministerial Regulation by the Minister of Village, Development of Disadvantaged Regions, and Transmigration with its implementing regulations, has mandated the village government to be more independent in managing the government and various natural resources owned, including the management of village finances and assets. The Central Bureau of Statistics (*Badan Pusat Statistik* – BPS) explained that the 2015 Revised State Budget allocated ± IDR 20.776 trillion of Village Funds to all villages across Indonesia. According to Ministerial Regulation by the Minister of Home Affairs Number 39 of 2015, the current number of villages is 74,093 villages (Indonesia's National Government Internal Auditor, 2015). In addition to Village Funds, according to Article 72 of the Village Law, villages have Village Original Income and Transfer Income in the form of Village Fund Allocations; Part of Regency or Municipal Taxes and Levies Proceeds; and Financial Assistance from the Regional Revenue and Expenditure Budget, specifically from the province/regency/municipality. The significant role accepted by the village is accompanied by great responsibility. Therefore, the village government must be able to apply the principle of accountability in its governance, where all village governance activities must be accountable to the village community in accordance with the provisions.

In village finances, the village government is obliged to prepare a Report on the Realization of Implementation of Village Revenue and Expenditure Budget and an Accountability Report on the Realization of Implementation of Village Revenue and Expenditure Budget. This report is produced from a cycle of village financial management,

which consists of several stages: planning and budgeting, implementation and administration, and reporting and accountability for village financial management.

In the planning and budgeting stages, the village government must involve the village community represented by the Village Consultative Board so that the work programs and activities prepared can accommodate the interests and needs of the village community and are following the capabilities of the village. In addition, the village government must keep records, or at least keep books of financial transactions, as a form of financial accountability.

However, the roles and responsibilities of villages have not been followed by adequate human resources, both in quantity and quality. Another common obstacle is that villages do not yet have procedures and support for optimal facilities and infrastructure in financial management. In addition, the community has not been critical of the management of the village revenue and expenditure budget. There is a reasonably high risk in the management of village funds because of the high amount.

Following the mandate of Law Number 6 of 2014 concerning Villages, the government will allocate Village Funds through a transfer mechanism to the regency or municipality. This research was carried out based on previous research on the financial management of village funds and allocation consisted of various activities, including planning, implementation, administration, reporting, and accountability of village finances.

The above activities must also be accompanied by consistent village community empowerment to enable village communities to survive in the current difficult economic situation. The dignity, ability, and independence of village communities must be improved to create a good atmosphere. This allows village communities to develop and strengthen competitiveness and potential. It is expected that village community empowerment will improve the quality of village communities so that they can do accountability control over the performance of the village government.

Based on the description, this research aimed to determine the influence of policy implementation, budget use, accountability, and community empowerment on marketing service performance of Village-Owned Enterprises in Sragen Regency, Central Java Province.

LITERATURE REVIEW

Jones in Ulul Alhab (2005) defined policy as "...behavioral consistency and repetitiveness associated with the effort in and through government to resolve public problems". A policy affects the success or failure of efforts to solve problems.

Government policy can be defined as a formal government decision program to solve common problems by regulating actions directed at specific goals (for example, higher education management).

In general, policies can be divided into general policies, implementation policies, and technical policies. Public policies serve as guidelines or implementation instructions, covering the entire regions or agency concerned. The definition of "general" in "general policies" is relative. Thus, for the state, general policies are laws or presidential decrees and so on. Apart from the regulations and policies adopted at the central level, a province also has a governor's decision or a regional regulation by the Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah* – DPRD).

Implementation policies describe general policies. For policies at the central government level, the example of implementation policies is government regulations regarding the implementation of the law or ministerial decrees describing the implementation of presidential decrees. For policies at the provincial level, the example of implementation policies is the regent's decree or head of office's decrees describing the governor's decree or regional regulations. Technical policies are operational policies under the implementation policies. Generally, it can be stated that the general policies are the first-level policies, implementation policies are the second-level policies, and technical policies are the third or lowest level policies.

