



THE INFLUENCE OF POWER AND COMMITMENT ON THE IMPLEMENTATION OF STRATEGIC MANAGEMENT IN VILLAGE GOVERNMENT (Study on Village Government in Sidoarjo)

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ABSTRACT

Strategic management plays an important role in village governance to improve the quality of public services. The Village Government receives substantial funding but has not been followed by adequate strategic management governance. Changes in policy, environmental change and the ability to deliver better quality public services have become the demand for village governments to adapt their institutions for developments and changes. This research focuses on the influence of power and commitment on the application of Strategic Management in Village Government (Study on Village Government in Sidoarjo District). This study aims to explain whether power and commitment have a significant effect on strategic management in Village Government. The research was conducted by using questionnaires to test the research variables from Respondents. The results explain the influence of the two variables and the results are analysed using WarpPLS. The results of this study indicate that the two variables positively affect the implementation of strategic management in village government. Expert and reverend based power and continuance commitment have a positive effect on the implementation of strategic management in village government. The results of this study will play a significant role in helping Village Governments analyse the factors that influence strategic management governance.

KEYWORDS: Strategic Management, Village Governance, Power And Commitment.

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INTRODUCTION

In the year 1990s there where transformation of a centralized government system into a decentralized one. Decentralist means to hand over government affairs to an autonomous region based on the principle of autonomy. Environmental change in Indonesia is part of the globalization around the world. The ease of communication and information exchange enables everyone to connect without borders / countries, wherever and whenever through electronic or printed media. The changing environment and the dynamics of the community requires the government to be more nimble in preparing its work program in order to survive and even able to improve its performance in the future. To meet these demands, the Government seeks to improve its governance to be clean of corruption, transparent by applying good governance and good local governance. For long-term purposes, the

Government has also begun to implement strategic management of government in terms of reinventing Government. The government sees the successful implementation of strategic management in the private sector, so the government begins to study its application in the government sector. On the other hand, the Government seeks to prioritize development in accordance with the agenda or program NAWACITA. The 3rd point of the 9 priority point of the development program emphasizes the importance of Indonesia's development from the periphery by strengthening the regions and villages within the framework of the country. To fulfill the priority commitment of the village development, the Government budgeted the Village Fund in RAPBN 2017 amounting to Rp.60 trillions. The amount of village funds has increased 3 times from the 2015 budget year and increased 28% of village funds in 2016 amounting to Rp 49.96 trillion. The amount of village funds is still not followed by reliable and strategic management.

Government management was initially top down starting from the disbursement of funds from the government to the priority of the planned development program. The government considers the public to be apathetic, ignorant and tends to take advantage of the funds disbursed by the government. But that view began to fade as people began to be trusted to participate in development. The success of the PNPM Mandiri program where communities participate in development in their villages is generally considered successful. This means that if people are given the confidence to determine the type and process of development they need, then more tangible and sustainable results are more prevalent. The PNPM Mandiri program is assisted by the World Bank with a Community-Based Development model. This approach model emphasizes the development of suitability between the organization and its environment. This achievement of conformity is assessed by strategists through analysis of strengths, weaknesses, opportunities, and threats, known as SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). This assessment leads organizations to develop strategies for building strengths, overcoming weaknesses, preventing threats, and exploiting opportunities.

The Government passed Law No. 25 of 2004 on National Planning System which guides strategic planning containing vision, mission, preparation, stipulation and implementation of plan and evaluation of plan implementation contained in Government Work Plan (RKP). There is no longer the Guidelines of State Policy (GBHN). In accordance with the Minister of Home Affairs Regulation No. 54 of 2010 Concerning Stages, Procedures for Formulating, Controlling, and Evaluating the Implementation of Regional Development Plans Chapter I Article 1.12 The Local Government Work Unit (SKPD) shall prepare a Strategic Work Plan (RENSTRA) for 5 years. According to the Minister of Home Affairs Regulation No. 66 of 2007 on village development planning chapter II.2 (3) RPJM Desa is a strategic plan of village development. Village RPJM according to article 12 is prepared as well as SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) and aligned with strategic planning from Local Government.

The conditions of village government management are weak and lacking direction. There are still many activities that are done not in accordance with the plans / wishes of the villagers, not according to the provisions, not directional and overlapping. On the other hand the community as consumers feel that the results / output activities felt less touch / benefit for the community. Based on KPK's review, the management of village administration has not been followed by reliable and strategic management. According to Kuswandro (2016) the management of village administration is still weak in planning inputs (social mapping, capability of government officers) and services that have not been followed performance measurement feedback. Based on the review of BPKP Research Center (2016) village fund management is still weak in accountability, disharmony of pemkab development with pemdes, unsuitable planning. With the increase of village funds in 2016 and 2017, the management capacity of Village Governments is also increasing and more strategic in line with the number of training and socialization of village management by government officials and appointed consultants. However, factors affecting the

