

Accelerating Rural Development in Central Java Indonesia: Connecting Leadership, Social Capital and Policy in Local Context

Cahyo Seftyono¹, Muhammad Luthfi, Annisa Maharani Rahayu¹, Ustad Mangku Alam¹

¹Political Science Program, C4 building 1st Floor, Univ. Negeri Semarang, Semarang 50229 Indonesia

²Taiwan and Asia Pacific Studies, Tamkang University No.151, New Taipei City 25137, Taiwan (R.O.C.)

³Indonesian Institute for Development and Social Studies, Semarang 50236 Indonesia
Email: c.seftyono@gmail.com

Abstract: Leadership is a key role in current local politics issue in Indonesia, especially in rural areas. Law no. 6 of 2014 promotes village to provide optimal service, either through the village official's performance or its rules supporting the rural development process. This study aims to observe whether there are effects to structural dimension, rational dimension, and cognitive dimension of social capital to the village official's performance in Central Java. This study using questionnaire by 95 people from 1550 village official obtained from Slovin's formula with 10% standard error spread across four sub-district in Central Java. The method used in this study involved questionnaire, documentation, observation and interview. The conclusion in this study is addressed to the village officials to optimize their social capital, especially structural, rational and cognitive dimension which are strategic to improve individual performance of village officials.

Keywords: Leadership, Social Capital, Village Development, Central Java

1. Introduction

The lowest local institution in Indonesia administratively consists of two forms: Desa and Kelurahan. Desa is an autonomous institution with its own culture, custom, and rules and it is relatively independent. Historically, desa is a pioneer of the formation of political and governmental society in Indonesia far before this country formed. One of the examples of institutions mentioned is "Nagari" in Sumatra Barat, which socially and politically has different influence from other villages in Indonesia. The social structure of desa, indigenous people, and others has become a very important social institution that enables villages to have their own special autonomy to develop their area. This is a consequence of direct village leader election, different from kelurahan that is set by the government.

In desa there is organizational structure that describes leadership and institutional and social networking. It comprises of the leader of the village, called kepala desa and village board, which run their function in accordance with the existing rule of the society of the village. Village board or 'perangkat desa' as in Law No. 6 of 2014 plays important role in administrative process and development process in the village, besides helping the task of the leader. Village leader runs the village governance and the village board is appointed and got the push from the leader. In the other words, board village is a quite important support system in defining the failure or the success of village development. Thus, the improvement of village board's performance is needed to support the better process of village development. Village board's performance as an individual in a governmental organization requires deep study towards village board influenced by social capital. According to social capital in individual level is individual's ability to access and use resources attributed to social network to achieve certain aim. Social capital as an investment in social network and each individual



involved in that social network gets benefit for themselves and also for their organization. In the context of the village in Central Java, there are some social capital aspects that lift their performance up to become institution that boosts the development. Central Java that is known as religious and has Javanese values is able to bring up religious and cultural bonding as a control of government's performance. Religiosity, Volunteering dan Social Capital, as in the study in Finlandia is a relationship that is connected.

2. Methodology

This research uses mixed methods research approach. This approach enables the researcher to analyze the finding in the field with quantitative data, which explores using qualitative approach by interview, and other secondary data. For example, the data finding, which based on the questionnaire, could be better explained. From the quantitative point, this research involved population as many as 1599 village board spreading across four sub-districts in Central Java. The sample collecting process in this research uses Simple Random Sampling. This sample collection used to randomly define sample of this population without paying attention to the stratification in this population, this method used in population assumed as homogenous. While the formula to determine the sample uses Slovin's formula to determine the amount of sample, with the result of 95 people, the village board who become sample in this research. The variable in this research is divided into independent variable and dependent variable. Independent variable in this research includes social capital structural (X1), rational dimension (X2), cognitive dimension (X3). Meanwhile the dependent variable in this research is the performance (Y) of village board.

The analysis of trial questionnaire data done with validity test shows all points of the question validated, while the result of reliability test shows that $r_{count} > r_{table}$ so the result is $0.96 > 0.444$ so could be concluded that all questions are reliable. The collecting data technique uses questionnaire, observation, documentation, and interview. Whereas data analysis method uses descriptive analysis, double regression test, hypothesis test, and determinant coefficient test. Qualitative work in this research used by interpreting the questionnaire finding which strengthened by secondary data analysis, such as government's data and the results of the previous studies. The existing questionnaire is sufficient to be analyzed both quantitatively and qualitatively. This is because in the questionnaire spread, beside closed questions, there are also semi-open questions and open questions.