Budget use, in this case, refers to the village budget used following the needs of the village community. With the control of the community, all programs financed using the village budget will get inputs and outputs based on budget planning.

According to Mulyadi (2001), a budget is a work plan stated quantitatively measured in standard monetary units for one year. It has special characteristics including (a) expressed in monetary units, (b) for one year, (c) having management commitment, (d) the budget proposal is approved by an official higher than the budget implementer, (e) the budget is only amended in special circumstances once approved, and (f) if there is a deviation in its implementation, the cause of the deviation must be analyzed.

A village budget managed by villages aims to improve the welfare of the community and support physical and non-physical development, for example, increasing resources (such as labor and equipment), improving educational services, helping to ease the village financial burden, and so forth.

Public accountability is the obligation of the agent to provide accountability and to report all activities they are responsible for to the principal having the right and authority to demand such accountability.

Accountability itself contains a statutory obligation to serve or facilitate independent observers who have the right to report findings or information regarding financial administration. In other words, accountability in the bureaucracy of a government agency is a requirement to present and report and be accountable for all activities, especially in financial administration, for the public and all stakeholders to know.

In assessing accountability of a development program or the government, the wider community can ask the responsible party for the following: 1) to present information on government administration openly, quickly, and accurately to the public; 2) to provide satisfactory services to the public; 3) to explain how the community will be involved in the development and governance process; and 4) to provide a target for the public to assess the government performance. With public accountability, the community can assess government programs or activities (Finnet in Joko Widodo 2010).

Community empowerment is an effort to make the community independent by realizing their potential abilities. Community empowerment always involves two interrelated groups: the community as the empowered party and the empowering party (Sumodiningrat, 1999).

Closely related to community economic empowerment, the community empowerment process is directed at developing human resources (in village areas) and creating job opportunities following the wishes of the community (Mubyarto, 1998). The community determines the business types and conditions of their areas, creating institutions and service systems from, by, and for the community.

A community where most of its members are physically and mentally healthy, educated and strong, will have high empowerment. The community empowerment itself is the source of what is referred to as national resilience from the political perspective. If the community has a high economic capacity, then it is part of the national economic resilience.

Performance is a comparison between work results and established standards (Dessler, 2000). Performance is the result of work, both in quality and quantity, achieved by a person carrying out tasks according to the responsibilities (Mangkunagara, 2002). Performance management is the overall activity carried out to improve the performance of the company or organization, including the performance of each individual and workgroup in the company.

Robbins (2006) mentions six indicators to measure employee performance individually as follows. *Quality* is measured from employee perceptions of the work quality produced and task perfection on employee skills and abilities. *Quantity* is expressed in the number of units, the number of completed activity cycles. *Timeliness* is the level of activity completed at a determined time by considering output results and maximizing the time available for other activities. *Effectiveness* is the extent to which the use of organizational resources (human resources, money, technology, and raw materials) is maximized to increase the results of each unit. *Independence* is the level of employees' ability to carry out their work functions.

Commitment means employees are responsible and committed to working with the agency and office.

Ratnasari (2016) indicated that accountability, organizational factors, and performance measurement systems influenced organizational performance. This present study used the same dependent variable of *performance* and the independent variable of *accountability*. Jufri (2013) indicated that partially, the implementation of policies influenced the organizational performance of the Regional Office in Bekasi City by 38.7%, while human resources influenced the organizational performance of the Regional Office in Bekasi City by 43%.

Based on the explanation, the following hypotheses were formulated:

- H1: Policy implementation affects marketing service performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province;
- H2: Budget use affects marketing service performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province;
- H3: Accountability affects marketing service performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province;
- H4: Community empowerment affects marketing service performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province.

METHODS OF RESEARCH

This research was carried out within the community and village empowerment service, especially in Village Owned Enterprises, conducting marketing services in Sragen Regency, Central Java Province. The research was conducted in several villages namely Pelemgadung, Gabus, Puro, Jetiskarangpung, Gawan, Tangkil, Bendo, Japoh, Jabung, Duyungan, and Juwok. The research took place for nine months, from May 2019 to January 2020.