application of strategic management to village governance have not been widely discussed. Strategic planning is needed to plan and implement targeted, integrated activities and deliver better results and value to the community. The importance of this strategic plan includes: helping organizations to establish management direction, clarifying priorities and establishing policy or making decisions in the budget (Berry et al., 1995), propose a structured, sequential approach to managing the high complexity, the non-sequential problem facing governments (Eadie et al., 1982), as a mechanism for incorporating rational-technical perspectives in government processes (Roering et al., 1987) , corrects the formulation of the strategy at an early stage and pays special attention to the implementation and evaluation of the strategy in the final stages (Liou, 2000), as a necessity for strategic reactions to threats and opportunities to be faced (Tampubolon, 2002).

The benefits of applying strategic management in Government in general, among others: improving performance and service to the community (Setijabudi, 2010), as a proven tool for highly effective strategic planning in the public transport sector in the United States Government (Ugboro, 2010), giving direction to large and complex government organizations and grant autonomy to every limited level so that it understands which roads will go so concrete results can be achieved (MCLarney, 2014), have a positive impact on public confidence and economic stability. Whereas from the financial point of view according to Eastlack and McDonald's (1970) research, Thune and House (1970), Ansoff et al. (1971), Karger and Malik (1975), and Hofer and Schendel (1978) the implementation of strategic management improves performance and profitability. A formalized strategic management process provides increased profits, sales and investment returns (Daniels, 2016)

LITERATURE REVIEW AND HYPOTESHIS

Strategic Management

Strategic management can be understood as an art and science to formulate, implement and evaluate key decisions in achieving organizational goals (Nemec et al., 2003). The elements of strategic management consist of vision and mission, analysis of the external and internal environment of the organization, strategy selection, strategy implementation, and strategy evaluation (Rivai, 2005). Strategic management in non-profit / governmental organizations is different from the private sector. This difference is mainly due to differences in characteristics between the two. Nawawi (2003) stated that the difference of strategic management characteristic in profit organization and nonprofit lies in value and purpose. The underlying profit organization characteristic is free competition, whereas nonprofit organization is devotion and humanity. The goal of a profit organization is to maintain existence and achieve sustainable competitive advantage. While the purpose of non-profit organizations is to improve the welfare of the community. The existence of these characteristic differences causes private sector management concepts and practices not to be applied fully to the non-profit sector. However, it does not mean that the non-profit sector cannot be done with entrepreneurial management.

According to Osborne et al (1992) there are ten principles in applying entrepreneurship to government: first, the government becomes the director rather than being the executor. Second, the government empowers the community rather than continuously serving the community. Third, the government injected the spirit of competition into the body of its organization. Fourth, the government units are given freedom in creating and innovating. Fifth, the government should be more concerned with the outcome than focusing too much on the input or output factors. Sixth, the government attaches importance to the fulfillment of customer satisfaction, instead of fulfilling what the bureaucracy's own will. Seventh, government business entities must be good at making money and not just spending it. Eighth, the government has anticipative power to prevent rather than just tackle the

problem. Ninth, the pattern of government work is not based on hierarchy but is participation and cooperation. Tenth, the government makes changes that involve the wider community through its regulation of market mechanisms.

Strategic management in a non-profit organization environment has been studied by Stone et al. (1999). His research was conducted on 65 scientific journals related to strategic management within the nonprofit organization within 20 years (1977-1997). From the results of the study Stone concluded that the strategic management in the environment of non-profit organizations is divided into several focus studies, namely; content / strategy content (resources, environment, relationships between founders, organizational goals), strategic formulation (formal planning, organization size and goal, structure board of management, growth), strategy implementation (leader behavior, structure of authority, values and interaction, interorganizational network), performance (output and outcome). Given the complexity of strategic management issues within a non-profit organization environment, a proper theoretical framework is needed as a research base.

Miller et al (2003) approached the three theoretical behaviors of government organizations in relation to strategic management. The theory used is agency theory (focus on managers or director), resources dependence theory (focus on resources) and institutional theory (focus on institutional). The results of the study show the influence or role of Manager or Director is stronger than others in the application of strategic management in government. The role of strong managers or directors in strategic management still needs to be described again into research variables. The research related to the implementation of strategic management in the Indonesian government is carried out by Wijayati (2010) which conducts research on factors that influence strategic management in Non-profit Organizations (East Java Provincial Service). The results of this study reveal that commitment gives great influence to the implementation of strategic management in government, while power and leadership only give positive influence under certain condition that is kind of reference power which gives exemplary and transformational leadership which give motivate subordinate which give positive influence.

