The Role of Strategic Leadership in Rural Development

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Abstract

The problems and success of rural development are related to the management aspect, which means it is also related to its leadership system. Therefore, the aim of this study is to analyze the role of strategic leadership in the success of rural development. This study uses a descriptive survey method with data and information collection techniques through focus group discussion involving informants related to the problems of this research. This study takes three villages in Indonesia as its sample units. The results of the study indicate that village leaders have a strategic role in mobilizing human resources or human capital and utilizing various other resources in rural development. Thus, it is important for leaders to possess both managerial and entrepreneurial skills. Participatory approach, strategic role of village leaders, and active involvement of human resources will create an effective way to build empowerment synergy of various resources to achieve successful rural development.

Keywords: Management; Participatory Development; Rural; Strategic Leader

Introduction

The success of a country's development is determined by how a country is managed. The ability to manage is related to the leadership role in the development. Peter F. Drucker, a management expert stated, as quoted by Abeng (2006), that there are no underdeveloped countries, only undermanaged countries. This means that the success of rural development will also be determined by the ability of the leader to manage it.

The existence of rural areas that are often fitted with abundant natural resources are not always synonymous with the success of their development situations. The success of rural development is mostly determined by the capacity and quality of its human resources. The success of managing a rural area also depends on how it is managed as the smallest part of the social space of national development.

The accumulation of successful development in rural areas will contribute to the success of regional developments, which eventually will also determine the success of a country's development on a broader scope. The existence of development disparities between cities and rural areas drives people to expect better life in the cities which leads to urbanization, which is the migration of rural communities to cities or urban areas. Furthermore, the lack of skills and abilities to survive in urban areas creates high levels of unemployment and poverty in urban areas.
Areas, where in fact, many of them can achieve better life in rural areas with the availability of various resources. These expectations often act as driving factors for rural communities to migrate towards urban areas although the reality is often far from expectations.

Rural development in Indonesia has been carried out for quite some time. With the issuance of numerous rural development programs and policies in forms of regulation, economic policy, trade, politics, social, infrastructure development, defense and security, it can be said that the government has given great attention. With high number of underdeveloped rural areas and less developed rural areas, the government encourages and helps rural communities to establish equality and sustainable development that would lead to better social resilience, political stability, economy and environmental situations.

The implemented development programs are dynamically improving on a consistent manner according to the situation and conditions in order to accelerate rural areas development in the future. The question that arises is, which rural development model will produce the best sustainable development acceleration: is it top-down empowerment models or participatory models with bottom-up approaches, or combinations of development models based on empowerment-participatory model and the role of strategic leadership (Thompson et al., 2014) played by leaders in rural areas as one of the keys to successful rural development effort. Theoretically, the existence of leader will become a strong driving factor to rural development success. However, in reality, there are numbers of rural areas that are still underdeveloped and yet to achieve development success. Based on the gap stated, it is urgent to conduct further empirical analysis to understand the importance of strategic leadership in rural development.

Research Method

This study utilizes a descriptive survey method, which was conducted by surveying rural areas used as sample units to obtain information related to strategic efforts of rural development through a holistic study of the role of strategic leadership in rural development. This research required primary and secondary data. Primary data were obtained through in-depth interviews with informants in rural areas taken as sample units in this study. The result, which is formed of field studies specifically conducted in two villages in West Java Province, was also perfected with a field study in one village in Bangka Belitung Province as the sample units and supplemented with a number of secondary data obtained from related references considered relevant to this study.

Results and Discussion

Leadership and Rural Development: A Brief Review

The success of a country’s development will also be determined by the success of the development of its rural areas. Rural development is not just focused on programs and implementations, but also the most effective and efficient development models. Partially implemented rural development efforts without synergy will lead to high development costs. However, it is possible that the development results of each area to be different. Moreover, the perceived gap is increasingly clear, namely life expectancy between “urban and rural areas” (Anichin et al., 2017) that drives migration from rural areas to cities. This is where the role of leaders in rural areas is required to empower their communities, including the younger generation, to collectively develop rural areas.