3. Literature Review

3.1. Local Leadership and Institution Performance

The approach related to leadership could be seen from what stated by Luthans. According to Luthans, leadership has five kinds of approach: natural character, group, situation, bonded aim, and also social interaction. The first approach, natural character approach, is leadership has central role in the person or the leader itself. The second, group approach, assumes that the leader brought up by the social interaction in the society that dynamically influencing each other. The third, situational leader, views that leader turns up adjusted with whether one is appropriate or not in a certain condition. The forth, bonded aim, the leader supposes to motivate each other. The fifth is the latest approach, social interaction.

The incision of Luthans leadership models are related with leadership effectiveness could be derived to three important aspects: Personal Leadership, Community, and Institutional Power. McGehee et.al gives prime importance to personal leadership. Personal leadership has very important role in initiating development ideas, especially the local tourism based. In which, this leadership is proven in community interaction process and the ability in coordinating various institutions. The finding of McGehee et al mentions that it is important to have individual involvement of the leader in creating good social capital. Moscardo for instance, emphasizing more on the importance of community in the emerge of innovative leadership. According to Moscardo, development in local level obligates communities' involvement in the society. Leader can't realize his own development

ideas alone, due to the need to build movement networking and common desire of the community to grow to develop. Horlings dan Padt says that leadership in development is based on the personal skill as well as institutional power. In this case, effective leadership can't only run through good personality of the leader, it also requires qualified institutional power to support performance and leadership vision owned by the motor of development.

3.2. *Social Capital and Development*

Development nowadays can't be separated from social capital aspect. Social capital becomes important considering that development is dialogical process, not one-way, of each actor in an institution, both governmental and non-governmental. Furthermore, social capital enables development to set place for the actors, society, and also supporting development institutions together to reach same development vision for the common goal. Moreover, social capital indicators itself does not start from the one and only cognitive awareness. All is not thing to understand, but also thing to put into action in structural and rational approach. Reality in the relation between actors in a system is not only coming from understanding and interest of an actor, but also how they bring it up in structural framework, superior subordinate relationship, the relationship between superior and subordinate. In this context, social capital then enables interest approach of a leader to the people he leads.

4. Findings

4.1. *Local Leadership and Social Capital in Development Process*

Leadership in a local institution scope could be seen from this finding of leadership effectiveness study and social capital that supports its leadership. Leadership can't go alone, just by relying on individual influence; instead it requires a system within the society that supports the leadership. Good interaction between the leader and the existing social capital will enable the development runs sustainably through the support of good performance of the institution board. This is also what happens in development process in the villages in Kudus Regency, where the leaders have influence over the performance of the village boards. This is a case where village board has influence over the development.

4.2. *The Result of Double Linier Regression*

Double linier regression analysis is used to know the influence between independent variable and dependent variable that are: Structural Dimension (X1), Rational Dimension (X2), Cognitive Dimension (X3), and Performance (Y). This research uses double linier regression analysis by using digital counting of IBM SPSS Statistics 0:

Table 1. The Result of Double Linier Regression Counting

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.380	3.379		.408	.684
Structural	.314	.119	.182	2.651	.009
Rational	.533	.152	.337	3.505	.001
Cognitive	.803	.183	.424	4.391	.000

a. Dependent Variable: Performance

The *Coefficients* table above resulted regression coefficient for independent variable which is structural dimension variable (X_1) 0.314, rational dimension (X_2) 0.533, and cognitive dimension (X_3) 0.803 with the constants of 1.380 so the regression equation model got is: $Y = 1.380 + 0.314X_1 + 0.533X_2 + 0.803X_3$. The equation means: 1). The constants value is 1.380 (with positive value) shows that when structural dimension variable, rational dimension, and cognitive dimension assumed as zero so village board performance remains the same. 2). From the calculation structural dimension variable (X_1) that is 0.314, rational dimension (X_2) as much as 0.533, and cognitive dimension (X_3) that is 0.803 all variable get values with positive sign. This means if there is increase on one of the variables the village board performance (Y) must follow with the assumption both variable remains the same.

4.3. The Result of Hypothesis Testing

Simultaneous hypothesis testing (F testing) is used to study dependent variable (village board performance) towards independent variable (structural dimension, rational dimension, and cognitive dimension) simultaneously (simultaneous) with significance level used $\alpha = 5\%$ and $df(k:n-k-1)$.