Power

Power is closely related to politics. Power is the ability to create the expected effect (Domhoff, 2005). Power is closely connected with leadership. Leaders use power as a tool to achieve organizational goals (Robbin, 2011). It can be concluded that power is the ability to influence others to be willing to do something they want. The sources of power theoretically according to French et. al (1960) namely: first, the power of reward (Reward Power). Second, coercive power (Coercive Power). Third, the power of legitimacy (Legitimate Power). Fourth, the power of reference (Reverent Power). Fifth, expert power (Expert Power). In the implementation there are 11 tactics of use of power that can be done according to Yuki in Faeth (2004) namely: (1) Rational Persuasion, (2) Apprising. (3) Inspirational Appeals, (4) Consultation, (5) Collaboration, (6) Ingratiation, (7) Personal Appeals, (8) Exchange, (9) Coalition Tactics, (10) Legitimizing Tactics, (11) Pressure. Faeth (2004) explains that the strategy of leading a church congregation depends on the source of power the leader possesses. Tactics used against superiors, friends, subordinates or other varies depending on the perception of power it has. Putz (2011) explains that power has a vital role in decision-making strategy in the city of Munich. In the city of Munich the strategy of structuring industrial areas and settlements is very dependent on the use of power among the existing actors. The success of the city of Munich in managing the city is very dependent on the interaction and management of power between existing actors. The above two studies are reinforced by Krishnan and Sivakumar (2004) research on the influence of top management power on the divestment strategy within the company. Their research concludes that divestment strategies occur when top management has minimal power both personally and structurally. Wijayati (2010) reveals

that power in government negatively affects the implementation of strategic management in government.

Hypothesis 1 Power has a significant effect on the implementation of strategic management in village government.

Commitment

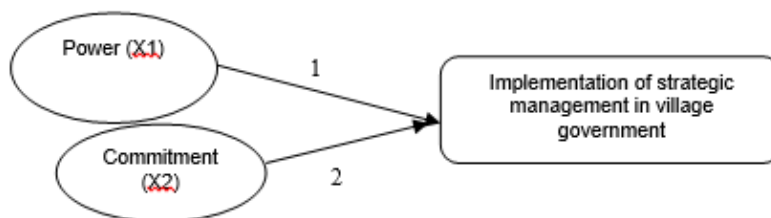
According to L. Mathis-John H. Jackson (2006), organizational commitment is the level to which employees convinced and accepted organizational goals. According to Griffin (2004), organizational commitment (organizational commitment) is an attitude that reflects the extent to which an individual knows and tied to his organization. According to Fred Luthan (2002), organizational commitment is defined as a strong desire to remain as a member of a particular organization and strive according to the organization's desires as well as accept organizational values and goals. Then it can be concluded that commitment is the willingness and ability of the individual to be faithful and persist in the organization because of the conformity of values and goals. Malhotra and Galetta (2010) examine the effect of commitment to the implementation of a new knowledge system strategy within the organization. They conclude how well the knowledge system strategy is developed and designed, ultimately the success of its implementation depends on the commitment of the actors in the organization. Without it, any strategy that will be applied will be in vain. According to Singh et al (1991) commitment related to the work approach in a proactive, innovative, and challenging individuals to create a psychological contract between individuals and organizations that are mutually beneficial. Wijayati (2010) revealed that commitment has a positive and significant influence on the implementation of strategic management in government.

Hypothesis 2 Commitment has a significant effect on the implementation of strategic management in village government.

METHODS

This research uses quantitative approach (questionnaire) which is analysed by statistical method of WarpPLS. This research is designed to answer the problems that have been formulated and the objectives to be achieved and test the hypothesis. This research is an exploratory research that is trying to find relationships that are relatively new, explanatory research is done by explaining the symptoms caused by a research object. Judging from the data aspect is ex post facto research, which means after the occurrence of a systematic search for empirical research, where researchers cannot control the independent variables because events have occurred or nature cannot be manipulated. Judging from the objectives, this study is a causal study that seeks to explain the influence of power and commitment in the implementation of strategic management in village government which is expected to improve the financial and non-financial performance of Village Government. The conceptual framework of the study is structured as follows:

Figure 1. Research Model



Inf.

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1. Margareth Ann Faeth (2004), Venkat R. Krishnan and Ranjini Sivakumar (2004), Marco Putz (2011), Wijayati (2010)
2. Van Singh and Susan Vinnicombe (2000), Yogesh Malhotra, Dennis F. Galetha (2003), Wijayati (2010)

The population in this study is the entire 322 villages government in Sidoarjo regency. The reason for the population selection because Sidoarjo regency received the award Samkarya Parasamya Purnakarya which means achievement in improving people's welfare significantly. The sample selection was taken based on multi stage random sampling. The number of village administrations in Sidoarjo regency are grouped into each district as many as 18 districts. Subsequently, each village in the districts was chosen at random based on lottery. The number of samples is determined based on Slovin formula with the selected error rate is 5%.

