Enhancing Good Governance in Kelurahan Panggungharjo: An Organizational Psychology Case Study in a Community Setting

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Abstract

Since 2014, Indonesia has enacted the Village Law, granting villages the authority to oversee the entire process of village development, aimed at fostering prosperous village communities. Despite this, research on achieving effective governance within village governments in Indonesia, through the combined lenses of Industrial Organizational Psychology (PIO) and Community Psychology, remains limited. To address this gap, our study investigates how the synergistic perspectives of PIO and Community Psychology contribute to our understanding of program strategies and governance within the Panggungharjo Village Government, with the ultimate goal of enhancing the welfare of its constituents. Employing a case study methodology, we analyze the data using Situational Analysis (SA). Data sources encompass in-depth interviews, focus group discussions (FGDs) involving key Panggungharjo village stakeholders, archival studies, and on-site observations. These diverse data are systematically coded and subjected to the principles of Situational Analysis (SA). This analytical approach not only seeks to uncover fundamental social processes but also illuminates the intricate relationships and interactions among the key elements operating within the field. The culmination of our findings takes the form of a "Relational Map" and a "Social World Arena," depicting the dynamic relationships and interactions observed in this study. Our research reveals that the success of the Panggungharjo Village Government in achieving good governance hinges on five strategic pillars and two governance reforms, blending principles of organizational development and community participation. This study offers valuable insights by demonstrating how the application of Industrial and Organizational Psychology in conjunction with community participation can pave the way for effective governance within village governments, ultimately benefiting the entire community.

Keywords: Village governance reform, good governance, situational analysis, Panggungharjo village.

Introduction

An organization is a consciously coordinated social entity with a clearly identifiable boundary, working continuously toward a common goal or set of objectives (Robbin, 2015). According to Supanto (2019), organizations are secondary social groups, following the family, that play a significant role in an individual's life. These organizations can be categorized into four types: 1) profit organizations, driven by profit incentives; 2) semi-profit organizations, not solely profit-oriented; 3) non-profit organizations, focusing on humanitarian and social causes; and 4) non-profit public sector organizations, which include government entities.

This research specifically concentrates on non-profit public organizations in the form of village governments. Following the enactment of Village Law No. 6/2014, these organizations gained significant autonomy and authority in managing village funds to promote progress and welfare within their communities. As per Law No. 6/2014, the village government assumes responsibility for local government affairs and the welfare of the local community within the governmental system of the Unitary State of the Republic of Indonesia. It is led by the village head and supported by village officials as integral components of the Village Government structure (Ministry of State Secretariat, 2014). According to this definition, villages, serving as the forefront of government activities directly associated with the community, are expected to effectively carry out governmental tasks in rural areas to foster development in all sectors (Lumempow et al., 2021). The welfare of a country can be gauged by the well-being of its village communities (Tajudin, 2014). Prior to the enactment of this law, villages heavily relied on central government development programs due to their limited independence in managing and implementing necessary developmental initiatives. Consequently, various aspects of village life, particularly social and economic facets, were characterized by deprivation, poverty, and underdevelopment.

Since the adoption of Village Law No. 6/2016, Village Administrations have been empowered to engage in Village Development, Village community development, and Village community empowerment based on community initiatives, ancestral rights, and Village customs (Law No. 6/2014). This represents an opportunity for villages to flexibly utilize their autonomy to harness

their full developmental potential (Pamungkas B. A., 2019). According to BPS data (https://www.bps.go.id/indicator/23/192/1/persentase-penduduk-miskin-p0-menurut-provinsi-dan-daerah.html), rural poverty rates decreased from 14.17% in 2014 to 12.82% in 2020. By the end of 2022, rural poverty rates further declined to 12.36%.