Table 2. The Result of Simultaneous Hypothesis Testing

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1456.199	3	485.400	61.570	.000 ^b
Residual	717.422	91	7.884		
Total	2173.621	94			

a. Dependent Variable: Performance

b. Predictors: (Constant), Cognitive, Structural, Rational

Based on Table *anova* above, shows that F calculation = 61.570 with significance $0.000 < 0.05$ this result shows F calculation is significant. So the hypothesis “there is influence between structural dimension, rational dimension, and cognitive dimension of social capital towards village board performance in Kudus Regency” is valid. These three dimension are important thing both to accelerate performance and also to attract the participation of public with different background in participating on village development.

4.4. The Result of Determinant Coefficient Calculation

Determinant coefficient testing is meant to know the rate of relation or influence of independent variable (structural dimension, rational dimension, and cognitive dimension of social capital) towards variable dependent (village board performance). The bigger value of the determinant will bring the bigger variant contribution to the dependent variable.

Table 3. The Result of Simultaneous Determinant

Coefficient Calculation

Summary Model^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 ^a	.670	.659	2.80780

a. Predictors: (Constant), Cognitive, Structural, Rational

b. Dependent Variable: Performance

Based on table *Summary Model* above shows the value of Adjusted $R^2 = 0.659 = 65.9\%$ this result shows that independent variable which are structural dimension, rational dimension, and cognitive dimension simultaneously influenced by dependent variable which is village board performance as much as 65.9%. In its relation with leadership, so could be seen that structural dimension has significant influence in shaping the pattern of good performance for people in the government [21] [22]. This structural dimension in its relation with democratization and village leadership means each leader of the village elected through village election (Pilkades) has big influence in organizing the flow of the village policy. This is a little bit different with local institution named *kelurahan* set by the municipality. As the consequence of election, village leader has an authority in deciding the flow of the policy and managing the budget within.

4.5. The Result of Partially Determinant Coefficient Calculation

The rate of the influence of each independent variable towards dependent variable can be seen from the value of determinant coefficient partially (R^2) of each variabel. The result of partially determinant concluded in the table as follow:

Table 4. The Result of Partial Determinant Coefficient Calculation

Coefficients^a

Model	Correlations			Collinearity Statistics	
	Zero-order	Partial	Part	Tolerance	VIF
(Constant)					
Structural	.523	.268	.160	.773	1.293
Rational	.744	.345	.211	.393	2.543
Cognitive	.766	.418	.264	.389	2.569

a. Dependent Variable: Performance

Based on the coefficient above could be seen that the rate of structural dimension influence towards village board performance is as much as 7.18% taken from partial coefficient of structural dimension variable squared $(0.268)^2 \times 100\%$. The rate of rational dimension influence toward village board performance is 11.90% taken from partial coefficient of structural dimension variable squared $(0.345)^2 \times 100\%$. The rate of structural dimension towards village board performance is 17.47% taken from partial coefficient of structural dimension variable squared $(0.418)^2 \times 100\%$. This shows that cognitive dimension variable gives bigger influence towards village board performance compared to structural dimension and rational dimension variable.

The most dominant cognitive dimension in influencing village board performance and village development tracked through personal approaches of the local leaders. The use of easy-understand language to the staff, until the ability in organizing the staff and people to succeed the program, apparently has positive influence on staff performance, as well as optimizing the upcoming policy.

Due to village board in Kudus Regency chosen by village leader, their performance in implementing policy becomes mutual relation. This relation, is not only institutionally limited to village leader and staff, but also with the people. In doing their job and authority, village board is responsible to village leader. Village leader is from the people one who meets the standard. In this case, structural approach becomes more dominant in government staff effectiveness framework. Due

to the hardness of government job, village board has to possess sufficient ability to support village leader in running government and development. Autonomous framework effectively and efficiently runs when there is synergy of leader's vision and authority mandated.

The genuine, full, and complete village autonomy is also given by the government as a legal society that originally has structure based on prerogative right, village could change the rule, both public law or civil law. This approach causes development is no longer top down based, but bottom up [26]. One of village elements who owns authority to help and support village activity is village board, so this research tries to dig social capital of the village board in supporting village board performance process.

5. Conclusion

Leadership and social capital are two important keys in influencing village board performance in Central Java. The leadership consists of honesty, trust, and ability to organize the institution. On the other hand, social capital is also an important aspect to maximize village board performance because the bonding between the actors in a system enables the system supportively and simultaneously runs towards positive aims. In the level of village board performance in Central Java, could be seen that village leader, staffs and he people support each other. Village board performance significantly influenced by structural factor turns to be leadership formal relation. Meanwhile cognitive awareness influences the value and norm imparting in the village government system, so generally village and the people will synergize to work for the same development vision.

6. References

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