Dynamic Management Journal
Volume 10 No. 4 Tahun 2026 Hal 435-571
DOI : http://dx.doi.org/10.31000/dmj.v10i4.17394 ISSN (Online) 2580-2127

BRIDGING THE POLICY AND IMPLEMENTATION GAP : STRATEGIC HRM CHALLENGES IN INDONESIA'S VILLAGE COOPERATIVE (KDKMP)

Syukron Sazly[1]*, Heirunissa[2], Suryanto Sosrowidigdo[3], Dian Berliansyah Putra[4]
[1,3,4)] Universitas Bina Sarana Informatika, Indonesia
[2] STIE GICI Bogor, Indonesia
Email: syukron.szy@bsi.ac.id

Artikel History:
Artikel masuk : 09-08-2026
Artikel revisi : 10-10-2026
Artikel diterima : 31-10-2026

Keywords:
Strategic Human Resource Management, Policy Implementation, Human Resource Readiness, Organizational Performance.

ABSTRACT

The establishment of 80,000 Village Cooperatives (Koperasi Desa Merah Putih (KDMP)) represents a major government initiative to strengthen rural economic development and community-based enterprises in Indonesia. However, translating this ambitious policy into operational and sustainable cooperative organizations requires more than institutional establishment and physical infrastructure. Human resource readiness is a critical factor in ensuring effective implementation, professional management, and long-term organizational performance. This study aims to examine the Strategic Human Resource Management (SHRM) challenges associated with the implementation of Village Cooperatives in Indonesia and to develop a framework for strengthening their operational readiness. Using a qualitative documentary research approach, the study will analyze government policies, regulatory documents, institutional reports, and relevant academic literature through thematic analysis. The analysis focuses on five strategic HRM dimensions: recruitment and competency alignment, human resource development and training effectiveness, leadership and professional governance, performance management and accountability, and employee motivation and talent retention. The study proposes an integrated Strategic HRM framework linking human resource practices with organizational and operational readiness, ultimately supporting sustainable cooperative performance. This research is expected to contribute to the strategic HRM and policy implementation literature while providing practical recommendations for improving human resource management in Indonesia's Village Cooperatives.

INTRODUCTION

The development of village-based cooperatives has increasingly become an important policy instrument for promoting inclusive economic growth, strengthening

Copyright © 2024 Dynamic Management Journal
This work is Licensed Under a Creative Commons Attribution-ShareAlike 4.0

local economic institutions, and improving community welfare. In Indonesia, this agenda has gained significant national attention through the establishment of Koperasi Desa/Kelurahan Merah Putih (KDKMP), a government initiative designed to strengthen village economies through cooperative-based business development. Presidential Instruction No. 9 of 2025, issued on March 27, 2025, mandated the acceleration of the establishment, development, and revitalization of 80,000 village and urban-village cooperatives across Indonesia. The initiative reflects the government's broader ambition to strengthen economic activities at the village level, improve access to essential goods and services, support local production, and expand community participation in economic development (Republic of Indonesia, 2025). Nevertheless, achieving the numerical target of cooperative establishment represents only one dimension of policy implementation. The more fundamental challenge concerns whether these newly established institutions possess the organizational capacity, managerial competence, and human resources required to operate effectively and sustainably.

The implementation of KDKMP has involved substantial institutional, administrative, financial, and infrastructure development. However, progress in legal establishment and physical construction should not automatically be interpreted as evidence of operational effectiveness. At October 14, 2026, Indonesia had recorded 83,363 KDKMP cooperatives with legal-entity status, while 79,733 had obtained SIMKOPDES accounts and 60,854 had secured Business Identification Numbers (NIB). In terms of physical infrastructure, 28,240 locations had completed construction, while another 7,392 remained under development. The government also announced preparations for coordinated monitoring of operationalization readiness at 10,070 locations beginning October 15, 2026 (Coordinating Ministry for Food Affairs, 2026). These figures demonstrate substantial administrative and infrastructure progress, but they also reveal why different implementation indicators must be examined separately. Legal recognition, business licensing, infrastructure completion, and actual business

operations represent distinct stages of organizational development. In particular, the announcement of monitoring at 10,070 locations should not be interpreted as confirmation that all these cooperatives were already operating effectively. This distinction raises an important management question on how institutional expansion can be translated into genuine operational readiness at the cooperative level.

Beyond institutional and infrastructure considerations, human resource readiness represents a critical factor in determining the effectiveness of cooperative implementation. Unlike conventional administrative organizations, cooperatives require managers and governing bodies capable of combining business management with democratic governance, member participation, financial accountability, and community-oriented leadership. The complexity of KDKMP's proposed business activities including retail distribution, agricultural product marketing, logistics, financial services, and the distribution of essential goods requires diverse managerial and operational competencies. Consequently, the availability of formally appointed managers or elected cooperative administrators does not necessarily guarantee that the organization possesses the capabilities needed to manage these activities. The Ministry of Cooperatives has recognized this challenge through human resource development initiatives, including training and certification programs for prospective KDKMP managers. In July 2026, the ministry reported the implementation of a nationwide manager training program covering cooperative governance, financial management, digitalization, entrepreneurship, leadership, and related competencies (Ministry of Cooperatives, 2026). Earlier, in November 2025, the ministry reported that 11,415 cooperative facilitators had participated in training against a reported target of 18,839, representing approximately 61% of the target for that facilitator category (Ministry of Cooperatives, 2025). Although these initiatives indicate institutional recognition of the importance of human capital development, training participation alone cannot establish whether participants have acquired, applied, and sustained the competencies required for effective cooperative management. The relationship between training provision,

competency development, workplace application, and organizational performance therefore deserves closer examination.

The broader Strategic Human Resource Management (SHRM) literature provides a relevant theoretical foundation for understanding this challenge. Contemporary research increasingly emphasizes that HRM practices should be understood as an integrated system rather than as isolated activities involving recruitment, training, compensation, or performance appraisal. A recent review of 3,503 peer-reviewed articles published between 1995 and 2025 identifies the importance of integrated HRM architectures, multilevel performance mechanisms, and the organizational processes through which HRM systems influence performance outcomes (Zhai et al., 2026). Similarly, Voigt and von der Oelsnitz (2024), in their systematic literature review of HRM in cooperatives, demonstrate that cooperative organizations have distinctive employment and management characteristics because they combine democratic ownership, member control, cooperative values, and the interests of different stakeholder groups. These characteristics suggest that HRM systems in cooperatives cannot simply replicate conventional corporate management practices. Professional management must be aligned with member participation, accountability, and the fundamental principles of cooperation. Furthermore, Jamaluddin et al. (2023), through a systematic literature review of cooperative governance and performance, identify board characteristics, policy compliance, management, leadership, strategy, and the social and human capital of governing bodies as important dimensions in understanding cooperative performance. Collectively, these studies indicate that human resource competence, governance arrangements, and organizational performance are interconnected, particularly in organizations operating under distinctive institutional and stakeholder conditions.