The decline in rural poverty, as evidenced by the positive impact of the implementation of the Village Law, highlights its role in promoting village autonomy and financial self-sufficiency to enhance the well-being of its residents. Numerous studies support this claim, illustrating a significant correlation between the allocation of village funds, as mandated by Law No. 6/2014, and the reduction of poverty rates in rural communities (Afriansyah, 2020; Putra, 2018; Sari & Abdullah, 2017). Nevertheless, certain research indicates that some rural communities have struggled to effectively utilize these allocated funds to alleviate poverty (Lalira et al., 2018; Risa et al., 2021). This underscores the critical role played by village governments in leveraging state mandates to empower and uplift their communities, determining their ultimate success or failure. Exceptional governance, characterized by corruption-free practices, transparency, and accountability, stands out as a pivotal factor in this equation (Arthana, 2019; Setiawan, 2019; Sukmawati & Nurfitriani, 2019). The implementation of these indicators may vary based on the unique circumstances of each village, including the leadership style of the village head, the quality of human resources (Pramesti et al., 2021), and the proficiency in managing village funds (Pratiwi & Ulfah, 2018). Further in-depth research through qualitative methods is necessary, given Indonesia's diverse economic, social, and cultural landscape, to uncover the varied practices of implementing good governance at the village level.

In the field of psychology, Industrial and Organizational Psychology has only sporadically explored organizational development within community settings, particularly within non-profit government organizations such as village administrations, to achieve good governance. The introduction of the Village Law presents a significant opportunity for Industrial and Organizational Psychology to investigate how village-level non-profit entities strategize and implement governance reforms to enhance community well-being. This research aims to shed light on the exemplary practices of

Panggungharjo Village in formulating program strategies and reforming village governance to realize good governance. Panggungharjo Village's remarkable track record, with over 30 awards earned between 2012 and 2022 at local, regional, and national levels, underscores the importance of examining how well the village government has executed the mandates of the 2014 Village Law to achieve good governance. By uncovering the program strategies and governance reforms that contributed to their success, this study seeks to develop a formula for village good governance that can be applied in other communities to enhance the welfare of their residents.

Method

Design

This research uses a qualitative research methodology with a case study approach because it wants to look in detail at a "case," which is the Panggungharjo Village Government, in answering the challenges of village autonomy for the community's welfare. How the village manager reorganized the new governance, and who was involved in the process of formulating the new governance. Case studies allow researchers to reveal and detail the perspectives in the field using various data sources (Baxter & Jack, 2008). The various kinds of data sources, according to (Yin, 2009), are documents, archives, interviews, direct observation, participant observation, and observation of objects relevant to the topic under study.

Data Collection

The data for this study were gathered through various methods, including a desk study, which involved accessing written information and reviewing content available on the kelurahan website. Second, observations conducted within the local community to observe their activities in managing one of the Village Business Entities (BUMDes) specializing in culinary services. Third, in-depth interviews with the village head. Fourth, focus group discussions (FGD) with local community members and religious leaders. FGDs enabled researchers to harness group interactions for exploring individuals' personal experiences and knowledge on the specific subject matter. They proved to be an ideal approach for capturing a range of experiences, opinions, and normative

systems (Dahlgreen et al., 2004).

Participants

The participants for this study were purposefully selected using the intensity sampling technique. This approach involves choosing individuals who are deemed to possess accurate and comprehensive knowledge pertaining to the phenomenon being investigated (Creswell & Poth, 2016). Specifically, for this study, individuals who met the criteria of being local community and religious leaders actively engaged in the management of Panggungharjo village were selected for interviews. Prior to their participation, all selected individuals willingly agreed to take part and provided their informed consent after receiving a comprehensive explanation about the study's nature and the recording procedures during group discussions. Furthermore, to ensure data security and confidentiality, all collected data were stored securely by the research team.

Data trustworthiness

Multiple measures were implemented to enhance the data's trustworthiness in this study. To bolster data credibility, researchers employed triangulation, a technique that incorporates diverse methods for accessing data from various sources (gathered through interviews, observations, and archival research). Alongside triangulating data sources, researchers also engaged in triangulated collaboration, involving regular meetings and discussions between the research team and research assistants to align perspectives on data collection and analysis. Moreover, researchers bolstered research trust through prolonged engagement, entailing frequent visits to the research site to ensure a comprehensive understanding of the locale, thereby enhancing the accuracy of data analysis.