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

Where n = number of samples, N = population number and e = error rate. Based on the formula, the number of samples is 178 villages with details of the villages per sub-district as follows:

Table 1. Research Sample

No.	District	Village	Sample Number	No.	District	Village	Sample Number
1	Sukodono	19	11	10	Tulangan	22	12
2	Taman	16	9	11	Wonoayu	23	13
3	Tarik	20	11	12	Sidoarjo	10	6
4	Prambon	20	11	13	Buduran	15	8
5	Krembung	19	11	14	Sedati	16	9
6	Porong	13	7	15	Waru	17	9
7	Jabon	15	8	16	Gedangan	15	8
8	Tanggulangin	19	11	17	Krian	19	10
9	Candi	24	13	18	Balongbendo	20	11
						322	178

The respondent selected is the Village Head or appointed by the Village Head to represent him/her. The primary data source in this research is data about social profile and identification of respondent, containing respondent's data relating to respondent identity and social condition such as: age, gender, last education, name and address and phone number of village, number of employees, related to power and commitment. The variables used in this study are dependent variable (Y) and independent variable (X) which can be seen in detail below:

Table 2. Variable, Indicator, Item and Scale

No.	Variable	Indicator	Item	Scale
1	Power (X1) Source: Robbins (2013), Wijayati (2010)	1.1. <i>Coercive</i> 1.2. <i>Reward</i> 1.3. <i>Legitimate</i> 1.4. <i>Reverend</i> 1.5. <i>Expert</i>	1.1. <i>Demotion, sanctions, punishment</i> 1.2. <i>Promotion, gift, reward</i> 1.3. <i>Formal position, warrant</i> 1.4. <i>Adorable, exemplary, respectful</i> 1.5. <i>Experts, able to solve problems</i>	<i>Likert</i> scale 1 -5 represent respondent opinion from strongly disagree to strongly agree
2	Commitment (X2) Source: Meyer et.al.(1993), Wijayati (2010)	2.1. <i>Affective Commitment (employee emotion)</i> 2.2. <i>Continuance Commitment (economic values)</i> 2.3. <i>Normative Commitment (Ethic, loyal)</i>	2.1. <i>Pride</i> 2.2. <i>A sense of security and comfort</i> 2.3. <i>Equation of values</i> 2.4. <i>Cost and benefit</i> 2.5. <i>The heavy feeling of leaving</i> 2.6. <i>Ethic</i> 2.7. <i>Loyalty</i>	<i>Likert</i> scale 1 -5 represent respondent opinion from strongly disagree to strongly agree
3	Implementation of Strategic Management in Village Government Source: Wijayati (2010), AMCES	3.1. <i>Formulation (vision, mission, important issues, long-term goals)</i> 3.2. <i>Implementation (selection of plans, finance, employee spirit, organizational structure, openness, human resources, policy)</i> 3.3. <i>Evaluation (measures, evaluation and performance correction)</i>	3.1. <i>Appropriate vision aligned</i> 3.2. <i>Mission activities</i> 3.3. <i>Important/growing recent issues</i> 3.4. <i>Long term goals</i> 3.5. <i>Preparation of various strategies</i> 3.6. <i>Selection of strategy</i> 3.7. <i>Work Plan (Rencana Kerja)</i> 3.8. <i>Adequacy of funds (financial)</i> 3.9. <i>Employee support</i> 3.10. <i>Subordinate support</i> 3.11. <i>Adequate organizational structure</i> 3.12. <i>Open to criticism / input</i> 3.13. <i>Adequate of HR</i> 3.14. <i>Policy Support</i> 3.15. <i>Performance measures</i> 3.16. <i>Evaluate performance</i> 3.17. <i>Correction for under performance</i>	<i>Likert</i> scale 1 -5 represent respondent opinion from strongly disagree to strongly agree

In this study, data collection tool (instrument) used is questionnaire. Points of question/ statement in the questionnaire based on relevant management theory and from the findings of previous research. Questions/statements in the questionnaire were measured using a Likert scale. The answer of the respondent is quantified / scored as follows: score / score 1 to 5 which means value 1 = strongly disagree, 2 = disagree, 3 = unable to determine, 4 = agree and 5 = strongly agree. Likert scale is used because it has a lot of ease in compiling the question, give score / value. Score / value at a higher level are easy to compare with score / lower value, beside this scale also have high reliability based on certain attitude intensity.

Data analysis method used in this research is Partial Least Square (PLS). PLS is an alternative approach that shifts from a covariance-based SEM (Structural Equation Modeling) approach to a variance-based. SEM based on covariance generally test the theory while PLS is more predictive model. PLS can testing the measurement model as well as structural testing. The outer model is used for validity and reliability test, while the inner model is used for causality test. So PLS is a predictor of causality used for theory development. (Jogiyanto, 2008). PLS analysis aims to predict the effect of variable X on variable Y and explain the theoretical relation between the two variables. PLS can be used to predict models with a weak theoretical basis, can be used on non-distributed data, multicollinearity problem and autocorrelation, can be used for small sample sizes, and can be used for formative and reflective constructs, PLS is a reliable tool for testing prediction models.