Recent Indonesian research has begun to address the managerial and institutional challenges associated with KDKMP. Febriana et al. (2026), in a study of 83 cooperative chairpersons and supervisors in Kutai Kartanegara Regency, examine managerial

readiness through regulatory understanding, perceived economic benefits, institutional and resource readiness, social support, and participation commitment. Their findings indicate a relatively high overall perceived managerial readiness, although institutional capacity and resource readiness recorded the lowest mean among the assessed dimensions. This study provides useful empirical evidence regarding the perceptions of cooperative administrators in a specific regional context. In addition, Ikram and Hamzah (2026) develop an evidence-informed framework for cooperative professionalization through a systematic literature review, emphasizing the alignment of HRM systems with cooperative governance, managerial capabilities, and organizational effectiveness. These contributions provide an emerging foundation for understanding the human resource dimension of KDKMP. Nevertheless, further analytical attention is needed to examine how Strategic HRM practices can address the broader policy–implementation gap, particularly the transition from formal cooperative establishment to actual operational readiness. This issue becomes more relevant when considering the diversity of village contexts, variations in managerial capabilities, different local economic opportunities, and the need to balance professional management with democratic cooperative governance.

In addition to human resource challenges, the implementation of KDKMP has generated public debate concerning institutional design, financing arrangements, village autonomy, governance, and the sustainability of cooperative operations. A policy report published by CELIOS (2025) raises concerns about potential financing burdens, village fiscal space, accountability, and community participation. These arguments represent critical perspectives that should be examined alongside the government's stated objectives rather than treated as established conclusions about every cooperative. Similarly, discussions within the Indonesian House of Representatives have called attention to the need to evaluate the evolving institutional and business design of KDKMP, particularly its expanding roles in distributing subsidized goods and serving as an offtaker for village production (House of

Representatives of the Republic of Indonesia, 2026).There are potential risks of elite capture and moral hazard, emphasizing the importance of merit-based management selection, managerial training, digital monitoring, and stronger accountability mechanisms (Basnawi & Pertiwi, 2026). These debates demonstrate that cooperative implementation involves more than administrative coordination or capital provision. It also requires capable human resources, transparent decision-making, effective institutional controls, and meaningful community participation. From an SHRM perspective, these issues are particularly important because organizational legitimacy and operational sustainability depend partly on the quality, integrity, and accountability of the people responsible for managing cooperative resources.

From an SHRM perspective, elite capture can occur when recruitment, appointments, access to cooperative assets, procurement, or the distribution of benefits are controlled by a narrow group rather than being accountable to members. Moral hazard may arise when decision-makers control resources or incur financial obligations while the costs and risks are borne by members, the village, or public institutions. Basnawi and Pertiwi (2026) specifically identify top-down formation, limited village-level human resource capacity, and weak oversight as conditions that can create opportunities for these risks. These concerns should therefore be treated as governance risks to be mitigated through institutional design, not as evidence that all KDKMP cooperatives are captured or mismanaged.

corresponding SHRM safeguards should operate across the employee and governance life cycle. Recruitment and appointment criteria should be published in advance, competency-based, and open to qualified candidates beyond established local networks; selection panels should disclose conflicts of interest and document their decisions. Periodic rotation or term limits for designated roles, where consistent with cooperative law and the bylaws, can reduce the concentration of authority. Job descriptions and a segregation-of-duties matrix should separate authorization, procurement, payment, bookkeeping, and audit functions. Managers should receive

mandatory training in cooperative principles, fiduciary responsibility, financial controls, procurement integrity, and conflict-of-interest management. Performance appraisal should include not only sales or operational targets but also member-service quality, financial reporting timeliness, compliance, complaint resolution, and member participation. These measures translate the recommendations of Basnawi and Pertiwi (2026) into an integrated SHRM and governance system.

Accountability must also be designed around members as the cooperative's owners. Practical mechanisms include accessible periodic financial statements, member review of major transactions, transparent procurement records, an independent supervisory function, protected complaint and whistleblowing channels, and regular reporting at the members' meeting. Digital monitoring can improve traceability, but it should complement—not replace—member oversight, independent verification, and the right of members to question management decisions. The central SHRM implication is that professional competence without ethical safeguards may strengthen managerial power without strengthening cooperative accountability. Accordingly, managerial capability, integrity, and answerability to members should be assessed together.

Despite the growing policy attention and emerging academic discussion, an important analytical challenge remains on how Strategic Human Resource Management can help bridge the gap between the national ambition of establishing village cooperatives and their actual organizational and operational readiness. Addressing this question requires moving beyond a narrow emphasis on training activities toward a more integrated examination of human resource planning, competency-based recruitment and selection, continuous development, professional leadership, performance management, and talent motivation and retention. Accordingly, this study aims to examine the major Strategic HRM challenges in the implementation of Koperasi Desa/Kelurahan Merah Putih and to develop a proposed Strategic HRM Readiness Framework for strengthening cooperative operational capacity and sustainable performance. Specifically, the study addresses three research questions, namely; what

the major Strategic HRM challenges affecting the implementation of KDKMP in Indonesia, how human resource management practices relate to the organizational and operational readiness of village cooperatives and finally what Strategic HRM framework can support the transition from cooperative establishment to professional and sustainable operations.

This study adopts a qualitative documentary research approach by examining relevant government regulations, institutional reports, policy publications, academic literature, and credible public reporting. Through thematic analysis, the study organizes the identified challenges into five interconnected Strategic HRM dimensions: recruitment and competency alignment, human resource development and training effectiveness, leadership and professional governance, performance management and accountability, and employee motivation and talent retention. The expected contribution is threefold. Theoretically, the study extends the application of Strategic HRM to the implementation of large-scale, government-led cooperative development initiatives, highlighting the relationship between HRM practices, human resource readiness, and organizational capacity. Practically, it proposes a Strategic HRM Diagnostic Matrix and a Human Resource Readiness Framework that can inform the development and management of KDKMP. From a policy perspective, the study emphasizes the importance of shifting implementation priorities from institutional establishment alone toward competency-based human resource management, professional governance, and measurable operational readiness. By positioning human resource readiness as a strategic link between policy implementation and cooperative performance, this study seeks to contribute to a more sustainable and institutionally grounded approach to village cooperative development in Indonesia.