Data Analysis

Data gathered from diverse sources underwent analysis utilizing Situational Analysis (SA), a framework introduced by Clarke (2005) as an extension of Grounded Theory, originally developed by Glaser and Strauss in 1967. SA offers the advantage of not only seeking "basic social processes" but also the capacity to analyze power dynamics in a post-structuralist manner and to effectively

encompass materiality. It extends Grounded Theory by capturing the intricacies and complexity of the research field while introducing elements of reflexivity, uncertainty, simplicity, and representation of contradictions (Glaser & Strauss, 1967).

The analysis phase followed a thorough review of interview transcripts, various documents, and critical observation notes. Subsequently, manual coding, including open coding, was employed. Based on these initial codes, a "Messy Situational Map" (MSM) emerged. This MSM was then refined by clustering codes into relevant "elements" capable of accommodating a variety of coding. These "elements" represent crucial categories central to the research focus. These emergent elements, drawn from the field, were structured into a more organized framework known as the Ordered Situational Map (OSM). From this process, the most pertinent elements related to the core topic, pivotal in guiding the social engineering change process in Panggungharjo Village, were identified.

Ultimately, the compiled OSM was modeled into a "Relational Map" and a "Social World Arena." These models encapsulate the findings related to the program strategy and governance of the Panggungharjo village government, aimed at achieving good governance. The final results of this analysis were presented in a simplified visual format to enhance the comprehension of the research findings.

Results

In-depth interviews were conducted with the Village Head of Panggungharjo village, while Focus Group Discussions (FGDs) involved seven religious leaders (toga) and community leaders (tomas), divided into two groups: male toga and tomas (comprising four participants) and female toga and tomas (comprising three participants). These interviews and FGDs spanned 1.5 to 2 hours and were conducted at one of Panggungharjo's village-owned enterprises (BUMDes). The subsequent analysis combines insights from these in-depth interviews and FGDs with community leaders, as well as observations and document studies related to Panggungharjo village. The data achieved saturation due to the abundance of information available on the Desa Panggungharjo website.

The core of the village's transformation towards good governance was instigated by the appointment of a new Village Head in Panggungharjo in 2012. This leader, who had been a campus activist since a young age, was deeply committed to fulfilling the civil rights of his constituents. He held a strong belief that "the Village is the future of the world," leading to a fundamental shift in the paradigm of village government services. The Village Head broadened the scope of public services to encompass all aspects of community life, recognizing that the relationship between the village government and its people extended beyond mere administrative functions.

The analysis, drawing from interviews, FGDs, archival studies, and observations, identified five key initiatives at the heart of the village development program's strategy to achieve good governance. In addition to implementing existing policies under the Village Government's authority, such as BPJS policies, APBD, BLT, and collaboration with stakeholders like government and religious institutions, the Village Head of Panggungharjo devised novel strategies to expedite progress and empower the village. These five strategies revolve around collaboration & network building, innovative village policies, strengthening internet-based village communication facilities (internet-based literacy), establishing strategic village institutions, and organizing large-scale breakthrough events.

One such strategy, collaboration & network building, aimed to enhance the quality of public services, acknowledging the limitations of the Panggungharjo village government apparatus. An initial step involved transitioning the village apparatus employment system to a performance-based payroll structure. This transformation was achieved through collaborations with partners in higher education. During the process, it became evident that an ideal Dusun head should have at least a diploma (D3) degree. To improve the educational qualifications of village officials with high school-level education, the Village Head initiated support for their higher education. This endeavor necessitated establishing networks and collaborations with academics and universities ranging from D3 to S1 levels.

"Pak Lurah feels that he is "running too fast," given his responsibilities, such as educating the Pamong (the village officer) who may have served for two terms but was sent for further education due to perceived slow progress.

"From the start of his tenure, Pak Lurah has actively collaborated with UGM and APMD to analyze positions, determining the necessity of staff education. He conducted research on the required education for each position, including the Dukuh, aligning it with performance criteria. For instance, the Dukuh position now demands a minimum of a D3 degree, even though the legal requirements only mandate a high school diploma. This change affects the siltap (field situation) evaluations; if the education level meets D3 standards, the siltap is awarded in full, but if not, it may be reduced."

In addition to educated village officials, the Lurah of Panggungharjo is committed to realizing the "One House One Scholar" initiative within the community, aspiring for each family to have at least one member holding a bachelor's degree. This principle is rooted in the belief that ignorance is a primary contributor to poverty, and therefore, higher education represents the primary focus for enhancing collaboration and networking between the village government and local universities.