This research was explanatory quantitative, describing the actual situation in the field based on the facts and existing data, verified through statistical tests. The data collection methods were interviews, surveys, and observations, while the data analysis used the t-test method.

The population in this research consisted of 75 employees of Village Owned Enterprises, 50 village officials, and 295 villagers from 10 villages in Sragen Regency, Central Java Province. Because the population was not homogeneous, samples were selected using the Slovin formula. Thus, our sample included 42 employees, 33 village officials, and 100 villagers. Thus, the total sample was 175 people.

RESULTS AND DISCUSSION

Several stages needed to be done before testing the hypotheses. The first stage was a validity test to determine the research instrument validity. This study used a questionnaire to collect data. The instrument (questionnaire) would be valid if it had a calculated r-value $> r_{table}$. The validity test indicated the five variables were valid. The second stage was a reliability test to determine whether the instrument produced consistent data if used more than once. In this research, the reliability test was carried out using the Cronbach's Alpha technique. The instrument was declared reliable if the Cronbach's Alpha value was > 0.6 . The reliability test indicated that the instrument was reliable. The last stage was the classical assumption test. All variables met the requirements of the classical assumption test.

Hypotheses testing was carried out using a two-tailed test. If $t_{count} > t_{table}$, then H_0 is rejected and H_a is accepted. The following is the summary of the hypotheses testing and determination test:

Table 1 – Hypothesis Testing and Determination Test Results

Variable	t-table	t-count	R-square
X ₁	With df170 on α (0.05) is 1.974	13.627	0.518
X ₂		13.562	0.515
X ₃		13.934	0.529
X ₄		15.018	0.563

Source: Data Analyzed using SPSS 17.

Table 1 confirms that all hypotheses have $t_{count} > t_{table}$. Therefore, all H_a are accepted. In other words, policy implementation, budget use, accountability, and community empowerment influence the marketing service performance of Village-Owned Enterprises in Sragen Regency, Central Java Province.

The results support Jufri (2013) that policy implementation influenced the organizational performance of Regional Offices in Bekasi City. Research conducted by Ratnasari (2016) also indicated similarities with the results of this research, that accountability influenced organizational performance.

Next, the coefficient of determination for the X₁ variable is 0.518, indicating that 51.8% of marketing service performance is caused by policy implementation, while the remaining 48.2% is caused by other variables not included in the present study. The coefficient of determination for the X₂ variable is 0.515, indicating that 51.5% of marketing service performance is caused by budget use, while the remaining 48.5% is caused by other variables not included in the present study. The coefficient of determination for the X₃ variable is 0.529, meaning that 52.9% of marketing service performance is caused by accountability, while the remaining 47.1% is caused by other variables not included in the present study. Finally, the coefficient of determination for the X₄ variable is 0.566, meaning that 56.6% of marketing service performance is caused by community empowerment, while the remaining 43.4% is caused by other variables not included in the present study.

Policy becomes the basis or truth, which is the basic principle for thinking and acting so that it will be able to make things more orderly, leading to the goals set. In this research, policy implementation positively influenced the performance of the Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province, by 51.8%. Positive influence means that if the policy implementation is getting better, then the performance of Village-Owned Enterprises in marketing services will increase.

Budget use influenced the performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province, by 51.5%. This research indicated a positive influence of budget use on the performance of Village-Owned Enterprises in carrying out marketing services to the community. This means that if the budget use is getting better, the marketing service performance will also increase. On the other hand, if the budget is not properly used, the marketing service performance of Village-Owned Enterprises will decrease.

Findings indicated a positive influence of accountability on the performance of Village-Owned Enterprises in carrying out marketing services. In other words, if the accountability is good, performance will improve. Good accountability reduces opportunities for corrupt practices in improving management and implementation.