THEORITICAL REVIEW

Strategic Human Resource Management

Strategic Human Resource Management (SHRM) refers to the systematic integration of human resource policies and practices with an organization's strategic

objectives. Unlike traditional personnel management, which primarily emphasizes administrative activities such as recruitment administration, payroll, and employee records, SHRM considers human resources as a strategic organizational asset. It emphasizes the alignment of human resource practices with organizational strategy, the development of workforce capabilities, and the contribution of human resource systems to organizational effectiveness and long-term performance. Wright and McMahan (1992) provided an important theoretical foundation for SHRM by identifying several theoretical perspectives relevant to understanding the determinants and consequences of human resource practices, including the behavioral perspective, cybernetic models, agency and transaction cost theory, the resource-based view, power and resource dependence models, and institutional theory. These perspectives demonstrate that human resource management is influenced by organizational strategy, employee behavior, resource availability, institutional arrangements, and the external environment. Consequently, HRM practices should not be considered isolated administrative activities but rather interconnected organizational mechanisms that influence the development and utilization of human capabilities.

A central principle of SHRM is the alignment between human resource practices and organizational strategy. This alignment involves vertical integration, which refers to the consistency between HRM policies and organizational strategic objectives, and horizontal integration, which concerns the consistency among different HRM practices, including recruitment, selection, training, performance management, compensation, leadership development, and employee retention. These forms of alignment are important because individual HRM practices are more likely to generate organizational value when they operate as a coherent and mutually reinforcing system (Wright & McMahan, 1992). The systems perspective is further supported by contemporary research on strategic HRM. Zhai et al. (2026), through a review of research published between 1995 and 2025, demonstrate that contemporary SHRM research increasingly examines the configuration of HRM practices, multilevel performance outcomes,

mechanisms connecting HRM systems with organizational performance, and the adaptation of HRM to changing organizational and technological environments. Their review emphasizes that HRM systems should be understood as integrated configurations rather than independent practices.

For cooperatives, the strategic nature of HRM is particularly important because organizational effectiveness depends on the capabilities of individuals performing different institutional and operational roles. Cooperative organizations require competent board members, supervisors, professional managers, and operational employees. These individuals must be capable of balancing organizational accountability, member interests, business development, and operational efficiency. In the context of Village/Urban Village Cooperatives Merah Putih (KDKMP), SHRM therefore involves the strategic acquisition, development, deployment, evaluation, and retention of human resources in accordance with the cooperative's institutional responsibilities and business requirements.

Resource-Based View

The Resource-Based View (RBV) explains organizational performance by emphasizing the strategic value of resources and capabilities controlled by an organization. Barney (1991) argues that resources can become sources of sustained competitive advantage when they are valuable, rare, imperfectly imitable, and non-substitutable. These characteristics are commonly associated with the VRIN framework. The RBV perspective broadens the understanding of organizational resources beyond physical assets and financial capital. Resources may include human capital, managerial knowledge, organizational routines, technological capabilities, organizational culture, and relationships with external stakeholders. However, the possession of resources alone does not automatically generate superior performance. Organizations must be able to combine, coordinate, and utilize their resources effectively.

Human resources are particularly important within the RBV perspective because employees and managers possess knowledge, skills, experience, and organizational

understanding that can contribute to organizational capabilities. These resources may become strategically valuable when they are effectively integrated into organizational processes and are difficult for other organizations to reproduce. Although Barney's (1991) original framework was developed to explain sustained competitive advantage among firms, its underlying logic can also inform the analysis of cooperative organizations. Its application needs to consider the distinctive objectives of cooperatives. Unlike investor-owned firms, cooperatives pursue economic objectives while also serving the collective interests and welfare of their members. For cooperatives, strategically valuable resources may include managerial competence, financial management capabilities, entrepreneurial knowledge, digital capabilities, member relationships, supplier networks, and institutional trust. These resources can support the cooperative's ability to organize business activities, provide services to members, develop market relationships, and maintain organizational accountability. In the KDKMP context, the RBV provides a theoretical explanation of why human resource capabilities are important for transforming formal cooperative establishment into actual organizational capacity. A cooperative may possess legal recognition, physical facilities, and access to government support, but its ability to operate effectively also depends on whether its managers and administrators can mobilize and manage these resources.

Human Capital Theory

Human Capital Theory explains how individuals' knowledge, skills, education, experience, and competencies contribute to productive capacity and organizational performance. Becker (1964) conceptualizes education and training as investments in human capital because they can increase individuals' productivity and future economic returns. From this perspective, human resource development should be understood as a long-term investment rather than merely an operational expense. Education, professional training, work experience, and competency development can improve employees' ability to perform tasks, solve problems, adapt to changing conditions, and

contribute to organizational objectives. Human capital is particularly relevant to cooperative organizations because their operations require a combination of managerial, financial, entrepreneurial, technological, and governance competencies. Managerial competence enables cooperative personnel to plan, organize, coordinate, and control organizational activities. Financial competence supports budgeting, cash-flow management, financial recording, reporting, and risk assessment. Entrepreneurial competence enables managers to identify business opportunities, develop viable business models, establish partnerships, and respond to market requirements. Digital competence supports the use of technology in administration, financial transactions, marketing, communication, and operational reporting. Governance competence, meanwhile, concerns the understanding and application of cooperative principles, organizational responsibilities, transparency, supervision, and accountability.

These competency dimensions represent an analytical synthesis developed for the KDKMP context rather than a universally established classification of Human Capital Theory. They translate the general concept of human capital into capabilities relevant to the management and operation of village cooperatives. Human Capital Theory also explains why training participation should not automatically be interpreted as evidence of increased organizational readiness. The effectiveness of training depends on the relevance of its content, the quality of instruction, participants' initial capabilities, opportunities to apply newly acquired knowledge, and the extent to which training outcomes are integrated into organizational practices. In the KDKMP context, human resource development should therefore be connected to specific operational responsibilities. Training in financial management, for example, should be followed by the implementation of appropriate financial recording systems, budgeting procedures, cash-flow management, and reporting practices.

Policy Implementation Theory

Policy Implementation Theory explains how public policies are translated from formal decisions and policy objectives into actual administrative and organizational

practices. It emphasizes that policy formulation and policy implementation are distinct processes. The achievement of policy objectives depends not only on the quality of policy design but also on the capacity of implementing organizations, the availability of resources, institutional coordination, communication, and the characteristics of the implementation environment. Matland (1995) developed the ambiguity-conflict model of policy implementation to explain differences in implementation processes. The model identifies policy ambiguity and policy conflict as two important dimensions. Policy ambiguity refers to the extent to which policy objectives and implementation procedures are clearly defined, while policy conflict concerns the extent to which stakeholders disagree over policy objectives, priorities, or implementation arrangements. By combining these dimensions, Matland (1995) explains that implementation processes may take different forms depending on the clarity of policy objectives and the degree of conflict among relevant actors.