Local Policy Initiatives: In its pursuit of the welfare of its residents, the village government actively promotes education accessibility by addressing basic needs and the right to education. Guided by the understanding that ignorance lies at the core of poverty, the Village Head of Panggungharjo initiated a groundbreaking policy offering educational scholarships for residents to pursue education up to the diploma 3 level and full bachelor's degree (S1). The following outlines some of the local policy initiatives spearheaded by the Village Head:

The "One House One Scholar" Policy: The objective is to facilitate residents' access to higher education, thereby reducing poverty in the long term. The village government collaborates with both public and private universities in Yogyakarta, including ATK Polytechnic and APMD. Educational scholarships are funded from village resources managed by the Bapel JPS institution and Corporate Social Responsibility (CSR) programs associated with partners of Panggungharjo village. The establishment of Bapel JPS is legally recognized through the Decree of the Head of Panggungharjo Village No. 07/2013, which formalizes the existence of the Social Safety Net Implementing Agency (Bapel JPS).

"In the Panggungharjo sub-district, there is a village head program focused on education called 'One House,

One Scholar.' This initiative is strongly promoted and encouraged by both community leaders and sub-district officials, as mentioned during the focus group discussion by a male participant, Toga-Tomas.

"Additionally, a female participant from the same discussion, also from Toga-Tomas, highlighted that every economically disadvantaged household is expected to have at least one family member benefitting from a scholarship program, which is a collaborative effort with ATK Polytechnic."

In addition to striving for one house and one scholar, the Lurah also educates village officials to have at least a D3 education. Thus, all village officials are given scholarships to continue their studies to the D3 and S1 levels by cooperating with universities.

"We provide education for all officials, ranging from a minimum of a D3 degree to a maximum of an S1 degree, to ensure they possess the necessary capabilities to handle tasks beyond mere administration and to foster a more flexible mindset in their roles as village officials (Village Head)."

The policy of free social service programs for vulnerable communities, namely pregnant women and the elderly. The health services provided to the elderly and the disabled with dependency from poor families are obtained from Bapel JPS. The village head established this agency in 2013 to manage the allocation of village funds to finance the needs of vulnerable communities in Panggungharjo Village.

"If the village head's jest holds true, whenever a Panggungharjo resident becomes pregnant, they are instructed to visit the village head. "Mr. Village Head, I am expecting," and we promptly provide them with a card for prenatal care, right through delivery and immunization. Back then, BPJS didn't exist, so it served as a social safety net for the villagers" (FGD Male, Toga-Tomas)."

Internet-based literacy

Digital literacy is a form of village government de-bureaucratization regarding information transparency and village administration. Information disclosure provides an opportunity for the community to know the performance and situation of village development that has been carried out in various activities in the community, including information on the use of the village budget. The

website of Panggungharjo Village is http://www.panggungharjo.desa.id/ is managed by the Village Information System Foundation (YSID), a specialized institution that handles information needed by the community. One of the applications owned by Panggungharjo Village is an application in the form of a digital platform to map the conditions of residents during a pandemic. Another platform established to deal with the Covid-19 pandemic are pasardesa.id, which is used to mitigate the economic impact and stabilize the supply chain of products rolling in the community.

"Information technology serves as a tool to simplify tasks, yet it is not the ultimate goal; rather, it is the safeguarding of the data it provides. Consider a group of five individuals like us. Among us, those with assets and their social welfare status are determined by our data sovereignty. There is no need for centralization; even the village can care for its residents. Lack of rice fields should not be a barrier, as wide rice fields may not equate to wealth. In the end, the data may label people as poor.

"However, during the COVID-19 pandemic, a village that effectively utilized IT data demonstrated its prowess. The village head requested wealth reports for COVID-19 assistance right at the pandemic's onset. The village extended basic necessities to families who were unable to access this assistance via cellphones. After cross-checking the data through Mr. RT and Mr. Dukuh, it became more valid and reliable."