Community empowerment influenced the performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province, by 56.3%. Findings indicated that community empowerment had a positive influence on the performance of Village-Owned Enterprises in carrying out marketing services. The better the community empowerment, the better the marketing service performance will be. Empowerment is a vital element in the modern business environment. Community empowerment will be able to improve services and increase productivity.

CONCLUSION

Based on the discussion and findings, the following conclusions are drawn:

1. There was a positive and significant influence of policy implementation on the performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province, which indicated that 51.8% of marketing service performance was caused by policy implementation. The dominant indicators in the policy implementation variable were cooperation, needs, basic thinking, and success;
2. There was a positive and significant influence of budget use on marketing service performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province, which indicated that 51.5% of marketing service performance was caused by budget use;
3. There was a positive and significant influence of accountability on marketing service performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province, which indicated that 52.9% of marketing service performance was caused by accountability;
4. There was a positive and significant influence of community empowerment on the performance of Village-Owned Enterprises in carrying out marketing services to the community in Sragen Regency, Central Java Province, which indicated that 56.3% of marketing service performance was caused by community empowerment.

Based on the findings and discussion, the following recommendations are presented to improve the quality of marketing services provided by Village-Owned Enterprises to the public (village communities):

- The government may issue service standards to maintain the service quality of Village Owned Enterprises;
- The government may provide training to improve the quality of employees of Village-Owned Enterprises so they can show better performance in providing services to village communities;
- There must be innovation in making, deciding, and implementing policies because innovation will help Village-Owned Enterprises adapt to current digital trends;
- Budget use is closely related to the vision, mission, and strategic plan of Village Owned Enterprises. The budget approach must be structured to overcome various weaknesses, especially the one caused by the absence of benchmarks to measure performance in achieving public service goals and objectives;
- There must be transparency in budget use. In public sector organizations, such as Village Owned Enterprises, the public must know the budget to be evaluated, criticized, and given input to improve the service;
- Due to increasingly intense competition in the current era of globalization, it is necessary to present a competitive environment for Village Owned Enterprises;
- Innovation technology is now changing rapidly; therefore, empowering people to use advanced technology is necessary;
- Village-Owned Enterprises need to empower their employees to find innovative ways to improve their products and services to achieve higher quality and better value.

REFERENCES

1. Charles, O. J. (2005). *An Introduction to the Study of Public Policy*. USA: Brooks Cole Publishing Company.
2. Dessler, G. (2000). *Human Resource Management*. New Jersey: Prentice-Hall.
3. Finer, H. (2000). *Teori dan Praktek Pemerintahan*. Jakarta: IIP Press.
4. Jufri, M. (2013). *Analisis Pengaruh Implementasi Kebijakan Dan Kualitas Sumber Daya Aparatur Terhadap Kinerja Organisasi (Unpublished Dissertation)*. Universitas Pasundan Bandung, Indonesia.

5. Mangkunegara, A. P. (2002). *Manajemen Sumber Daya Manusia*. Bandung: PT. Remaja Rosdakarya.
6. Mardiasmo. (2009). *Akuntabilitas Sektor Publik*. Yogyakarta: Andi.
7. Mubyarto, B. S. (1998). *Gerakan Penanggulangan Kemiskinan*. Yogyakarta: Aditya Media.
8. Mulyadi. (2011). *Akuntansi Manajemen (3rd Ed)*. Jakarta: Salemba Empat.
9. Ratnasari, M. (2016). Pengaruh Akuntabilitas, Faktor Operasional dan Penggunaan Sistem Terhadap Kinerja Organisasi. *Jurnal Akuntansi dan Keuangan Indonesia*.
10. Robbins, S. (2006). *Perilaku Organisasi*. New Jersey: Prentice-Hall.
11. Rusdianto. (2006). *Akuntansi Manajemen Ilmiah*. Jakarta: Gramedia Pustaka Utama.
12. Sumodiningrat, G. (1999). *Pemberdayaan Masyarakat dan Jaringan Pengaman Sosial*. Jakarta: PT Gramedia Pustaka Utama.