Another relevant perspective is the concept of street-level bureaucracy developed by Lipsky (1980). Lipsky explains that public service delivery is significantly influenced by frontline personnel who interact directly with citizens and exercise discretion when translating policy requirements into practical decisions. Their working conditions, resource limitations, and organizational pressures can influence how policies are implemented in practice. Although cooperative managers and administrators are not necessarily public bureaucrats in the strict sense described by Lipsky, the street-level perspective provides an analytical lens for understanding the role of local implementing actors. Cooperative administrators, managers, facilitators, and other local stakeholders are involved in translating broader policy objectives into organizational activities. In the KDKMP context, the distinction between policy establishment and operational implementation is particularly relevant. The establishment of a cooperative as a legal entity does not automatically ensure that the organization has the human resources, managerial systems, financial capabilities, business networks, and operational procedures required to conduct sustainable

business activities. The implementation process therefore requires more than the fulfillment of formal institutional requirements. It also requires the development of organizational capabilities at the local level. Policy Implementation Theory provides a basis for understanding the potential gap between government policy objectives and organizational implementation capacity. Within this perspective, SHRM represents one of the organizational mechanisms through which policy objectives can be translated into operational capabilities. Recruitment, competency development, professional leadership, performance management, and talent retention can help strengthen the capacity of local cooperative organizations to implement policy objectives.

Human Resource Management in Cooperative Organizations

Cooperatives are distinctive organizational forms because they combine economic activities with collective ownership, democratic control, and member-oriented objectives. These characteristics differentiate cooperatives from conventional investor-owned businesses and have implications for organizational governance, leadership, and human resource management. The distinctive nature of cooperative organizations creates specific HRM requirements. Cooperatives must balance business efficiency and professional management with member participation, democratic decision-making, collective accountability, and cooperative values. Consequently, human resource management in cooperatives cannot be understood exclusively through conventional corporate management practices.

Voigt and von der Oelsnitz (2024), explain that cooperative organizations present distinctive HRM challenges because they are democratically owned and controlled by members and must accommodate the interests of multiple stakeholders. Their review highlights the importance of cooperative membership, member self-leadership, self-control, cooperative values, and principles in shaping HRM policies and practices. One important issue identified by Voigt and von der Oelsnitz (2024) is the distinction between member employees and non-member employees. This distinction can influence employment relationships, organizational responsibilities, and HRM policies.

Their review also identifies employment security for member employees as an important HRM policy consideration and emphasizes the need for further research into sustainable HRM in cooperative organizations. These characteristics have important implications for KDKMP. The organizational structure involves different roles that should be clearly distinguished. The board or management committee is responsible for institutional direction and representation of members, while supervisory bodies perform oversight functions. Professional managers and operational personnel, meanwhile, are expected to manage business activities according to their respective responsibilities. Jamaluddin et al. (2023), identify board characteristics, policy and principle compliance, management and leadership strategies, and the social or human capital of the board as important governance-related themes. Their review also reports mixed findings regarding the relationship between cooperative governance and performance. These findings demonstrate that cooperative performance involves multiple dimensions, including financial, operational, economic, social, and environmental outcomes. Taken together, these studies suggest that professional management in cooperatives requires an appropriate balance between democratic governance and managerial effectiveness. The cooperative's human resources must understand both the commercial requirements of business operations and the institutional principles that distinguish cooperatives from other business organizations.

Human Resource and Cooperative Operational Readiness

Human resource readiness and cooperative operational readiness are related but conceptually distinct. Human resource readiness refers to the extent to which individuals and organizational personnel possess the competencies, knowledge, skills, and experience required to perform their responsibilities. Cooperative operational readiness, in contrast, refers to the extent to which the organization has the human resources, systems, processes, facilities, and institutional arrangements necessary to conduct its activities.The distinction is important because the availability of competent individuals does not automatically guarantee that an organization is operationally

ready. Operational readiness also requires appropriate organizational structures, financial resources, business processes, physical facilities, technological support, and access to markets. From the perspective of Human Capital Theory, individual competencies represent productive resources that can contribute to organizational effectiveness (Becker, 1964). The RBV further suggests that these resources generate organizational value when they are effectively integrated and utilized (Barney, 1991). For the purpose of analyzing KDKMP, human resource readiness can be understood through managerial, financial, entrepreneurial, digital, and governance competencies. These competencies provide an analytical basis for assessing whether the cooperative's human resources are prepared to perform their respective roles.

Cooperative operational readiness can subsequently be examined through the availability of a clear organizational structure, competent managers and operational personnel, realistic business plans, financial administration systems, physical facilities, technological infrastructure, supplier and market networks, member services, and monitoring and accountability mechanisms. The relationship between human resource readiness and operational readiness is not necessarily automatic or exclusively linear. Competent human resources may contribute to organizational readiness, but their effectiveness also depends on the availability of organizational resources and institutional support. This understanding is consistent with the RBV, which emphasizes the importance of integrating organizational resources and capabilities (Barney, 1991). In the KDKMP context, human resource readiness can therefore be considered an important foundation for operational readiness, while financial resources, infrastructure, institutional coordination, member participation, and market access remain relevant contextual factors

RESEARCH METHODS

This study employed a qualitative documentary research approach to examine the strategic human resource management (SHRM) challenges in the implementation of

Village and Urban Village Cooperatives (Koperasi Desa/Kelurahan Merah Putih or KDKMP) in Indonesia. Documentary research is appropriate for systematically examining and interpreting documents relevant to a particular research problem (Bowen, 2009). The data were obtained from government regulations, official policy documents, institutional reports, academic journal articles, and relevant policy studies published up to October 2026. These sources were selected based on their relevance to cooperative development, policy implementation, human resource management, organizational readiness, and cooperative governance.

The data were analyzed using qualitative thematic analysis, following the approach of Braun and Clarke (2006), through document familiarization, identification of relevant information, thematic categorization, and interpretation. The analysis was guided by Strategic Human Resource Management, Human Capital Theory, the Resource-Based View, and Policy Implementation Theory. Particular attention was given to five SHRM dimensions: recruitment and competency alignment, human resource development and training effectiveness, leadership and professional governance, performance management and accountability, and motivation and talent retention. These dimensions were examined in relation to five areas of human resource readiness: managerial, financial, entrepreneurial, digital, and governance competencies, as well as the organizational and operational requirements of village cooperatives.

To strengthen the credibility of the findings, the study applied source triangulation by comparing government documents, academic publications, and independent policy reports, consistent with the principles of qualitative document analysis (Bowen, 2009). The analysis also distinguished between legal establishment, administrative progress, physical construction, human resource readiness, and actual business operations, since these indicators represent different stages of cooperative development. The findings were subsequently synthesized into a proposed SHRM framework illustrating how human resource management practices may contribute to human resource readiness, cooperative operational readiness, and sustainable

cooperative performance. As the study relies on secondary documentary evidence, the framework represents a theoretically informed analytical proposition rather than an empirically validated causal model.