YSID, a specialized agency responsible for managing village information systems, plays a pivotal role in developing applications aimed at enhancing access to services and all internet-based village information systems. The introduction of pasardesa.id as a village-owned e-commerce platform serves as a conduit for distributing Direct Cash Assistance - Village Funds (BLT-DD). Rather than disbursing cash directly, these funds are provided in the form of a balance for shopping on pasardesa.id, thereby ensuring that financial resources circulate within the community.

Establishing Strategic Entities Recognizing the limitation in the number of village officials compared to the substantial population of 28 thousand residents, Panggungharjo village government is committed to addressing the diverse needs of its community, including those related to education and the well-being of vulnerable groups such as pregnant women and the elderly. To foster community participation and institutionalize this process, the village government has initiated the formation of village institutions with specialized focuses. These entities include:
Village-Owned Enterprises (BUMDes) Panggung Lestari, founded in 2013, operates with four

distinct business units. These units comprise KUPAS (Waste Management Business Group), emphasizing environmental management, particularly household waste disposal; Swadesa, specializing in the offline and online sales of various local food and beverage products; Agrobusiness, dedicated to used cooking oil management and nyamplung oil processing; and Kampoeng Mataraman, focusing on village culinary tourism.

The Village Mediation Board (LMD), established to assist residents in resolving legal issues through non-litigation approaches, collaborates with the Legal Aid Institute (LBH) to provide alternative dispute resolution services.

Yayasan Sanggar Inovasi Desa (YSID) was created as a platform for reflection and knowledge construction based on the experiences gained in Panggungharjo Village. YSID's mission in relation to village self-sufficiency extends beyond Panggungharjo, aiming to share the lessons learned as valuable knowledge applicable to other villages across Indonesia.

"I expanded my knowledge by observing that the current village head had introduced numerous initiatives when presenting village institutions. During this period, there were no specific village laws in place; however, there was already a commitment to fostering community involvement. This recognition stemmed from the fact that, in our village, the village apparatus consisted of only 40 individuals responsible for the welfare of 28 thousand residents (FGD Male, Toga-Tomas)".

"During this transformative period, a concept known as bureaucratic reform emerged. One of its key objectives was to shift the perception of the relationship between the village government and its residents. Previously limited to administrative tasks like handling correspondence, issuing identity cards, and making introductions, the village government was now expected to provide public services encompassing all aspects of community life. This meant that the village government took responsibility for a wide range of matters, including health education for pregnant women and the elderly, as well as ensuring access to education for those unable to attend school".

"Recognizing the enormity of these tasks, the government understood that it couldn't manage them alone. Consequently, it opened up opportunities for community participation through various institutions such as social protection agencies, village mediation bodies, cultural village management committees, and village information system managers. These institutions were staffed by community members who collaborated with the village government to serve the residents. This collaborative approach resulted in numerous innovations, including waste management solutions and mechanisms for resolving disputes among villagers. For instance, we established a mediation institution to address conflicts (FGD Female, Toga-Tomas)."

Breakthrough Events

The Village Cultural Congress emerged as an initiative of YSID Panggungharjo Village in response to societal transformations resulting from national social distancing policies implemented during the COVID-19 pandemic. It encompassed a series of four key activities. First, it initiated research to gauge villagers' expectations regarding post-COVID-19 life. Subsequently, a webinar series featured various experts who delved into diverse village-related issues. The village government also orchestrated a sequence of Village Cultural Festivals, attended by representatives from village administrations across different regions in the archipelago. These endeavors culminated in the "Congress and Declaration of the New Indonesian Order from the Village" on August 15, 2020, with participation from a broad spectrum of society, including villagers, community members, village officials, academics, practitioners, government officials, and the media.

"When COVID-19 hit, it brought about unexpected opportunities for change. For instance, all campus activities shifted to online platforms like Zoom, leading to the emergence of a new way of life. In response to the pandemic, we organized a national event called the Village Culture Congress, which brought together villages from across Indonesia in a virtual format. From this event, we developed a comprehensive formula outlined in 21 books promoting village independence. The significance of this formula extends beyond just villages; it resonates throughout Indonesia. This achievement was made possible through the Village Culture Congress and the publication of these 21 books." (FGD Male, Toga-Tomas).