Success in development is not caused by accidental factors, or because an area is rich in natural resources, but the success of development is due more to the efforts and capabilities of human resources (HR), and in particular, by the existence of leaders or drivers of rural development. Development effort that specifically aimed at achieving economic added value by measuring income is considered insufficient; the important factor is to also improve human resource added value (Joesoef, 2014) by actively involves rural communities in these development efforts.

There are numerous empirical studies and approaches to rural development efforts. Development approach that tends to be “top-down” (Petrick, 2013) shows the dominant contribution of the government, in this case, the attention and contribution of the central government to rural development. On the other hand, there is also a development approach that tends to be “bottom-up” (Go, Trunfio, & Della Lucia, 2013; Hernández-Maestro & González-Benito, 2014; Koblianska, 2016; Martinović & Ratkaj, 2015; Navarro, Woods, & Caejudo, 2016; Woods, 2013). However, there are not many studies that focuses on the role of leadership in rural development. In reality, rural leadership is considered as a strategic role in rural development. Therefore, the author assesses that it is urgent
to conduct an empirical study related to the role of leadership in rural development. In rural management, the role of rural leader is highly strategic. As used by Naldi, Nilsson, Westlund, & Wixe (2015), the term is to establish smart rural development.

Each area, through its village leader, can direct its development to one or several sectors that are its mainstay, whether it is the agricultural sector which is supported by the active participation of the community (Terziev & Arabska, 2016), even development support by utilizing advanced technology with e-agriculture practices (Kumar & Venugopal, 2016) or rural development in the digital age (Salemink et al., 2017), local culture-based tourism sector with local community support (Aslam & Awang, 2015; Bole et al., 2013; Erokhin et al., 2014; Hytylä & Kola, 2013; Nagaraju & Chandrashekar, 2014; Petrović et al., 2018) and other sectors that can be focused on as a mainstay sector in the development of these areas, of course without neglecting the strengthening of various sectors in an integrated manner in rural development.

Rural development cannot be separated from the role of human resources, in this case, rural leaders as development drivers who have managerial and entrepreneurial abilities to invite, motivate, and empower local communities who are not only spectators, but also agents of development in their areas. Rural development based on local management (Pollermann et al., 2013), which is one of the key success factors; and that does not mean that it does not require the participation of other stakeholders, such as the importance of the government’s role in rural development, of course, it is very much needed, of which the main thing is the role of the government through policy (Chen & Scott, 2014) and other contributions to development. However, in addition to the role of the government, the main actor who plays a strategic role is the role of leaders who are supported by the community in carrying out development in their areas. The role of rural leader or mover is not to make the community only spectators in development, but to become the main actors of development by directing and empowering local communities as agents of rural development (Bhalla et al., 2018; Suyono, 1996). Mintzberg (1980), as adapted by Rothaermel (2013) from Finkelstein, Hambrick, & Cannella Jr., (2009), stated there are a number of important roles of strategic leader as shown in Table 1.

Table 1

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Rural development process should not only focus on economic added value, but also to create human added value (Gilaninia, 2015; Gorlach et al., 2014; Joesoef, 2014; Labianca et al., 2016; Lowe et al., 2019). Therefore, one of the keys to a leader’s success is to manage or empower resources effectively and efficiently, including various important capacities such as interpersonal, informational, and decisional capacities that are related to empowering resources, especially human resources. In addition, a leader with strong responsibility in developing his village, should also pay attention to the importance of various resources that support such development, such as related to the existence of a conducive infrastructure (Cook, 2013), advanced technological adaptation and utilization (Paul & Sharma, 2013; Salemink et al., 2017; Shcherbina & Gorbenkova, 2018), and building partnerships between communities and investors (German et al., 2016), which should be based on smart village development model (Naldi et al., 2015). Therefore, development in this case focuses on the importance of the role of leadership (Merna & Al-Thani, 2005), including in the practice of rural development.

Strategic Leader with Managerial and Entrepreneurial Skills

As part of a country, the success of rural areas determines the success of a country. A country will be left behind in its development, if rural areas are left behind or poor (Bhandari et al., 2019). Therefore, rural development acts as the basic of development strength of a country. On the other hand, the success of state development, which is reflected by good state management, will be able
to influence the success of development in the regions, as well as development in rural areas as the smallest part of the social sphere of society.