RESULTS AND DISCUSSION

Progress of KDKMP Implementation and the Policy–Implementation Gap

The documentary findings indicate that the KDKMP program has achieved substantial progress in institutional establishment and physical development. However, the available administrative indicators represent different dimensions of implementation and should not be interpreted as equivalent measures of operational readiness. Government data reported through the Ministry of Cooperatives' talent development platform show that 83,383 KDKMP had obtained legal status by June 26, 2026, while 79,701 had registered SIMKOPDES accounts and 60,756 had obtained Business Identification Numbers (NIB). At the same reporting point, 13,870 physical construction projects had been completed, while 21,474 were still under construction. These figures demonstrate the scale of institutional and infrastructure development, but they do not independently establish whether all cooperatives had functioning management systems and sustainable business activities (Coordinating Ministry for Food Affairs, 2026).

A further government update on September 29, 2026, reported that physical construction had been completed at 26,569 KDKMP locations. Nevertheless, the government continued to prioritize manager placement and cooperation with state-owned enterprises to ensure the availability of goods and services required for operations (Coordinating Ministry for Food Affairs, 2026). This indicates that completion of physical facilities does not automatically eliminate the organizational and managerial requirements of cooperative operations. The distinction is consistent with the central argument of this study: legal establishment, infrastructure completion, human resource readiness, and operational performance are interconnected but

Dynamic Management Journal
Volume 10 No. 4 Tahun 2026 Hal535-571
DOI : http://dx.doi.org/10.31000/dmj.v10i4.17394 ISSN (Online) 2580-2127

separate stages of organizational development.

Table 1. Documentary Indicators of KDKMP Implementation

Indicator	Reported achievement	Reporting date	Interpretation
Cooperatives with legal status	83,383	26 June 2026	Institutional establishment
SIMKOPDES accounts	79,701	26 June 2026	Administrative registration
Cooperatives with NIB	60,756	26 June 2026	Business licensing
Physical construction completed	13,870	26 June 2026	Infrastructure progress
Construction in progress	21,474	26 June 2026	Infrastructure development
Physical construction completed	26,569	29 September 2026	Updated infrastructure progress

Source: Coordinating Ministry for Food Affairs (2026)

The policy–implementation gap therefore does not necessarily indicate the absence of policy commitment or institutional progress. Rather, it reflects the complexity of translating a large-scale national program into functioning organizations across different local contexts. The implementation process requires coordination among central government institutions, local governments, cooperative managers, members, suppliers, and business partners. This interpretation is consistent with Policy Implementation Theory, which emphasizes the influence of institutional coordination, resources, implementation capacity, and local conditions on policy outcomes (Matland, 1995). In the KDKMP context, the critical issue is how these resources and institutional arrangements are converted into effective cooperative management and business activities

Human Resource Development and Managerial Readiness

Human resource development represents a central component of KDKMP implementation because cooperative managers are expected to perform managerial, financial, entrepreneurial, administrative, and operational functions. The government has recognized this requirement through the preparation and training of cooperative managers and supporting personnel. The Ministry of Cooperatives' talent development

dashboard, updated on October 29, 2026, recorded 28,624 KDKMP managers in its audited participant dataset, 6,713 verified facilitators, and 409 training classes conducted across 60 Talenta Hub locations. The dashboard also reported that the average pre-test score was 83.36 and the average post-test score was 93.68, representing an increase of 10.32 points (Ministry of Cooperatives, 2026).

These figures provide evidence of the scale of government-supported training and reported learning progress. Nevertheless, improvements in test scores should not automatically be interpreted as proof of improved managerial performance in actual cooperative operations. Training effectiveness also depends on whether participants can apply their knowledge to business planning, financial administration, inventory management, member services, digital transactions, and accountability practices. Consequently, the transition from training participation to workplace competence requires continuous mentoring, practical assignments, performance evaluation, and institutional support.

This interpretation is supported by Febriana et al. (2026), whose survey of 83 KDKMP chairpersons and supervisors in Kutai Kartanegara found a relatively high overall level of perceived managerial readiness, with a mean score of 4.16. However, institutional capacity and resource readiness recorded the lowest mean among the five dimensions examined, at 3.97. Although the results represent one regency and cannot be generalized to all KDKMP, they suggest that individual willingness and perceived benefits may coexist with organizational and resource constraints. Thus, managerial readiness should be assessed not only through individual knowledge or educational qualifications but also through the capacity of the cooperative to provide the resources, systems, and institutional support necessary for effective management.

Table 2. Human Resource Development and Readiness Indicators

Evidence	Result	SHRM implication
Audited KDKMP manager dataset	28,624 managers	Scale of managerial development
Verified facilitators	6,713	Availability of implementation

	facilitators	support
Training classes	409 classes	Structured competency development
Active training locations	60 Talenta Hubs	Geographic training infrastructure
Average pre-test score	83.36	Initial measured learning performance
Average post-test score	93.68	Improved measured learning performance
Average score difference	+10.32 points	Reported learning improvement
Managerial readiness survey	Mean 4.16	Relatively high perceived readiness
Institutional capacity and resource readiness	Mean 3.97	Area requiring further attention

Sources: Ministry of Cooperatives (2026)

The findings indicate that human resource development should be understood as a continuous process rather than a one-time training activity. Ikram and Hamzah (2026) similarly emphasize that cooperative professionalization requires the integration of HRM systems, managerial talent development, organizational capabilities, democratic governance, and member participation. Accordingly, the effectiveness of KDKMP training should be evaluated through the extent to which managers can translate acquired competencies into improved organizational practices and business operation

Recruitment and Competency Alignment

The first SHRM challenge concerns the alignment between recruitment decisions and the competencies required to manage cooperative businesses. KDKMP managers are expected to coordinate business activities, manage financial resources, maintain relationships with members and suppliers, and respond to local market conditions. These responsibilities require more than general administrative experience. They demand a combination of managerial knowledge, financial literacy, entrepreneurial orientation, digital competence, and an understanding of cooperative principles. The government's reported preparation of managers and supporting personnel demonstrates recognition of the need for professional human resources. However, the September 2026 report concerning manager placement indicates that recruitment and training must be followed by appropriate deployment to cooperative locations (Coordinating Ministry for Food Affairs, 2026; ANTARA, 2026). The placement process

is important because managerial competence must correspond to local business requirements, geographic conditions, and the availability of supporting resources. A manager who has completed training may still face difficulties if the assigned cooperative lacks an appropriate business plan, adequate facilities, supplier relationships, or clearly defined responsibilities.

