Policy Implementation on Establishment and Management of Village-Owned Enterprises in Indonesia

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ABSTRACT

One of the efforts to obtain and increase village revenue was by running a business through a village-owned enterprise (VOEs). A policy was needed for utilizing village resources in establishing a village-owned enterprise. The Musi Rawas Regency Government had made a policy, namely Musi Rawas Regency Regional Regulation Number 10 of 2013, concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs). Villages of Musi Rawas Regency had implemented this regulation. This research aimed to evaluate the implementation of this regional regulation. This research method is descriptive quantitative comprises a sample survey and descriptive analysis indicators resulting from the sample survey. The population of this research was 174 Village-Owned Enterprises (VOEs/BUMDes) in Musi Rawas Regency. At the same time, the sample was 64 VOEs which was taken by referring to the Slovin formula. There were primary data and secondary ones. Primary data came mainly from the questionnaire and field observation. Meanwhile, secondary data were sourced from documents, such as archives and reports. Data were analyzed by descriptive technique. The descriptive technique was done by displaying data, assessing them, delivering argument, quoting theory for justification and confirmation, and concluding. Implementing the Regional Regulation concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs) was successful. This could be seen from several indicators, refers to Ripley & Franklin (1986), namely: 1) There existed compliance

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of policy implementers towards the content of the regional regulation. The degree of compliance was high and was in a good category. 2) The establishment and management of VOEs (the smoothness of routine functions) were also high and classified as good, and 3) The performance of the management of VOEs was also good. The impact of policy implementation (regional regulation of Musi Rawas Regency) was positive (good).

1.   Introduction

This study was on implementing Regional Regulations of Musi Rawas Regency Number 10 of 2013 concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs) (Bupati Musi Rawas, 2013). To utilize the village potentials and increase village income, the government of Musi Rawas Regency made a regional regulation to encourage villages in the Regency to establish VOEs. As a result, almost all villages had VOEs. Nevertheless, refers to Alfatih (2019), the VOEs did not seem well developed. The phenomenons were, among others, as follows:

1)   The product market was very limited
2)   The management was less skilled
3)   Village potential had not been adequately utilized

Like the coffee powder, chocolate-based products, traditional food products, various local fruits, and handcrafts were marketed only around the Regency. At best, they were purchased by outsiders when they visited the area.

Regarding VOEs management, between chairpersons and members were often split because they disagreed on something that was not very basic. For example, on issues raised in meetings, the place for a meeting or whether the chairman has to be present when decisions about some matters were about to make, and some other technical things. Moreover, in carrying out an activity, it was often without planning. The supervisory system for business assets was also not implemented properly. For instance, some equipment was not in their record or was even lost.

In terms of utilizing the village's potentials, this also seemed less encouraging. Most of the businesses engaged in trading. Only a few merchandise that they sold or produced dealt with the natural wealth owned by the villages, such as coffee, rubber tree-latex, local fruits, traditional food, chocolate fruit, palm fruit, etc. Those Village-Owned Enterprises sold groceries, building materials, cellphone, knick, cakes, equipment rental, and wedding party supplies. One of the purposes of the local government to encourage the establishment of village-owned enterprises was the utilization of village potential in the form of local natural wealth.

These conditions are also seen in the study of Ali et al. (2019), which shows that the VOEs program has not overcome it all around. This is different from Caya & Rahayu (2019), which indicates that VOEs impact the village economy. This research is follow-up research by Alfatih (2019), which focused on identifying the potential (resources) of the village. This research

188

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complements previous studies, with a different focus, by looking at the implementation of VOEs establishment policy in Musi Rawas Regency. To find out whether the policies related to VOEs have been running well or not.

2. Literature Review

2.1. VOEs as a transformation effort

One of Indonesia's priority agendas is contained in the Third Nawa Cita, which states to develop Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state. This is intended to advance the economy of rural communities and address gaps in national development. The manifestation of this is establishing VOEs, a derivative of Law Number 6 of 2014 concerning villages. Apart from that, the formation and management of VOEs are also explicitly regulated in Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 4 of 2015. VOEs is a village business characterized by collective ownership. So it is not only owned by individuals but belongs to the village government and society.

Efforts to advance the economy of rural communities and address gaps in national development are part of the transformation effort. According to Delaney, as cited in Gauthamadas (2004), transformation is an action to increase human capacity, culture, and social capital, including gender roles, vulnerable groups, socio-economic empowerment, environmental management, and local capacity building. However, has the VOEs implementation been going well? So, a study is needed related to the implementation of the policy itself.