The analysis sections used in the PLS analysis are the Outer Model and the Inner Model. The Measurement Model (Outer Model) is used to test the validity of the construct and the reliability of the instrument. The validity test is conducted to find out the ability of the research instrument to measure what should be measured. While the reliability test is used to measure a concept or can also be used to measure the consistency of respondents in answering the question items.

The validity test is divided into two categories: convergent validity (scores obtained from two different instruments that measure the same construct have high correlation) and discriminant validity (two different instruments measuring two predictable uncorrelated constructs yielding uncorrelated scores). In addition to the validity test, PLS also performed reliability test. The reliability test is performed to prove the accuracy, consistency and accuracy of the instrument in measuring the constructs.

There are two reliability test methods performed in PLS, namely Cronbach's Alpha and Composite Reliability. Cronbach's Alpha measures the lower limit of the reliability value of a construct. The research instrument is stated quite reliable if the value of Cronbach's alpha > 0.60. Composite reliability measures the true value of a construct's reliability to estimate the internal consistency of a construct. The research instrument is reliable if the value is > 0.7. The Structural Model (Inner Model) evaluates model fit, path coefficient, and R². A model is considered fit if it meets the 10 criteria contained in the fit indices and p-value model consisting of ten fit indicators: (1) Average path coefficient (APC) must have a value of p < 0.05. (2) Average R-Squared (ARS) must have a value of p < 0.05. (3) Average Adjusted R-Squared (AARS) has a value of p < 0.05. (4) Average Block Variance Inflation (AVIF) has a value < 5 and ideally 3.3. (5) Average full collinearity VIF (AFVIF) has a value < 5 and ideally < 3.3. (6) Tenenhaus GoF (GoF) has small values = 0.1, medium > = 0.25, large > = 0.36. (7) The R-Squared Contribution Ratio (RSCR) has a value of > = 0.9 and

ideally 1. (9) Statistical Suppression Ratio (SSR) accepted if value > 0.7. (10) Nonlinear Bivariate Causality Direction Ratio (NLBCDR) accepted if the value \geq 0.7.

RESULTS

Respondents' Overview

The results of research conducted to 178 respondents obtained characteristics based on gender, age and education as seen in table 3:

Table 3. Characteristics of Respondents by Sex, Age and Education

Education	Sex		Age					Amount	Percentage (%)
	L	P	21-30th	31-40th	41-50th	51-60th	>60		
Elementary School	-	-	-	-	-	-	-	-	-
Junior School	3	1	1	-	-	3	-	4	2,25%
High School	83	13	4	13	50	27	2	96	53,93%
Academy	3	-	-	1	2	-	-	3	1,69%
Bachelor	56	12	6	10	27	24	1	68	38,20%
Master	6	-	2	3	1	-	-	6	3,37%
Doktoral	1	-	1	-	-	-	-	1	0,56%
Sum	152	26	14	27	80	54	3	178	100%
Percentage (%)	85,39%	14,61%	7,87%	15,17%	44,94%	30,34%	1,69%		

Source: Primary Data Research

Based on Table 3 it can be seen that male sex respondents is more dominant because it has a very high percentage of 85.39%. This illustrates the role of women in the ranks of village administrations as the top leaders still have not much to development. In the table it is also known that respondents aged over 40 years is very high (76.97%). This illustrates that most of the respondents belong to the category of generation X or generation born before 1978. Character of this generation are prefer to work alone than the team, not enthusiastic pursuit of careers (Cran, 2014). The type that has self-confidence, high spirits, and hardworking, work contribution becomes the main factor in work (calculation in work contribution), regardless of technological progress (Oktariani et al, 2017). This type of generation influences research results primarily related to power and work commitment. Where they do not pursue positions or powers and are more likely to work in a place that provides material rewards that they think fit their contributions.

Validity and Reliability Test

Before distributing the questionnaire, we first perform the test validity and reliability test on the list of questionnaires that we have created. Validity test is intended to know the accuracy of the instrument to measure what it wants to measure in the item questionnaire. While the reliability test is intended to determine the consistency of the measuring tool is consistent and reliable when repeated again. An instrument is said to be valid if able to measure what to investigate appropriately.