From the SHRM perspective, recruitment should therefore be based on competency profiles rather than merely fulfilling personnel quotas. Selection criteria should consider the capacity to manage business operations, prepare financial reports, use digital systems, develop partnerships, and maintain accountability to cooperative members. This is consistent with the Resource-Based View, which considers valuable and appropriately organized human resources as potential sources of organizational capability (Barney, 1991). In cooperative organizations, however, professional recruitment must remain compatible with democratic governance and member participation. Professional management should strengthen, rather than replace, the cooperative's member-based institutional character (Voigt & von der Oelsnitz, 2024).

Human Resource Development and Training Effectiveness

The second SHRM dimension concerns the conversion of training into practical managerial competence. The national training dashboard provides evidence of substantial investment in manager development, including the reported improvement in average assessment scores. However, the operational value of training depends on whether managers can apply their knowledge to the specific challenges of their cooperatives. For example, financial training should enable managers to prepare budgets, maintain transaction records, monitor cash flow, and produce transparent financial reports. Entrepreneurial training should support market analysis, product selection, pricing, supplier negotiation, and the development of viable business models.

Digital competence is equally important because cooperative operations increasingly require digital administration, transaction recording, reporting, and communication with business partners. Research on cooperative technology adoption in

Indonesia also identifies government support, organizational innovativeness, top management support, and vendor support as relevant factors associated with technology use. This suggests that digital transformation cannot be achieved solely by providing applications or equipment; it also requires capable managers, organizational commitment, and technical assistance.

Furthermore, certification and training should not become administrative objectives in themselves. Santika et al. (2026) identify the potential contribution of professional certification to institutional governance, accountability, trust, and operational risk management. Their study also highlights the challenges of regional differences in human resource quality, limited training duration, and the risk of certification becoming a formal administrative exercise. These findings support the need for post-training mentoring and continuous competency evaluation. In this regard, human resource development should be linked to measurable workplace outcomes, including the quality of financial records, the implementation of standard operating procedures, member service quality, and the ability to maintain viable business activities.

Leadership and Professional Governance

The third SHRM dimension concerns leadership and professional governance. KDKMP operates within a cooperative institutional structure in which professional management must coexist with member ownership, democratic decision-making, supervision, and accountability. This creates a distinctive governance challenge. Managers need sufficient authority to conduct daily business activities, while cooperative members and elected governing bodies must retain their legitimate roles in determining organizational direction and overseeing management. The government's continuing efforts to strengthen operational governance and clarify institutional responsibilities indicate that the transition from establishment to operation requires coordination beyond the appointment of managers. The harmonization process for the KDKMP governance regulation involved multiple ministries and institutions and

addressed institutional arrangements, central and local government responsibilities, asset management, licensing, financing, and operationalization (Ministry of Cooperatives, 2026). Such coordination is necessary because unclear authority and overlapping responsibilities can create uncertainty for cooperative managers and supervisors. The findings are consistent with the cooperative governance literature, which emphasizes the need to balance managerial professionalism with democratic member control (Cornforth, 2004; Jamaluddin et al., 2023). Leadership in KDKMP should therefore be evaluated through its ability to establish clear responsibilities, encourage member participation, maintain transparent decision-making, and ensure that business activities remain aligned with cooperative objectives. Professional governance is not simply the adoption of conventional corporate management practices; it requires an organizational arrangement that protects member interests while enabling efficient business decisions.

A critical institutional tension concerns the relationship between the government's acceleration mandate and the cooperative's democratic autonomy. Presidential Instruction No. 9 of 2025 directs coordinated action by central and local government institutions to accelerate the establishment, development, and revitalization of 80,000 KDKMP. This top-down coordination can mobilize resources, provide technical assistance, and reduce barriers to formation; however, implementation targets and administrative instructions should not displace the cooperative's member-based decision-making. Under Law No. 25 of 1992, cooperative principles include democratic management and independence, while the members exercise the highest authority through the cooperative's governance arrangements (Republic of Indonesia, 1992, 2025). The policy mandate and cooperative autonomy are therefore not necessarily incompatible, but they require a clear boundary between the state's enabling and coordinating role and the members' authority over internal cooperative affairs.

The risk emerges when speed, uniformity, or centrally determined business

priorities become de facto substitutes for local deliberation. For example, a standardized business model, manager placement, financing arrangement, or partnership may be administratively efficient but poorly matched to local demand, existing village enterprises, member preferences, or the cooperative's capacity to bear risk. In such circumstances, formal compliance may increase while member ownership and local legitimacy weaken. Conversely, autonomy should not be interpreted as freedom from legal compliance, prudent financial management, professional standards, or accountability. The relevant balance is enabling state support with bounded intervention: government may establish minimum legal, fiduciary, reporting, and service standards and provide training, infrastructure, and access to markets, while strategic business choices, election or approval of member-elected organs, and major internal decisions remain subject to the cooperative's statutes, bylaws, and democratic procedures.

For SHRM, this balance has direct implications. Manager recruitment should assess both professional competence and the ability to work under member accountability; training should cover cooperative identity, democratic governance, and participatory decision-making alongside business skills; performance indicators should include member participation and satisfaction rather than only administrative targets; and government facilitators should act as capacity builders rather than substitute decision-makers. A practical test of policy success is therefore not simply whether a cooperative has been established or has complied with central reporting requirements, but whether members can exercise meaningful control while managers operate professionally and transparently. This interpretation is consistent with the cooperative principles of democratic management and independence and with the policy's own instruction to consider village characteristics and existing economic institutions (Republic of Indonesia, 2025).

Performance Management and Accountability

The fourth SHRM dimension concerns the establishment of performance

management and accountability systems. The rapid expansion of KDKMP requires clear performance indicators to monitor not only the progress of establishment but also the quality of cooperative operations. Administrative indicators such as legal status, SIMKOPDES registration, and NIB ownership are important for institutional monitoring, but they do not provide sufficient evidence of business effectiveness. Similarly, completed buildings indicate infrastructure progress rather than the achievement of financial sustainability or member welfare. A more comprehensive performance management system should assess whether cooperatives conduct regular business transactions, maintain reliable financial records, serve their members, establish supplier relationships, and generate sufficient operating income to support their activities. Performance indicators should also reflect cooperative principles, including member participation, transparency, accountability, and the distribution of benefits. Such an approach would prevent the evaluation system from focusing excessively on physical and administrative targets while overlooking the actual performance of cooperative organizations.

This governance balance should be reflected in the cooperative's internal operating arrangements. The members' meeting should retain authority over matters reserved to members under the law and bylaws; the elected board should set direction and supervise management; and professional managers should have delegated authority for routine business decisions within approved budgets, policies, and risk limits. Government agencies may monitor compliance with public programs and the use of public resources, but such monitoring should not become informal control over ordinary cooperative decisions. Clear delegation, transparent reporting, and member-accessible performance information can reduce both administrative ambiguity and the risk of external or local elite domination.