2.2. Implementation of Public Policy

Dye (2017) defined public policy as whatever governments choose to do or not to do. Alfatih (2010) claimed that public policy was any decision or action purposely as well as legally made or taken by governments for the sake of public interest, public problems solution, public empowerment, and social welfare.

Public policies could be in various forms, such as constitution, act, regulations, decrees, and government regulations in lieu of laws. In Webster's dictionary, implementation is defined as putting rules or policies into action or applying theory into practice.

Nugroho (2016) stated that "policy implementation is a way for a policy to achieve its objectives". Another definition says that "implementation is the carrying out of a policy decision made by a public authority" (Mazmanian & Sabatier, 1983, p. 7).

Ripley & Franklin (1986) maintained that successful policy implementation was measured by three parameters: degree of compliance, smoothness of routine functions, and leading to the desired performance and impact.

These three parameters of successful policy implementation proposed in the work of Ripley & Franklin (1986) were referred in evaluating or assessing the success of the implementation of Musi Rawas Regency Regional Regulations Number 10 of 2013 concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs).

According to Rabinowitz et al., as cited in Alfatih (2012), the implementation must follow three principles. Namely:
1) Policy implementation must refer to what is said in the policy accurately
2) Policy implementation must be able to raise the commitment of the policy implementers.
3) Policy implementation must be able to fulfill the public's wishes. Therefore, there must be a consensus between the implementing organization and the prevailing political system.

In this context, the public's wishes meant the desired performance and impact that the people in villages where the VOEs are located and the people involved in the VOEs management.

3. Research Methodology

The method is descriptive quantitative. The method comprises a sample survey and descriptive analysis indicators resulted from the sample survey

3.1. Definition of Concepts

Public policy, in this context, was Regional Regulations Number 10 of 2013 of Musi Rawas Regency concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs). Compliance is the willingness to obey Musi Rawas Regency Regional Regulations Number 10 of 2013 concerning Guidelines for the Establishment and Management of Village-Owned Enterprises.

Function, in this sense, was the works of establishing and managing of Village-Owned Enterprises (VOEs) in the Musi Rawas Regency. Performance was the achievements obtained following the referenced regional regulation mandate. The impact was consequences arising from the achievement of the regional regulation objectives.

3.2. Operational Definition

The operational definition was detailed of the theory referred to. It was done to determine or localize the data to be collected in the research. The operational definition consisted of dimensions and indicators. Dimensions were measures that gauged whether or not a variable was successful or failed. Besides dimensions, there were indicators which, in this context, meant measurement. Indicators gauged dimensions. The research data collected refer to the points in the indicators column.

Table 1. Operational Definition of the Variable

Variable	Dimensions	Indicators
The implementation of Musi Rawas Regency Regional Regulations Number 10 of 2013 concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs)	Degree of compliance	1) Suitable business to village potential 2) VOEs establishment must be under village regulation 3) The establishment of VOEs based on consensus 4) The VOEs organization should be separated from the village government organization 5) The VOEs organization must consist of advisors/commissioners and operational executors 6) The village head acts as an advisor/commissioner 7) The executor of operations consists of the director/manager and head of business units 8) Business profits must be shared with the owners of capital 9) The VOEs manager must make a report to the village head 10) The village representative body should supervise VOEs

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Variable	Dimensions	Indicators
		11) Good Corporate Governance (GCG) must be applied by VOEs management.
	The smoothness of routine functions	1) Availability of adequate capital 2) Availability of adequate human resources 3) Availability of adequate budget 4) Availability of proper work equipment 5) Availability of decent place of business 6) Availability of adequate tool
	The realization of the desired performance and the desired impact	1) An increase in village income 2) The availability of business opportunities 3) The utilization of village potential 4) The ease in fulfilling the needs of the villagers 5) The villagers more prosperous 6) The image of the village government more positive

3.3. The Analysis Unit and Observation Unit

The analysis units of this research were organizations because the chosen respondents from each VOEs answered the questionnaire on their VOEs. Not their personal opinion. At the same time, observation units were whoever among each VOEs administrators/managers at the time of data collection.

3.4. Population

There were 174 VOEs in Musi Rawas Regency, which was the population of this research.