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The level of validity is computed by comparing the value of r with the r table value for the degree of freedom (df) = $n-k$ with α 0.05. If r count is greater than r table and the value of r is positive then the item is said to be valid. Reliability test is done by looking at the value of alpha cronbach where an instrument is declared reliable or reliable if it has alpha cronbach coefficient of 0.60 or more. Instrument validity test was conducted to 30 respondents at random. The results of the test can be seen in the following table:

Table 4. Validity Test Result

No	Variable	Dimension	No Indic	coefficien t	Signif. 5% r value Product Moment N=30	Annotation
1	Power	Kades has <i>coer- cive, reward, legiti mate, reverand , expert power</i>	1	0,623	0,361	Valid
			2	0,635	0,361	Valid
			3	0,403	0,361	Valid
			4	0,424	0,361	Valid
			5	0,519	0,361	Valid
2	Commitment	Kades have affective, continuous and normative commitment.	1	0,442	0,361	Valid
			2	0,484	0,361	Valid
			3	0,390	0,361	Valid
			4	0,453	0,361	Valid
			5	0,426	0,361	Valid
			6	0,525	0,361	Valid
			7	0,505	0,361	Valid
3	strategic management.	Kades implement strategic management.	1	0,563	0,361	Valid
			2	0,433	0,361	Valid
			3	0,530	0,361	Valid
			4	0,519	0,361	Valid
			5	0,394	0,361	Valid
			6	0,473	0,361	Valid
			7	0,504	0,361	Valid
			8	0,488	0,361	Valid
			9	0,578	0,361	Valid
			10	0,623	0,361	Valid
			11	0,505	0,361	Valid
			12	0,440	0,361	Valid
			13	0,586	0,361	Valid
			14	0,600	0,361	Valid
			15	0,499	0,361	Valid
			16	0,576	0,361	Valid
			17	0,467	0,361	Valid

Source: 2018 primary data processed

Based on Table 4, the r_{count} is bigger than $r_{table} = 0,361$ with $\alpha=0,05$ or 5% so the instrument used in this research is valid and suitable for all respondents. After the validity test then the instrument reliability test is performed. The results of the test can be seen in the following table:

Table 5. Reliability Test Result

No	Variable	Cronbach Alpha	Annotation
1	Power	0,763	Reliable
2	Commitment	0,776	Reliable
3	Strategic Management	0,895	Reliable

Source: 2018 primary data processed

Based on table 5 it can be seen the value of Cronbach Alpha of each variable used in this study value above 0.60 which means reliable. So it can be said all the variables used in this study has been valid and reliable.

Outer Model Test

We evaluate the Outer Model based on three criteria: convergent validity, discriminant validity, and composite reliability. Evaluation of Convergent Validity is done to see correlation between indicator score with construct score (loading factor) with criteria of loading factor value from each indicator greater than 0.70 can be said valid. Furthermore, p-value value $<0,5$ is considered significant. Mahfud and Dwi explain that in some cases, the loading requirements above 0.70 are often not met especially for the newly developed questionnaires. Therefore, the loading factor between 0.40-0.70 should still be considered to be maintained. Furthermore, it is also explained that the indicator with loading <0.40 should be removed from the model. Elimination of the indicator by loading between 0.40-0.70 is done if the indicator can increase the value of AVE and the composite reliability is 0.70; Here are the results of combined loading and cross-loading each indicator.

Table 6. Combined Loading and Cross-Loading Factor

No	Variable	Indic.	Cross Loading	p-value	Annotation
1	Power (X1)	X11	0,708	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X12	0,585	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X13	0,514	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X14	0,720	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X15	0,744	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
2	Commitment (X2)	X21	0,604	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X22	0,650	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X23	0,576	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X24	0,723	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X25	0,734	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X26	0,681	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>
		X27	0,715	$<0,001$	Valid – Fulfill <i>Convergent Validity</i>

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3	Strategic Management (Y)	Y1	0,667	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y2	0,641	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y3	0,504	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y4	0,507	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y5	0,659	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y6	0,659	<0.001	Valid – Fulfill <i>Convergent Validity</i>
No	Variable	Indic.	<i>Cross Loading</i>	p-value	Annotation
		Y7	0,651	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y8	0,523	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y9	0,703	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y10	0,710	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y11	0,699	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y12	0,575	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y13	0,571	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y14	0,675	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y15	0,679	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y16	0,742	<0.001	Valid – Fulfill <i>Convergent Validity</i>
		Y17	0,680	<0.001	Valid – Fulfill <i>Convergent Validity</i>

Source: 2018 primary data processed

After the evaluation of validity, then evaluated the AVE. Since the AVE value is still <0.50 then we will eliminate the indicators one by one with the lowest loading factor gradually in order for the AVE value > 0.50. The end result is as follows:

Table 7. Cross Loading Values

Indic.	<i>Loading Value</i>	p-value	Indic.	<i>Loading Value</i>	p-value
X11	0,722	<0.001	Y1	0,711	<0.001
X12	0,601	<0.001	Y2	0,663	<0.001
X14	0,736	<0.001	Y9	0,738	<0.001
X15	0,770	<0.001	Y10	0,743	<0.001
X22	0,640	<0.001	Y11	0,701	<0.001
X24	0,721	<0.001	Y14	0,682	<0.001
X25	0,730	<0.001	Y15	0,715	<0.001
X26	0,735	<0.001	Y16	0,808	<0.001
X27	0,773	<0.001	Y17	0,696	<0.001