From an SHRM perspective, performance management connects individual responsibilities with organizational objectives. Managers, administrators, treasurers, and operational personnel should have clearly defined responsibilities and measurable

performance expectations. Regular monitoring and feedback can identify competency gaps and provide a basis for further training. This is consistent with the argument that HRM systems influence organizational outcomes through employee skills, motivation, and opportunities to contribute (Jiang et al., 2012). For KDKMP, accountability should therefore operate at both individual and institutional levels, linking managerial performance to cooperative governance and business outcomes.

Motivation and Talent Retention

The fifth SHRM dimension concerns motivation and talent retention. Establishing a large number of cooperatives creates demand for managers and supporting personnel who are willing and capable of working in diverse local environments. However, recruitment alone does not guarantee the continuity of competent human resources. Managers may encounter differences in infrastructure, market opportunities, business scale, access to financing, and local institutional support. These conditions may influence job satisfaction, performance, and the willingness of capable personnel to remain in their positions.Motivation in cooperative organizations should not be limited to financial incentives. It may also be supported through professional development opportunities, recognition, participatory leadership, clear career pathways, fair performance evaluation, and a positive organizational climate. In the KDKMP context, managers need to understand that their responsibilities extend beyond achieving short-term sales targets. They are also expected to strengthen member participation, improve access to economic services, and support local economic development.

Retention strategies should consequently be integrated with performance management and organizational governance. Clear job descriptions, reasonable workloads, transparent remuneration arrangements, access to mentoring, and constructive relationships with cooperative members can help create a supportive working environment. The cooperative literature further suggests that member participation and organizational commitment are important considerations in maintaining cooperative effectiveness (Jamaluddin et al., 2023; Ikram & Hamzah, 2026).

Dynamic Management Journal
Volume 10 No. 4 Tahun 2026 Hal535-571
DOI : http://dx.doi.org/10.31000/dmj.v10i4.17394 ISSN (Online) 2580-2127

Thus, talent retention should be approached as a strategic requirement for maintaining managerial continuity and institutional learning.

Human Resource Readiness and Cooperative Operational Readiness

The documentary findings suggest that human resource readiness is an important bridge between SHRM practices and cooperative operational readiness. Managers may possess formal qualifications or have participated in training, but operational readiness also depends on whether the cooperative has functioning organizational structures, adequate financial systems, appropriate facilities, business partners, and clear operating procedures. Consequently, individual competence must be translated into collective organizational capability. For analytical purposes, this study identifies five areas of human resource readiness: managerial competence, financial competence, entrepreneurial competence, digital competence, and governance competence. These areas are related to the operational requirements of the cooperative, as presented in Table 3. The relationship is not intended to imply that each competency independently guarantees operational success. Rather, the table illustrates how individual and managerial capabilities may support the organizational systems required for cooperative activities.

Table 3. Human Resource Readiness and Cooperative Operational Requirements

Human Resource Readiness	Required Competency	Related Operational Readiness
Managerial competence	Planning, organizing, decision-making, and coordination	Clear organizational structure, role allocation, and operating procedures
Financial competence	Budgeting, bookkeeping, cash-flow management, and financial reporting	Reliable financial administration and accountability systems
Entrepreneurial competence	Market analysis, business development, negotiation, and innovation	Viable business plans, supplier relationships, and market access
Digital competence	Digital administration, transaction recording, and information management	Digital transaction systems, reporting, and operational technology
Governance competence	Cooperative principles, transparency, supervision, and member participation	Effective governance, member services, and institutional accountability

Source: Authors' analytical synthesis based on Barney (1991), Oelsnitz (2024)

The relationship between human resource readiness and operational readiness is also supported by the managerial readiness study conducted by Febriana et al. (2026). Their findings show that perceived managerial readiness can be relatively high while institutional capacity and resource readiness remain comparatively weaker. This distinction is important because individual competence cannot fully compensate for the absence of operational facilities, financial resources, organizational coordination, or market opportunities. Human resource readiness should therefore be evaluated together with the organizational environment in which managers perform their responsibilities.

An Integrated SHRM Framework for Sustainable KDKMP Development

Based on the documentary analysis and theoretical synthesis, this study proposes an integrated SHRM framework to explain how government cooperative policies may be translated into operationally ready and sustainable cooperative organizations. The framework positions SHRM practices as the organizational mechanism connecting policy objectives with the development of human resource capabilities. These capabilities are expected to contribute to cooperative The framework begins with government cooperative policy, which establishes the institutional direction, regulatory arrangements, and support mechanisms for KDKMP development. These policies need to be translated into five integrated SHRM practices: recruitment and competency alignment, human resource development and training effectiveness, leadership and professional governance, performance management and accountability, and motivation and talent retention. The practices are expected to strengthen managerial, financial, entrepreneurial, digital, and governance competencies. When supported by appropriate organizational systems, these competencies may contribute to operational readiness, including effective administration, viable business planning, financial management, member services, infrastructure utilization, and market partnerships.

The framework also recognizes that the relationship is influenced by contextual

conditions. Government support, institutional coordination, resource availability, local participation, infrastructure, and market access may strengthen or constrain the conversion of human resource capabilities into operational outcomes. Therefore, SHRM should not be considered the only determinant of cooperative sustainability. Instead, it represents a strategic organizational mechanism that interacts with institutional and environmental conditions. This proposition is consistent with the Resource-Based View, Human Capital Theory, and Policy Implementation Theory, while recognizing the distinctive governance principles of cooperatives (Barney, 1991; Becker, 1964; Matland, 1995; Voigt & von der Oelsnitz, 2024). The proposed framework contributes to the discussion of KDKMP development by shifting the analytical focus from the number of cooperatives established toward the quality of their human resources, organizational systems, and operational capabilities. It also provides a basis for future empirical research to examine whether the proposed relationships hold across different regions and cooperative business models.

Theoretical and Practical Implications

Theoretically, this study connects SHRM with Human Capital Theory, the Resource-Based View, and Policy Implementation Theory to explain the organizational processes required to translate a government cooperative policy into operational capability. The integration suggests that human resources should not be treated merely as an input in program implementation. Rather, they represent a strategic organizational resource whose value depends on the alignment of competencies, management practices, governance arrangements, and operational requirements. The framework also extends the discussion of cooperative professionalization by emphasizing that managerial professionalism must remain compatible with democratic member participation and accountability.