3.5. Sample

The samples were selected randomly. The number of samples was based on the formula proposed by Slovin (Umar, 2004, pp. 103-107):

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{174}{1 + 174\,(0,1)^2} = \frac{174}{2,74} = 63,50 = \mathbf{64}$$

Note:
n = sample size
N = population size
e = 10 % rate of error

Samples of this research were one of each VOEs administrator who was knowledgeable about and had the authority to present their VOEs. They were either the head, the vice, or the unit chairman. One person represented one VOEs as a respondent whom that could meet.

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3.6. Data and the Sources

There were primary data and secondary ones. Primary data came mainly from the questionnaire and field observation. Meanwhile, secondary data were sourced from documents, such as archives and reports.

3.7. Validity and Reliability Test of Instrument
3.7.1. Validity Test of Instrument

The instrument's validity could be seen from the interpretation criteria regarding the correlation index (r). The following table of correlation index (r):

Table 2. Interpretation of the Correlation Coefficient of r Value

Coefficient Interval	Relationship Level
0.800 – 1.000	Very high
0.600 – 0.799	High
0.400 – 0.599	High enough
0.200 – 0.399	Low
0.000 – 0.199	Very low (invalid)

Source: Riduwan (2010, p. 110)

Validity test results showed that all the values of the r coefficient of the instrument for the dimensions of the degree of compliance and smoothness of routine functions. The realization of the desired performance and the desired impact had a value > r table, which was 0.359 – ranging from 0,7448 to 0,945 - which meant that all instruments from these dimensions were declared valid. This showed that all items used as indicators of implementation policy (regional regulation) based on perceptions were valid as a measuring tool.

3.7.2. Reliability Test of Instrument

The alpha reliability measure can be interpreted in the following table:

Table 3. The Interpretation of Reliability Level

Alpha Cronbach Values	Reliability Levels
0.00 - 0.20	Less Reliable
0.21 - 0.40	Somewhat Reliable
0.41 - 0.60	Reliable enough
0.61 - 0.80	Reliable
0.81 - 1.00	Very Reliable

Source: Triton, as cited in Sujianto (2007, p. 91)

The reliability test in this study used the reliability formula of the Cronbach's Alpha measuring instrument. The instrument is declared reliable if the Cronbach's Alpha value is ≥ 0.61. Based on the results of the reliability test carried out on the statement of perceptions items to 20 respondents, it showed the value of Cronbach's Alpha ≥ 0.61 - ranging from 0, 766 to 0, 886 - which meant that the statements from the degree of compliance, smoothness of routine functions, and the realization of the desired performance and the desired impact were reliable.

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Therefore, all questionnaire statements were used to determine the policy (regional regulation) implementation.

3.8. Techniques of Data Collection

Techniques of data collection use questionnaire spreading, on-the-spot observation, and document study. The researchers, together with the enumerators, visited the villages directly. The questionnaires were distributed directly to the VOEs management. On the visit, besides distributing questionnaires, the research team also did direct observation. The observed things were the materials of the productions, the process, the products, the marketing system, and the product display. The documents studied were (1) Regional Regulations Number 10 of 2013 of Musi Rawas Regency concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs); (2) Notes of VOEs concerning yearly production; (3) MoU between VOEs management and the companies in the village on the production machines given by the companies. Such as coffee bean crusher, packaging tools, rack display.

3.9. Research Instrument

The research instrument used was a questionnaire. The determination of the score used the Likert scale. Riduwan (2010, p. 20) stated that the variables to be measured with the Likert scale were translated into dimensions, and the dimensions were further translated into measurable indicators. Using the Likert scale in this study was because, in its use, the Likert scale could be made and interpreted easily, and it was a form of measurement commonly used. The raw data obtained was in the form of numbers and then interpreted in a qualitative sense.

For quantitative analysis, the Likert scale's alternative answers were given a score of 1 to 5. Thus, five alternative answers to perception, namely, score categories: Score 1 categorized as Strongly Disagree, Score 2 Disagree, Score 3 Neutral, Score 4 Agree, and Score 5, categorized as Strongly Agree.

The technique of data analysis uses the descriptive technique. It was done by displaying data, assessing them, delivering arguments, quoting theory for justification and confirmation, and taking a conclusion (Alfatih, 2016). The main technique of data collection was questionnaire distribution. Numbers coded the answers of the questionnaire given by respondents (example, strongly agree was coded 1, agree was coded 2, etc.). So, the data got were in the form of numbers. These data were put into tables, displayed, and analyzed. At the same time, data from documents and observations were used as supporting data in the analysis.