Source: 2018 primary data processed

After eliminating the indicator so that the value of AVE > 0.50, discriminant evaluation of validity is performed to see if the latent construct predicts the indicator better than the other construct. The criterion used is square roots average variance extracted (AVE). The value

is seen diagonally from the correlation table between the latent variables in the same column and the number should be higher than the other. The table results as follow:

Table 8. Correlations among I.vs. with sq. rts. of AVEs

	Menstra	Power	Commitment
Menstra	0.719	0.408	0.275
Power	0.408	0.710	0.350
Commitment	0.275	0.350	0.721

Source: 2018 primary data processed

Based on table 8 it is known that the discriminant validity has been met indicated by AVE square root is greater than the correlation coefficient between constructs on each indicator. This shows that each variable can measure that variable exactly than any other variable. Based on these results it is concluded that the three constructs have met the criteria of discriminant validity. The next evaluation is a constructive reliability of the construct with two criteria: composite reliability and cronbach alpha. A construct is considered reliable if the value of composite reliability > 0.70 and cronbach alpha value > 0.60. Table 9 shows the results of the composite reliability and cronbach alpha values.

Table 9. composite reliability and cronbach alpha

	Power	Commit	Menstra	Criteria	Annotation
Composite Reliability	0.802	0.844	0.905	>0,70	Reliable
Cronbach's Alpha	0.669	0.768	0.882	>0,60	Reliable

Source: 2018 primary data processed

Based on the above table, it is known that the composite reliability and cronbach alpha for variables have met the criteria.

Inner Model Test

The evaluation of the structural model (Inner Model) includes model fit, path coefficient, and R2 evaluation. A model is considered fit if it meets all the criteria seen in the fit indices and p-value model consisting of ten fit indicators. In WarpPLS 6.0 it can be seen in the output general results. The results of fit indices inner model can be seen below:

Table 10. fit indices inner model

No	Description	Value	Ideal	Annotation
1	Average Path Coefficient (APC)	P<0,001	<0,05	pass
2	Average R-Squared (ARS)	P<0,001	<0,05	pass
3	Average Adjusted R-Squared (AARS)	P<0,001	<0,05	pass
4	Average block VIF (AVIF)	1,187	≤ 3,3	pass
5	Average full collinearity (AFVIF)	1,231	≤ 3,3	pass

The research showed that both hypotheses were supported. Hypothesis 1 (H1) which states that power has a significant effect on the implementation of strategic management in village government is supported because positive coefficient path means power has a

positive effect on the implementation of strategic management at the village level. The number of path coefficient of 0.30 indicates that if there is an increase of power by one unit then the implementation of strategic management at the village level will increase by 0.30 and vice versa. While p-value which shows the number $<0,001 <0,05$ determine its significance. Hypothesis 2 (H2) which states commitment has a significant effect on the implementation of strategic management in village government supported by positive value coefficient means commitment gives positive influence to the implementation of strategic management at village level. The number of path coefficient of 0.27 indicates that if there is an increase in power of one unit then the implementation of strategic management at the village level will increase by 0.27 and vice versa. While p-value which shows the number $<0,001 <0,05$ determine its significance.

DISCUSSION

Reward power is the leader's ability to influence subordinates by rewarding their positive behaviors or behaviors appropriate to the leader's desires. Awards are important to be given to subordinates for the efforts they make in carrying out their assigned work. If the work performed is considered satisfactory or exceeds the average then the award should be given. Based on the results of the research, the award ranks second from below, meaning that among other sources of power the award is not so noticed by the Village Head rather than the power based on coercion, expertise and role model. However, 83% of respondents agree that subordinates should be rewarded for their efforts. This condition is due to the award given directly by the Regency (Bupati) for the village officials so that the Village Head feels no need to give another award. This condition is similar to the district of Munich where the District Head has an unclear power according to Putz (2011). While coercion-based power is the leader's ability to influence the behavior of subordinates by imposing sanctions on their actions that are inconsistent with the will of the village head. This sanction should be granted if the subordinate is deemed to have acted in violation of any applicable rules. Before the sanctions are imposed, the village head usually conduct meetings to get inputs and opinions from other village officials before imposing sanctions. This is consultation tactics according to Yuki's in Faeth (2004).

Based on the results of this study, Sanctions received more attention from the village head than reward. This means that the village head is prone to give sanctions but is more difficult to give award. Legitimacy-based power is the leader's ability to influence the subordinate's behavior from a person's formal position within the organization. Subordinates know that leaders have the right to give orders and they have an obligation to obey them. Based on the results of this research, legitimacy power is the power that most Village Head do not want to be applied. They tend to avoid using the power of legitimacy in running their daily government job. It is known from previous studies that the power of legitimacy has a negative effect on the implementation of strategic management in district / municipal government (Wijayati, 2010).