The results of research conducted in several developed villages in Indonesia show that the success of development is driven by the existence of a development model with a participatory approach that tends to be bottom-up, without ignoring the top-down approach. The role of leaders (village head) with managerial skills and entrepreneurial skills are clearly reflected in rural areas taken as samples in this study, namely Majasari Village and Waluran Mandiri Village which are located in West Java Province, as well as Lenggang Village in East Belitung Regency of Bangka Belitung Province. The success of development is also driven by the leadership style of the village heads that emphasize on creativity and entrepreneurship.

Rural areas with advanced development level are generally led by village heads with strong expertise both on managerial and entrepreneurial perspectives. With a strategic leadership role, productivity and community participation in rural development can be significantly enhanced. This means that by implementing bottom-up participatory approach development model, rural development can be accelerated significantly. Also, because the village head who act as a rural development driving agent possesses strong responsibility and commitment to development, well understands the problems that arise in the village, and the ability to empower the potential of the resources owned by the area, including its human resources as main subject to achieve sustainable rural community welfare.

In a number of rural areas, for example Waluran Mandiri Village, West Java Province, Indonesia, the development success is strengthened by the presence of youth group that actively drives the development efforts. Panackal & Singh (2015) emphasizes the significant role of youth in the success of development in rural areas. Therefore, developed areas are primarily driven by creative people who have strong responsibilities. This figure of development drivers is vital. The ability of Waluran Mandiri Village’s youth to empower the potential of its main economic resources, namely from agriculture and tourism, shapes this area into a successfully developed area. The pattern of strategic leadership based on managerial and entrepreneurial skills has empowered the community of the village, through bottom-up approach to develop their area by emphasizing the strong points of the village and creating synergy with various stakeholders.

Developed rural areas are generally driven by certain figure within them; a leader that color and drive the community forward to shape their village into the better. The contribution of business sectors in the area is also consensual, means that it is without obligation or regulatively forced. Therefore, the results of an empirical assessment of sampled rural areas in this study indicates that there is a vital strategic leadership role that characterizes the development process. However, this finding does not indicate that top-down development model which centralizes on the decision made by central government is ineffective. The findings simply indicate that to achieve optimum the development process requires initiatives and efforts of the community, along with the existence of strategic leaders with the ability to shape the people’s mindset to optimally perform in order to achieve community prosperity. Leaders or drivers of rural development should be able to practice bottom-up development model, enhanced by top-down development model, which would produce a co-creation between the government and rural communities with a participatory development approach.

The role of the government through its policies in developing rural areas has been carried out for a long period through various development programs related to political, economic, social, technological, environmental and legal aspects. The empowerment model, which predominantly uses a top-down approach, is considered less effective in rural development, if the community is only placed in a position as passive and unresponsive to policies and programs determined by the government. Therefore, rural development should be carried out not only to increase the economic added value, but also to optimize the human resources added value (Joesoef, 2018).

**Development Policy**

From a macro perspective, to optimize development of a country means to build the smallest units of the society: rural areas. In Indonesia, the form of fiscal politics that has entered rural areas has been carried out. This means that the government through its policies has made efforts to encourage the development of rural areas in Indonesia, one of which is shown by the existence of village funds aimed to assist rural development. The existence of village funds is a manifestation of the government’s seriousness from a fiscal perspective to accelerate development in rural areas.

Affirmative policies regarding rural areas, such as trade policies also affect the strength of village economic development. The opening of minimarkets to the sub-districts shows that warungs

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and traditional markets in rural areas must be competitive, so that they become an option for the community in determining where to shop. The bargaining position of the farming community in rural areas against business people has become a concern of the government, namely through its policies to regulate the trading system and price determination in favor of common interests, so that the community’s economy becomes stronger. Similarly, the policies in the financial sector are also manifested to assist rural development by providing credit for micro and small businesses (MSMEs), cooperatives unit, agricultural credit, and various types of business credits.