4. Results and Discussion

Before doing analysis, it was essential to making a score range to create quality categories of each indicator and later for quality category average of each dimension. The score range category basically from the number of respondents (see: Not very good category, Table 4). In the process, it involved the highest score strongly agree coded 5. The lowest score was 1 for strongly disagree. The results could be seen in Table 4.

Table 4. Indicator Quality Classification Based on Assessment Score-Ranges Category

Score Ranges	Categories
64-115	Not very good
116-167	Not good
168-219	Sufficient

Score Ranges	Categories
220-271	Good
>272	Very good

The data were analyzed by dimension. It was started from the first dimension.

4.1. The Degree of Compliance to the Content of the Regional Regulation

One of the goals of establishing a Village-Owned Enterprise (VOE) as mandated in the regional regulation studied was to utilize the village's potential. In common, villages in Musi Rawas Regency were located near forests, mountains, hills, rivers, or some of them. It was, therefore, the villages had good potentials. Regarding whether the businesses run by VOEs were suitable with the village potentials, the respondents' answers were as follows.

Table 5. Quantitative Overview of Degree of Compliance to the Regional Regulations

No	Statements	Answer Options					FS	RS	Percentage
		SD (1)	D (2)	N (3)	A (4)	SA (5)			
1	Suitable business to village potential	20	15	7	15	7	**166**	320	100%
2	VOEs establishment must be under village regulation	0	0	0	40	24	**280**	320	100%
3	The establishment of VOEs based on consensus	0	0	0	21	43	**299**	320	100%
4	VOEs should be separated from the village government	0	0	2	22	40	**294**	320	100%
5	VOEs must consist of advisors and operational executors	0	0	0	24	40	**296**	320	100%
6	Village head acts as an advisor/commissioner	17	15	0	10	22	**197**	320	100%
7	Operation executor consists of manager & business unit head	0	0	0	10	54	**310**	320	100%
8	Profit must be shared with the capital owners	0	0	7	27	30	**279**	320	100%
9	VOEs manager must make a report to the village head	0	0	0	10	54	**310**	320	100%
10	VOEs be supervised by village representative body	4	5	5	20	30	**259**	320	100%
11	GCG must be applied by Voe management	0	0	0	33	31	**287**	320	100%
	Avarage Score	-	-	-	-	-	**271**	-	**100%**

Source: Questionnaire, 2019.

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Annotation:

Frequency Score (FS)	=	Answer options x score[1]
Result Score (RS)	=	Number of Respondent x 5
Average Score	=	(FS x 100%) : RS
SD	=	Strongly Disagree
D	=	Disagree
N	=	Neutral
A	=	Agree
SA	=	Strongly agree

In **Table 5**, the average score was 271, and 271 is 100 percent and, 166 was 65,5 percent from 100 percent of 271. Table 5 above showed that the frequency score of the indicator of 'suitable business to village potential' was at 166. It meant 65.5% of respondents did not support the statement. **Table 4** concerning indicator quality classification based on the assessment score ranges category was categorized as Not Good. In terms of compliance, most of the VOEs disobeyed the regional regulation. It was because they had another perception about the business of VOEs. Most respondents did not support this regional regulation's provisions because the villages' potentials were limited only to certain kinds of natural resources available in the village, such as cocoa, coffee, rubber plantation, oil palm plantation, and river fish.

Meanwhile, the needs of villagers were very diverse. This gap was what they perceive as a very promising business opportunity. After all, if all VOEs were to do the same businesses, the prices of the products would be cheap due to the abundant supply. Those disagreement respondents were reasonable since attracting customers through products was essential for business progress and profit. Kokemuller (2018) stated in his article that "product differentiation means that your product has one or more distinct attributes that separate it from competitors. While having a quality product is good, developing and articulating the qualities or features that make one product better than the competition is important to attracting value-oriented consumers. " It was clear that in terms of the first indicator, there was no compliance.