Panggungharjo Village has achieved yet another significant milestone through its "Jagongan Selapanan" event, which occurs every 35 days (selapan). This event serves as a platform for brainstorming and refining ideas for the development of the Karang Kitri Cultural Area within the village. Karang Kitri is envisioned as a pioneering model of a Culturally Independent Village, with its mission centered on prioritizing citizen participation and empowerment, ensuring the sustainability of rural development initiatives, and preserving the local culture and environment. The event fosters a vibrant exchange of ideas among participants, revolving around special, unique, and engaging themes related to the village's indigenous knowledge, with the topics dynamically changing to align with the chosen theme.

"Furthermore, there is a program, ma'am, known as 'jagongan selapanan,' which was previously non-

existent. This is truly remarkable, as it aims to enhance the literacy skills of the Panggungharjo community, especially in the area of writing" (FGD Female, Toga-Tomas).
Village governance reform

The challenge facing village governments in response to the Village Law is the need for comprehensive reforms in village governance. In Panggungharjo Village, these reforms encompass de-bureaucratization, an expansion of the services provided by village officials beyond administrative functions, and an increased emphasis on community participation in village development efforts. Here is a detailed explanation:

De-bureaucratization and Diversification of Services: Under the restructured village community empowerment program, the village head is committed to steering the village government toward good governance by initiating bureaucratic reforms and de-bureaucratization. One of the initial steps taken by the Panggungharjo Village Head was to broaden the range of public services offered, shifting from a focus solely on administrative tasks to encompass concrete services that directly benefit the public. These expanded services include essential public goods such as healthcare access and financial assistance for residents facing economic challenges. These measures were implemented with the aim of promoting greater self-sufficiency within the Panggungharjo Village Government.

"In the national context, Law No. 6/2014 transformed the dynamics of the relationship between the state and villages. It introduced a regulatory principle as its foundation, which revolves around the recognition, acknowledgment, and respect granted to a legal community entity known as a village. These villages predate the formation of the state itself, having evolved as self-governing and self-regulating communities. Consequently, since their inception, our villages have wielded a form of authority known as original authority or origin, alongside local authority at the village level. The state does not grant these two authorities because, even before its establishment, our villages already existed. This recognition is what the Village Head represents.

"Furthermore, Law No. 6 mandates the state to facilitate the redistribution of assets, which we commonly refer to as village funds. This empowers villages to manage their authority and assets effectively. With the recognition of authority and the redistribution of assets, Law No. 6 not only redefined the relationship between the state and villages but also laid the foundation for all villages to regain their sovereignty and independence."

In order to succeed in the reform of expanding the scope of services, the Village Government, as the executor in providing services to the community, is actively involved in the rearrangement process. All village officials are educated to change the *mindset of* village government officials are only manage administration but also expand the service dimension to include services for public goods and services.

"When processing the death certificate, it is fast, ma'am...I happen to represent two hamlets. The granting of the death certificate is done before the body is buried, that's what happens now. In the past, it took a long time, in fact, it didn't even exist. We went to the disdukcapil. Now it is taken care of by the village head who is ready to provide the best and excellent service to the community regarding death certificates. Then direct services are served there, without gratuities. Already taken care of anything, if it is not given, WA an. Even the employee there said the employee there left karo linmas, you know, already in front of my house. That is the primacy of governance regarding public services" (FGD Male, Togas-Tomas).

Engaging the community as actors in village development.

The next form of reform was to empower the community to manage the progress of their village, which was done by developing a new relationship between the village government and the community. Residents were also given different tasks and responsibilities to succeed in the program strategies set by the village government by entering as managers of various institutional units that were formed. In this way, the village becomes independent, and its citizens are empowered because they are involved in managing the progress of their village.

"Distributive ability, dividing authority, so, because the authority recognized by the state ... if detailed, there are 120 authorities divided into five fields of affairs, there are government, development, empowerment, village community development, and emergency affairs. Of course, it is impossible for the village government to carry out the 120 authorities alone, so then what can be carried out by the village government is carried out alone. Those that cannot are then shared out to villagers through village institutions, as well as in order to open up space for participation. So in Panggungharjo we have 11 village institutions, which work together with the village government to exercise some of the village government's authority" (Village Head).