Efforts to build rural areas from various aspects have been carried out by the government, especially in the economic aspect. With the establishment of a number of social and microfinance such as the existence of cooperatives, economic institutions, up until the issuance of Law Number 6 of 2014 concerning Rural Areas which states that rural areas are permitted to establish Village Owned Enterprises (VOE). The law requires that VOE can act as an entrepreneurial institution at rural level with management based on a business approach in an effort to achieve socio-economic development goals such as poverty alleviation on rural communities, minimizing unemployment, increasing social integration, and sustainable environmental conservation.

The other form of government concern on social perspective is implemented through free education and health programs. As continued effort to create sustainable development, Indonesian government launch an innovative program titled one village one field program that instructs rural areas to create one sport field on each area, which is initiated by Indonesian Ministry of Youth. and Sports. These programs are intended to shape the community together and establish rural resilience. The government's efforts to develop rural areas are not only implemented through the formation of facilities and infrastructure, but also to enhance technological savvy. Another emphasized aspect is the legal aspect, which is implemented by strengthening legal rights of land ownership for communities in rural areas.

In the environmental aspect as part of the macro scope, including from the Ministry of Public Works which builds infrastructure to facilitate access to rural areas, has an important role in sustainable rural development; other aspects are related to environmental cleanliness, river and irrigation maintenance, and village spatial planning. From a legal perspective, the 2014 Village Law has brought significant changes to the previous development process, that development tends to be centralized to a participatory-based development by making rural communities the main actors of development.

As a follow-up to the Village Law, the Ministry of Villages then issued regulation Number 5 of 2015 concerning Priority Determination of the Use of Village Funds with the main priority of rural development being an Open Menu, which means that the Village Ministry Regulation is only a guide, and provides as much space as possible for the people to decide their own future. This means that a villager or the village leader should implement strategic leadership style. The progress of the development will be determined by the efforts made by the village leader.

**HR as One of the Key Factors that Determines Rural Development Success**

Empirical studies on development in a number of rural areas in this study show that the success of rural development is not enough with just top-down approach, which is dominated by the government; but also predominantly determined by the active participation of rural community, driven and motivated by village leaders to optimize the utilization of their resources and various opportunities, including threats that should be used as opportunities through the creation of value-added community creations.

The failure of development in rural areas is actually not caused by the limited natural resources owned, or because it is not touched by the development program from the government, but the failure of development is due more to management problems, namely how the area is managed, not by expecting dominant assistance from the government alone. Meanwhile, the villagers are just spectators and silently accept the government's development programs. The success of development will be determined predominantly by human resources in rural itself who realize the importance of development for a better future, and to actively participate in the efforts.

By dividing rural areas into two categories, namely developed and developing areas, from the results of this study there are several indicators that show differences in the two categories. The indicators include the utilized development approach, the presence of the village head or development drivers, grassroots community welfare, development resource management, the existence of superior products, community participation level (Zamzami, 2011), and development orientation of added value creation.
Developed rural areas in Indonesia are generally dominated by the utilization of bottom-up participatory approaches, which still also receive governmental contribution in the macro sector. In other words, it is taking a cultural approach, namely the embodiment of participatory development (Joesoef, 2014) that encourages people to show their initiative in the development process. The existence of various aspects of the macro-environment that influence it is used as an opportunity that must be optimally utilized. Various aspects of the macro environment, such as political, economic, social, technological, environmental, and legal that affect the existence of rural areas and their development, are the factors that can create opportunities, strengthen rural communities, and accelerates the development.

Various political situations and economic, trade, environmental, and legal policies are not seen as threats but are opportunities that must be addressed to strengthen rural development. Rural development with a bottom-up participatory model should also consider macro environment aspects and top-down development policies as implemented by the government and create a participatory development, so that the roots in development become strong and independent in terms of resources. The main source of rural development management comes from human resources or the rural community who understands the problems and the best solutions.