Regarding the second indicator, VOE establishment must be under village regulation. All - 100% - respondents complied with that. The score was 280 and classified as Very Good. It made sense because technically, only village regulation could regulate village needs in detail and accommodatively. The next indicator had been 'the establishment of VOEs based on consensus'. For this, 100% of respondents agreed. The score was 299, which was understood as Very Good. It could be like this because the consensus in making decisions philosophically had been Indonesia way. It was following Pancasila (five principles) as the Indonesian ideology. It could be concluded that the compliance was there, and the degree was high. While respondents' perception of VOEs should be separated from the village government, it was in the Very Good category. The percentage was 100%, and the score was 294. It was accepted that the management of the two affairs must be separated. Different organizations with disparate tasks should have their management to avoid conflict of interest. The fifth indicator, VOEs must consist of advisors, and operational executors, was well supported by all respondents. They agreed very much on this, for the executors needed some advice to direct the works to the goals. As a result, 100% or all 64 respondents agreed and strongly agreed to the proposed statement. The score was 296 and was classified as Very Good. When another expression - village head acts

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[1] FS in Statement 1: Business fits to village potentials. This statement was asked to 64 respondents. From the 64 respondents: 20 respondent answered SD to the statement. SD was coded 1. So, the process 20 X 1 = 20. So, it is with counting of D, N, A, and SA. The result : 20+30+21+60+35= 166.

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as an advisor/commissioner - submitted to the respondent, only 50% or 32 persons approved. While another 50% refused, the score was 197. It was in the score range between 168 and 219, which meant that it was sufficient. When this result was further investigated, the unsupportive respondents answered that the village head should focus on their job as the village head to work professionally.

Meanwhile, the supporting data source argued that as a village head, it was reasonable that they became a commissioner for VOEs in his village. The following sentence said, "operation executor consists of manager and business unit head". To this, most respondents – 54 people – strongly agreed. Another ten respondents just agreed. The score was 310 and was categorized as Very Good. It's common if those two basic units existed in a business enterprise. The eighth indicator of the dimension of the degree of compliance had been "Profit must be shared with the capital owners". The score of the measure was 279 and was in the position Very Good. By percentage, 89% of respondents complied with this rule.

Profit-sharing was a common practice among shareholders. After this, the 64 respondents were requested to answer this statement, and the VOEs manager must report to the village head. It resulted in all respondents supported this. The obeyed provision was put in the Very Good classification because the score was 310. Another obedience happened because the VOEs' caretakers did not mind being supervised by another side, Village Representative Body. It was proved when they were to answer this statement, and VOEs be supervised by village representative body, most of them – 50 respondents or 78% - supported it. The score was 259. Therefore, it is classified as Good.

Last but not least was the final indicator of the degree of compliance. It was GCG must be applied by VOEs management. To this statement, all respondents advocated their acceptance. The fact that 33 answers showed agree. Another 31 indicated strongly agree. It could be understood that 100% of respondents complied with this article. This indicator was placed in Very Good level. The score was 287. Relating to the importance of compliance in work, Trainor (2012) supported Ripley & Franklin (1986) by stating, "when it comes to a business and corporate management, compliance refers to the company obeying all of the legal laws and regulations in regards to how they manage the business, their staff, and their treatment towards their consumers. The concept of compliance is to make sure that corporations act responsibly. When it comes to business and corporate management, compliance refers to the company obeying all of the legal laws and regulations regarding how they manage the business, their staff, and their treatment of their consumers. The concept of compliance is to make sure that corporations act responsibly". It needs to be reminded here that if the indicator is positive, then the dimensions will be positive. It is because the indicator has become the measure of the dimension and vice versa.

From the discussion, it could be found that there was one indicator – the first indicator – was classified as Not Good. One indicator, the sixth indicator, had been Sufficient. Another indicator – indicator number 10 - was grouped into Good. There existed eight indicators that had been categorized into Very Good. The average score of the degree of compliance dimension was 271 and was categorized as Good. In general, nine indicators showed compliance, and it was very high. In terms of degree compliance, it could be concluded that referring to the theory proposed in the work of Ripley & Franklin (1986), the implementation of Musi Rawas Regency Regional Regulations Number 10 of 2013 concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs) had been successful.

The next indicators that would be analyzed belonged to the second dimension, smoothness of routine functions. It would also be discussed one after another. For the data, see **Table 6**.

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Table 6. Quantitative Overview of Smoothness of Routine Functions

No	Statements	Answer Options					FS	RS	Percentage
		SD (1)	D (2)	N (3)	A (4)	SA (5)			
1	Availability of adequate capital	8	10	11	31	4	**175**	320	100%
2	Availability of adequate human resources	5	5	7	27	20	**244**	320	100%
3	Availability of adequate budget	4	7	13	30	10	**227**	320	100%
4	Availability of proper work equipment	4	5	11	20	24	**247**	320	100%
5	Availability of decent place of business	2	4	2	40	16	**256**	320	100%
6	Availability of adequate tool	2	4	4	24	30	**269**	320	100%
	Total score	-	-	-	-		236	-	**100%**

Source: Questionnaire, 2019.