Expert power is the leader's ability to influence subordinate behavior by demonstrating skills by solving important problems, making the right decisions, providing good leads, and successfully solving challenges. Based on the results of research, the power comes from the expertise and power that comes from exemplary/reverend become the main source of power applied by the Village Head in the village government. Exemplary/reverend power is the ability of leaders to influence the behavior of subordinates based on the passion and self-identification of subordinates with their leaders. The leaders are admired, respected and used as models to emulate. This passion or liking relationship means identifying others who have the qualities or requirements as desired. So that a subordinate will try to carry out the work as best as they can. The simple logic is that if I admire and adore you then you are in charge of me. Subordinates obey the leaders not because they are forced or expect rewards but because they trust their leaders. Effective leaders will use these sources of power in accordance with their levels and place. The power of expertise and

reference does not stand alone and will work well if followed by the use of other powers in place. A person who has reference power but does not have legitimate power will also experience difficulty. That's way good leaders tend to communicate in two directions, such as listening, providing support and encouragement, facilitating interaction in decision making. Effective use of these expert and referend power will have a positive impact on village government as it will improve the subordinate's motivation to get the job done properly.

The results of this study differ from the opinions and findings of previous researchers, Wijayati (2010). Wijayati's opinion and findings (2010) find that power tends to be bureaucratic of the centralized (legitimate power) so that the influence of power is negative to strategic management. This means that the greater the value of power the smaller the success of strategic management. Nevertheless, the research results are in line with the opinions and findings of other researchers such as Tampubolon (2002), Faeth (2004) and Putz (2011). According Tampubolon (2002) power is a tool for the success of strategic management. Faeth (2004) uses the source of power as a strategy in the diocese. While Putz (2011) explains the role of power in decision-making strategy.

Affective commitment in this study is related to the sense of comfort and pride in working in the Village Government and the identification of village problems with their own problems. The Village Head is comfortable working in the Village Government and even if the condition of village Government is not good, the Village Head tends not to move to another place. However, these conditions depend heavily on the presence or absence of better job opportunities elsewhere and how much investment is expended in the Village Government. Continuity of commitment depends on how much investment the Village Head has invested and whether or not there is any alternative (Meyer, 1984). The more investments that the Head of the Village is planting in the Government (both in terms of time, effort, cost) and the fewer alternative jobs outside, the higher this commitment.

The research show a high cross loading factor in continuity of commitment means that this indicator determines the commitment of respondents in working in the Village Government. If the Village Head assumes that the investment is not much and there are better job opportunities elsewhere then the Village Head will resign. The term to be a Village Head is considered to be relatively short, only for 6 years and no future guarantee also contributes to the value of this commitment. Although, the Village Head can actually serve for 18 years (3 periods) if re-elected. Another type of commitment is the normative commitment associated with a sense of duty and ethics to keep working in the Village Government. The village head still feel unethical if resign from the village government especially if government conditions are not in a good shape. The results of this study are in line with the opinions and findings of other researchers such as Wijayati (2010), and Malhotra et al (2003). According to their research, commitment is very influential on strategic management.

CONCLUSION AND RECOMMENDATION

The results of previous research indicate that power and commitment variables influence the implementation of strategic management at the district or district government level. Researchers use the same variable (power, commitment) to conduct research at Village Government level. The results of this study indicate a positive influence towards the implementation of strategic management in Village Government. However, the weakness in this study is that it can explain only 23% of these two variable effects on the implementation of strategic management in Village Government. Prominent power practiced are by expertise/skill and reverend. Legitimacy-based powers are the least used. Village heads tend to be easier to give sanction but more difficult to give reward. The most decisive commitment is the continuance commitment. Even though the village head is

comfortable working in the village government, but if the investment is still a little (newbie) or there are better job opportunities elsewhere, respondents tend to resign.

Another possibility is that the Village Head who works in the Village Government is not because of his own desire, but because of the urging of others or public pressure. Commitment continuity based on Yousef research (2016) is influenced by pay, promotion and co-worker. Salary {fixed income, allowance (occupation, health insurance, retired plan, additional income of land rent, family allowance, meal allowance) other acceptance} for the Village Head of Sidoarjo Regency based on Regulation of Bupati number 49 year 2017 as a whole already above Regency Minimum Wage (UMK) in 2018. Operational car facilities also exist, so one thing that can be improved is the timeliness and accuracy of the amount of salary paid. The slower the payments and the more deductions will decrease the value of continuous commitment. Promotion (reward) in the form of award from the Regent, Governor and President. There have been many awards up to the national level. What needs to be improved is the media coverage because not many people know the Head of the Village who excel. Coworkers in this case are in a relationship with the ranks of the harmonious village Officials. The ability of the Village Head to resolve the conflict in his workplace increases his job satisfaction thus increasing his commitment.

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