In developed areas, the communities are generally driven by some figures or village leaders. On the other hand, in underdeveloped villages, the role of the village head is often insignificant on development acceleration process. For rural areas, the existence of village leaders or movers is very decisive for the success or failure of rural development. The existence of a leader who only administratively active will not have a significant impact on the development. Therefore, the determination of rural areas becomes very important in the development and independence of rural area in the long term. The wealth of natural resources existed on rural areas may not necessarily lead to a better development because the most important thing is the resources it has, be it human resources, natural resources, and man-made resources that can be managed and actively empowered creatively in such a way that they become more valuable or provide value creation in village development. Rural areas with slow development are reflected in village leaders whose existence is unable to color the management practice. On the other hand, developed rural areas are often led by village leaders with the ability to color their area with significant role and presence.

One measure of rural development is the economic welfare of the community. In developed areas, the wealth gap between the rich and the poor are insignificant. The more advanced the development level, the higher the community welfare level. The situation is found in Majasari Village, as an example of successful rural economic development. This area was elected as one of the best village funds managers. The economic welfare of the community in this area is generally shaped by the strong influence of macro environment aspects such as political, economic, social, technological, and legal. The challenges within these aspects are considered as opportunities rather than threats so that the village responded and adapted creatively and bring positive impact on the development. From the economic aspect, optimal utilization of resources is implemented through VOE as a forum for village productive businesses.

Rural development management value chain model indicates two important aspects: the main and supporting aspect as shown in Figure 1 (modified from Porter, 1998). The main aspects consist of important subjects of added value creation in sustainable development process. On the other hand, the supporting aspects consist of human resources empowerment, the existence of infrastructures (Landry, 2006), development approaches, and adaptation and utilization of technological advances. These supporting aspects are important and must be consistently strengthened to accelerate rural development.
Regarding the main aspects of sustainable development in relation with resources availability, we can take example of what happen in Lenggang Village. This area was previously relying its economic sector on tin mining activities. However, in the long run, the community realized that this sector will eventually unable to provide sustainable benefits because mining is an unrenewable sector. Faced with the unfortunate situation, the village head as development driver, along with the participation of a number of society members, started to transform their economic sector into tourism and agriculture sectors. The ability to see and utilize development opportunities has brought this area an award of outstanding village.

Similar situation indicated in the other rural areas in this study. With the existence and significant role of leaders in rural development effort through creativity and innovation, the area transform itself from underdeveloped into developed village. The utilization of renewable resources as main factor to create superior products has become the key indicator of development success. On the other hand, the other rural areas in the same region that still relies on mining activity as their main economic sector shows slower development rates.

Waluran Mandiri Village with its distinctive product, Hanjeli rice, completed with the creativity of its people driven by leadership of youth is able to developed numerous product variants. Hanjeli Tourism Village was established by implementing educational tourism (Edu Tourism) concept. Similar situation occurred in Lenggang village; tourism has been an important part of its economy by adapting Laskar Pelangi (Rainbow Troop), a local folklore, as the main theme of tourism concept in this area which is quite popular both for local and international tourists. On the other hand, Majasari Village, which once awarded the best village management by Indonesian government emerges into a livestock specialized area and further developed into edu-tourism. Optimum rural development level can be achieved by focusing on its specialty and creativity. Through these aspects, the people will be able to determine featured products as their identity because rural areas with no specialty often develop on a slower pace. It is important to ensure that rural areas are optimally managed through creativity and innovation. Majasari Village that previously popular as migrant worker center managed to alter their economic point of view into more sustainable sectors. This transformation is driven by the role of strategic leader that manages to inclusively involve the people and their human resource on the development effort.

Conclusions

Rural areas development success is largely determined by the correct implementation of management aspect. The abundant availability of natural and man-made resources would not able to guarantee successful development without a good management system. The role of strategic leader in the development is vital. Top-down development approach which is dominantly controlled by the government without community involvement is proven to produce suboptimum development results because the system creates a dependent society and discourage the people to actively involved in the development process. Therefore, participatory approach with government involvement in the development efforts should be implemented as a solution to this problem. Strategic leaders are also play vital roles to shape independent and creative mindsets of the people in rural areas in order to create optimum human resource added value.

References