Annotation:
Frequency Score (FS) = Answer option x score
Result Score (RS) = Number of Respondent x 5
Score = (FS X 100%) : RS

Data in **Table 6** above, especially those related to the availability of adequate capital for VOEs in Musi Rawas Regency, indicated that some respondents refused that statement. It meant in their perception it was not right. Nevertheless, most of the respondents had quite different points of view from those who disagreed. They, as much as 54.69%, were so sure and supported the statement. This first indicator of smoothness of routine functions was on Sufficient level because the score was only 175. Regardless of the adequate business capital, those VOEs still run their businesses and are always ready to get aids from any side for more capital.

Unlike the first indicator, the second parameter of smoothness of routine functions dimension seemed better. Forty-seven respondents, or 73.44 %, were confident with the human resource adequacy of VOEs of the Musi Rawas Regency. The management of each VOEs had a diverse number of caretakers ranging from 6 to 12 persons depending on the business run, location, operation longevity, and size. The VOEs whose business related to village natural wealth, like rubber trees or palm oil plantations, needed more employees than those selling groceries or others. The score of this indicator had been 244 and was in a Good category.

The next point of analysis was budget. The budget had been quite dissimilar from the capital. It was a part of the capital. Not all capital had become budget. Concerning the say 'VOEs had an adequate budget or availability of adequate budget, 62.51% or 40 respondents thought it was true. It was proved by the fact that the VOEs still run their businesses somewhat well. The score of this part was not that bad. The figure was 227 and was in Good as well.

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The fourth indicator denoted that it was in the position of Good. It was symbolized by its score, which was 247. Forty-four respondents supported the statement "availability of proper work equipment", which meant that the VOEs they worked for had feasible working tools. The respondents were knowledgeable about their VOEs and had the authority to represent their VOEs. Therefore, their opinions should be heard. From 64 respondents, 87% of them supported the proposed statement.

Infrastructure is very decisive for the success of the job. If the condition were inadequate, the work atmosphere would be uncomfortable. It could lead to working failure. When respondents were asked to answer the sentence whether places of business of the VOEs were decent (availability of decent place of business), 94% supported – 40 respondents agreed. Another 16 ones strongly agreed. In this situation, the score of the fifth indicator was 256. It went to Good classification.

Besides the decent business place, working tools also played a very important role in determining success. The VOEs management, therefore, should give much attention to them. When the respondents were to choose one out of five answer options - Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A), Strongly Agree (SA) - to the statement "availability of adequate tools", it could be found out two respondents strongly disagreed, four disagreed, four were neutral, 24 agreed, and another 30 strongly agreed. It could be seen that most respondents – 54 persons or 84.4% - supported that statement. As a whole, the score was 269, and it was classified into the Good category.

Work is fun and meaningful if everything runs smoothly. Meaningful work encourages performance accomplishment. Regarding meaningful work, van Wingerden & van der Stoep (2018) claimed meaningful work has a positive relationship with an employee's performance in several interrelated ways, via employees' use of strengths, via work engagement, and via strengths use affecting work engagement.

The discussion above provided the following information, namely:
1) 54.69% (35 people) respondents had no objection to the sentence that said there was "availability of adequate capital" for the VOEs. The indicator category was Sufficient.
2) Indicator "availability of adequate human resources" of the VOEs was at a Good level. It was supported by 47 out of 64 respondents or 73.44 %.
3) The position of the third parameter had been Good as well due to its 227 score.
4) 44 respondents supported the statement "availability of proper work equipment". It was at 247 scores and was Good.
5) The score of the fifth indicator was 256. It went to Good classification.
6) 54 persons, or 84.4%, supported the statement "availability of adequate tools". As a whole, the score was 269, and it was classified into the Good category.

The second dimension - the smoothness of routine functions - of successful policy implementation had been Good with a score was 236. Referring to the theory presented by Ripley & Franklin (1986), it could be concluded that - in terms of the smoothness of routine functions - the implementation of the policy, the regional regulation, had been successful.

Finally, it came to the last dimension of successful regional regulation implementation: the desired performance and impact. The analysis was begun from the desired performance. The collected data were as follows.