The reforms initiated by the Panggungharjo village government in de-bureaucratizing village governance and citizen participation have resulted in achievements, namely from the best village at the national level in 2014 to the Anti-Corruption Village in 2021. Year after year, other achievements continue to follow, so more than 35 types of achievements, both at the regional and

national levels, thanks to the strategy of the Development program and bureaucratic reform initiated by the Panggunharjo village government.

Discussion

The primary objective of this research is to investigate how the program strategy and governance of the Panggungharjo village government have contributed to the achievement of good governance and the village's success, as well as to explore the full potential of its available resources. It's important to note that Law No. 6/2014 on Villages marked a significant turning point in reclaiming sovereignty and independence for villages, which were previously subordinate to regencies and cities (Hadi, 2018; Pane, 2019). These circumstances underscore the necessity for "adjustments to the village government's institutional system, transitioning from the outdated institutional framework to one that aligns with the new paradigm" and necessitating organizational transformations (Hadi, 2018; Pane, 2019).

Through this case study, it becomes evident that the Panggungharjo village government has proactively pursued various strategies to uphold the village's sovereignty and harness its potential for development. This initiative is encapsulated in five key strategies outlined in Figure 2, which have enabled the Panggungharjo village government to embody principles of good governance in their operations and decision-making processes.

Figure 1. Panggungharjo village government program strategy in realizing village *good governance*

The Panggungharjo Village Government has undertaken a comprehensive approach to organizational development, primarily through a series of community development programs. The overarching strategy is to achieve village independence, empowering the local community to authentically govern and manage their resources through collective agreements, free from external influences (Bhattacaryya, 2004). Notably, the Village Head of Panggungharjo has actively fostered collaborations and expanded networks with various external stakeholders, a traditional approach in community development (Matarrita-Cascante et al., 2020). These collaborations extend to entities such as universities and corporate social responsibility (CSR) initiatives, representing a concerted effort to address the village's challenges. The successful negotiations and alignment of interests in these collaborations are evident in their support for further education for village officials and funding for advanced studies.

As emphasized by Heath (2007), community collaboration is pivotal when faced with intricate issues and limited resources, and it involves multiple stakeholders working towards a common objective (Matarrita-Cascante et al., 2020). This approach aligns with the concept of Network Public Service (NPS), as proposed by Denhardt (in Hendra et al., 2022). NPS reflects the public interest and

signifies collaborative efforts among public organizations, nonprofit institutions, and the private sector, all aimed at enhancing community well-being. In Panggungharjo village, a notable collaboration in waste management with Pegadaian CSR, known as The GADE Clean & Gold program, allows community involvement in transforming household waste into gold savings. This innovative initiative not only benefits the environment but also provides long-term financial security for participants.

Furthermore, the village government's commitment to the "one house one scholar" policy and the establishment of a village digital portal, "Teras Desa" (located at www.panggungharjo.desa.id), showcases their dedication to community capacity building (Matarrita-Cascante et al., 2020). Recognizing the importance of digital literacy in the modern era, the village government has integrated online platforms into administrative processes. "Teras Desa" not only enhances digital literacy but also fosters local, national, and international connections, furthering the community's capabilities.

This effort aligns with the concept of personal mastery, as described in Senge's Learning Organization framework (Gruidl & Hustedde, 2003). Personal mastery encourages individuals to become self-learners and empower those around them. In Panggungharjo, individuals proficient in information technology and the internet play a pivotal role in facilitating learning among fellow residents. Senge's vision of personal mastery becomes evident as community members collectively embrace internet literacy.

In addition to bolstering digital literacy, the village has taken innovative steps to ensure the transparent circulation of funds, particularly in the distribution of BLT (Direct Cash Assistance) funds. Collaborating with YSID, the village government introduced shopping balances in the pasardesa.id account for beneficiaries, fostering the circulation of funds within Panggungharjo Village. This practice not only sustains the local economy but also exemplifies transparency in village governance, providing easy access to information about village development for the community (Arthana, 2019; Setiawan, 2019; Sukmawati & Nurfitriani, 2019).