Table 7. Quantitative Overview of the Desired Performance

No	Statements	Answer Options					FS	RS	Percentage
		SD (1)	D (2)	N (3)	A (4)	SA (5)			
1	An increase in village income	2	5	13	22	22	**249**	320	100%
2	The availability of business opportunities	0	0	0	10	54	**310**	320	100%
3	The utilization of village potential	10	5	5	9	35	**246**	320	100%
	Total score	-	-	-	-	-	268	-	**100%**

Source: Questionnaire, 2019.

Annotation:
Frequency Score (FS) = Answer option x score
Result Score (RS) = Number of Respondent x 5
Score = (FS X 100%) : RS

Assessing performance had been extremely essential to do. To find out the obtained performance whether it had reached as it should be or not. DeNisi & Pritchard (2006) stated, "designing and implementing appraisal and performance management systems whose goal is performance improvement is something very important".

Data in **Table 7** were related to the scores of 3 indicators of the desired performance dimension of successful implementation of regional regulation in Musi Rawas Regency. When they were asked to answer the statement "an increase in village income," which meant the village's income increased due to VOEs business, there were 44 or 69% respondents who supported that statement quantitatively. It showed that the business of VOEs had been successful and earned some profit and some of the profit went to the village government bank account. It made the village budget increasing. VOEs' businesses that tended to be profitable were related to daily needs, like groceries supply, raw material for construction, tool rental, wedding facilities rental, and others. Meanwhile, other businesses associated with the natural wealth of the village - for example, rubber tree sap, oil palm fruit, ground coffee, cocoa-based products, and fresh fish-based foods - were also profitable, but they were volatile. The profits were volatile because this business depended on the season, demand and prices in the market.

The second indicator of the desired performance dimension had been "the availability of business opportunities". To this statement, all respondents (100%) gave their back up. They agreed that the establishment of VOEs created business opportunities for the concerned villagers. The villagers could become suppliers for the VOE in their village or work for the VOE itself. So, this indicator was classified into the Very Good category.

The last indicator had been the utilization of village potential. The answer of the respondents varied, like ten respondents strongly disagreed, five persons disagreed, five answers showed neutral, nine said agreed, and another 35 participants strongly agreed. From the data, it could be seen that most respondents, 44 persons or 69%, supported the statement. For this, the score was 246 and categorized into Good. Some of the respondents seemed against

the proposed statement because currently, many kinds of merchandise or products were sellable. Not only limited to the natural wealth owned by the village.

The discussion on the three indicators of the desired performance dimension above indicated that the score of the first indicator was 249, the next one had been 310, and the last parameter was 246. On average, the score of the dimension of the desired performance had been 269, and it was in the position of Good. It implied that the desired performance had been accomplished. If the implementation of a policy caused performance good, it could be concluded – refer to the theory of Ripley & Franklin (1986) – that the implementation was successful.

Finally, the analysis came to the desired impact as a part of the last dimension of successful policy implementation. This dimension consisted of 3 indicators as well. They were the ease in fulfilling the daily needs of the villagers, the villagers more prosperous, and the image of the village government more positive. The data about the three indicators could be seen in the following table.

Table 8. Quantitative Overview of the Desired Impact

No	Statements	Answer Options					FS	RS	Percentage
		SD (1)	D (2)	N (3)	A (4)	SA (5)			
1	The ease in fulfilling the daily needs of the villagers	4	4	2	30	24	**258**	320	100%
2	The villagers more prosperous	7	8	5	40	4	**218**	320	100%
3	The image of the village government more positive	5	5	5	30	19	**245**	320	100%
	Total score	-	-	-	-	-	240		**100%**

Source: Questionnaire, 2019.

Annotation:
Frequency Score (FS)   = Answer option x score
Result Score (RS)   = Number of Respondent x 5
Score   = (FS X 100%) : RS

The score belonged to the first indicator - the ease in fulfilling the daily needs of the villagers - in the table above was 258. It was in the category Good. The reasons for getting support from 54 people are because since the VOEs existed in their villages, some of their daily needs, such as groceries, building materials, cellular telephones and the knick-knacks, were easier to get. It seemed that the excuses were so simple, but they were factual. The residents of some villages used to be hard to get some of their daily life since some villages were difficult to reach or some were unreachable through land transportation - like Sri Pengantin, Belani, and Napallicin villages - because the condition of roads was extremely bad. Some villages even had

no access to land transportation. They were very isolated. They took river transportation instead.