In essence, Panggungharjo Village's multifaceted approach to organizational development reflects a commitment to empowerment, collaboration, and innovation, resulting in a thriving community that embraces the challenges of the digital age while preserving its traditional values and resources. To enhance community participation in development, the village government established various strategic units, including YSID, BAPEL JPS, and BUMDes, as a means of fostering community empowerment and engagement. This empowerment facilitates social influence and power transformation, enabling local community members to elevate their ability to manage local resources (Matarrita-Cascante et al., 2020). Consequently, this strategy has bolstered the confidence of individuals in their capacity to oversee these resources. The extensive involvement of village communities in local development underscores the village government's commitment to practicing good governance (Moento et al., 2019).

An innovative policy approach employed by the village government aims to provide clear guidelines for the scope and direction of village development goals, ensuring that the community recognizes the programs' objectives centered on achieving village sovereignty. This endeavor aligns with the principles of systems thinking, as pioneered by Senge (1990), which involves the development of knowledge and tools to elucidate the comprehensive landscape of problems, issues, and situations encountered. The village government's policies, such as "one house one scholar," the use of internet-based information media, and the activation of BUMDes Panggung Lestari, collectively form a "system of thought" that serves as a tool to address the challenges facing Panggungharjo village and work towards prosperity and good governance.

A fifth strategy identified in this study is the village government's initiative to organize various large-scale events open to participants from outside Panggungharjo village, such as "Jagongan Selapanan" and the "Village Cultural Congress" on a national scale. In the context of a Learning Organization, this initiative embodies a "shared vision," fostering a sense of common identity and togetherness among individuals within and outside the village in their journey of learning as an organizational entity (Senge, in Gruidl & Hustedde, 2003). This shared vision strategy not only brings recognition to Panggungharjo village on a broader scale but also inspires other villages in Indonesia to emulate

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similar practices in managing village sovereignty and striving for prosperous communities.

In the realm of village governance reform, the Panggungharjo village government is actively pursuing good governance characterized by accountability, transparency, and community participation. As indicated by Handayani et al. (2019), achieving good governance hinges on bureaucratic reform in organizational governance, marked by these three essential elements. According to Suacana (2018), bureaucratic reform aims to enhance the effectiveness and efficiency of public officials in fulfilling their responsibilities, addressing both internal and external sources of bureaucratic issues. Internal issues stem from inadequate oversight of task execution and organizational work systems, while external issues arise from entrenched practices among stakeholders, including the community, that may lead to corruption (Suacana, 2018).

To address these challenges, the Panggungharjo village government is actively promoting bureaucratic reform and involving the local community in village governance. The guiding principles encompass (1) fostering accountability by accounting for the village government's performance, (2) promoting transparency to grant public access to information regarding village government policies and performance, and (3) encouraging community participation in various government and development initiatives (Pane, 2019). These principles have been effectively implemented by the Panggungharjo village government, both internally and externally, resulting in the village's recognition as an Anti-Corruption Village by the KPK in 2021. Rahayuningsih et al. (2022) further affirm that good governance is achievable when state apparatuses, particularly public officials, exhibit integrity. This aligns with Aryani et al.'s research (in Rahayuningsih et al., 2022), which underscores the significance of leaders' integrity and competence. In this study, the leaders of Panggungharjo village exemplify high integrity, which has played a pivotal role in implementing good governance practices effectively.

This study exhibits a range of strengths and weaknesses. Its strengths lie in the direct field observations conducted through interviews, on-site observations, and document analysis, facilitated by Panggungharjo Village's internet-based village portal. However, a notable weakness is that data

collection through interviews solely involved religious and community leaders along with the village head, omitting the participation of other community members who play pivotal roles in village organizational units like BUMDes managers, YSID, and Bapel JPS. Including these community elements in future research would greatly enhance the understanding of Panggungharjo village's program strategy and governance reform.

Conclusion

The Panggungharjo Village government organization's case study, aimed at achieving good governance, offers valuable insights from both an Industrial Organizational Psychology perspective and a Community Psychology perspective. It underscores the significance of organizational development grounded in the principles of learning organizations, encompassing capacity building, system thinking, personal mastery, and shared vision. Simultaneously, it highlights the practice of good governance by the Panggungharjo Village Government through community development principles, community empowerment, and active community participation. The successful synergy of organizational development in line with learning organization principles, coupled with community empowerment and participation, has proven effective in Panggungharjo Village's pursuit of good governance.

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