Concerning the second indicator, from 64 respondents, only 69% supported the statement "the villagers (became) more prosperous". When they were asked whether it was confirmed that the villagers became more prosperous due to the existence of the VOEs, they answered yes since they could fulfill some of their daily needs more easily. In their perception, the easier way to fulfill their daily needs was understood as being more prosperous. It was that simple. The score of this indicator was only 218, and it was categorized into Sufficient, then.

Last but not least was the last indicator of the last dimension. It was "the image of the village government more positive". There were 49 out of 64 respondents who said that. They considered making VOEs available in their villages meant the village governments did their works, and it was good. The score was 245, and it was in a Good category. A village having VOEs had been a prestige both for the village itself and the residents as well. A VOEs was a symbol of progress – just like a supermarket in a city area. Unlike traditional groceries stalls, VOEs had a better building, located at a considered strategic place, had become a gathering point for young people, and – of course – selling more merchandise.

The scores of the three indicators - of the desired impact dimension – were various. They were 258, 218, and 245. On average, the score had been 243. It belonged to the dimension of the desired impact. This score was between 220 – 271 (see **Table 4**) and classified into the Good category. To find out all indicators by category, the recapitulation of them was presented as follows.

Table 9. Recapitulation of Indicator

No	Indicator	Score	Value Categories
1	Suitable business to village potential (Dimension of the degree of compliance)	166	Not Good
2	The village head acts as an advisor/commissioner (Dimension of the degree of compliance)	197	Sufficient
3	Availability of adequate capital (Dimension of routine function smoothness)	175	Sufficient
4	The villagers more prosperous (Dimension of the desired impact)	218	Sufficient
5	Availability of adequate budget	227	Good
6	VOEs be supervised by village representative body	259	Good
7	Availability of adequate human resources	244	Good
8	Availability of proper work equipment	247	Good
9	Availability of decent place of business	256	Good
10	Availability of adequate tool (Dimension of routine function smoothness)	269	Good
11	An increase in village income	249	Good
12	The utilization of village potential (Dimension of the desired performance)	246	Good
13	The ease in fulfilling the daily needs of the villagers	258	Good
14	The image of the village government more positive (Dimension of the desired impact)	245	Good

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No	Indicator	Score	Value Categories
15	VOEs establishment must be under village regulation	280	Very Good
16	The establishment of VOEs based on consensus	299	Very Good
17	VOEs should be separated from the village government	294	Very Good
18	VOEs must consist of advisors and operational executors	296	Very Good
19	Operation executor consists of manager & business unit head	310	Very Good
20	Profit must be shared with the capital owners	279	Very Good
21	VOEs manager must make a report to the village head	310	Very Good
22	GCG must be applied by VOEs management (Dimension of the degree of compliance)	287	Very Good
23	The availability of business opportunities	310	Very Good

The results contained repeated statements since the statements were the summary (point) of each indicators analysis. The repeated statements were the basis of making the general conclusion of each dimension. The theory by Ripley & Franklin (1986) - referred saying the success of policy implementation is measured by three parameters or dimensions, namely the degree of compliance (to the policy content), the smoothness of routine functions (the establishment and management of VOEs), and the realization of the desired performance and impact. From the data analysis, it could be found the following information:
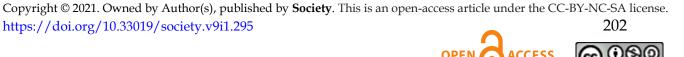
1) There existed compliance of policy implementers towards the content of the policy (regional regulation of Musi Rawas Regency). The degree of compliance was high, with a score of 271 and was in a good category.
2) The establishment and management of VOEs (the smoothness of routine functions) were also high, with a score of 236 and classified as good.
3) The performance of the management of VOEs was also good, with a score of 268. The impact of policy implementation (regional regulation of Musi Rawas Regency) was positive/good, with a score of 240.

By variable, the score has been 254. When it is referred to Table 4 above, this score is classified into the good category.

5. Conclusion

From the analysis above, it could be concluded that the implementation of Regional Regulation of Musi Rawas Regency Number 10 of 2013 concerning Guidelines for the Establishment and Management of Village-Owned Enterprises (VOEs) was successful. Refers to Ripley & Franklin (1986), this could be seen from several indicators: 1) The degree of compliance was high and was in a good category. 2) The smoothness of routine functions was also high and classified as good, and 3) The realization of the desired performance and the desired impact was positive (good).

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7. Declaration of Conflicting Interests

The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

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