Practically, the findings suggest that KDKMP development should move beyond a predominantly establishment-oriented approach toward a competency-based and operational-readiness approach. Recruitment should be aligned with cooperative

business requirements, training should be followed by practical mentoring, and managerial performance should be evaluated through measurable operational indicators. At the policy level, coordination among government institutions should be accompanied by clear responsibilities for cooperative managers, supervisors, members, and supporting institutions. This would help ensure that legal establishment and infrastructure development are followed by functioning business operations and institutional sustainability.

Nevertheless, the proposed framework should be interpreted as a documentary and theoretically informed analytical framework. The study does not establish a statistical causal relationship between SHRM practices and cooperative performance. Further research using interviews, observations, and comparative case studies is necessary to assess how the framework operates in different local contexts and how specific SHRM practices influence measurable cooperative outcomes.

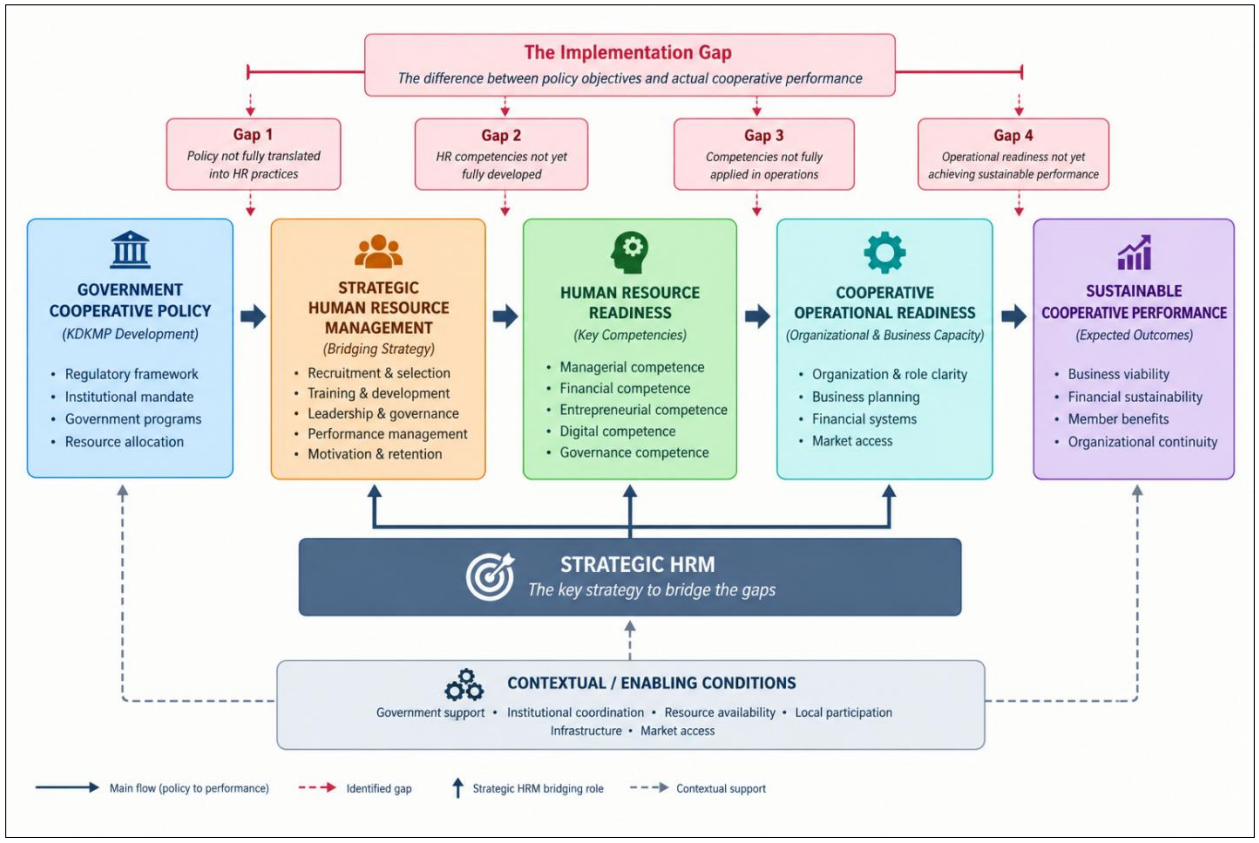
Furthermore, the proposed framework highlights the importance of integrating human resource development with broader institutional and environmental support. The effectiveness of SHRM practices depends not only on the competencies of cooperative managers but also on the availability of adequate resources, consistent government assistance, institutional coordination, digital infrastructure, and access to suppliers and markets. Therefore, policymakers should develop an integrated monitoring and evaluation system that assesses not only the number of cooperatives established and the infrastructure provided but also the quality of human resource management, managerial competencies, operational functionality, financial performance, and member benefits. Such an approach would provide a more comprehensive basis for evaluating KDKMP progress and identifying areas requiring further institutional and managerial intervention.

Proposed Framework of SHRM Model for KDKMP

Figure 1 illustrates the proposed Strategic Human Resource Management (SHRM) framework for bridging the policy–implementation gap in the development of

Dynamic Management Journal
Volume 10 No. 4 Tahun 2026 Hal535-571
DOI : http://dx.doi.org/10.31000/dmj.v10i4.17394 ISSN (Online) 2580-2127

Village and Urban Village Cooperatives (KDKMP) in Indonesia. The framework identifies four major gaps between government cooperative policy and sustainable cooperative performance. The first gap concerns the translation of policy objectives into effective human resource management practices.



Source: Authors' Conceptual Development based on SHRM, Human Capital & RBV Theory,

Figure 1. Proposed Framework of SHRM Model for KDKMP

The second relates to the limited development of competencies required by cooperative personnel. The third concerns the application of these competencies in actual cooperative operations, while the fourth reflects the challenge of transforming operational readiness into sustainable organizational performance. To address these gaps, SHRM is positioned as the central bridging strategy through five integrated practices: recruitment and selection, training and development, leadership and governance, performance management, and motivation and retention

The framework further explains that effective SHRM practices are expected to strengthen human resource readiness in five competency areas: managerial, financial, entrepreneurial, digital, and governance competencies. These competencies provide the foundation for cooperative operational readiness, reflected in clear organizational roles, effective business planning, reliable financial systems, and access to markets. Ultimately, improved operational readiness is expected to contribute to business viability, financial sustainability, member benefits, and organizational continuity. The framework also recognizes the importance of contextual enabling conditions, including government support, institutional coordination, resource availability, local participation, infrastructure, and market access, which may facilitate or constrain the implementation process. Therefore, SHRM is conceptualized not merely as an administrative function but as a strategic mechanism for connecting government policy with human resource capabilities, operational effectiveness, and sustainable cooperative performance.

CONCLUSION AND RECOMMENDATION

This study concludes that the implementation of Village and Urban Village Cooperatives (KDKMP) in Indonesia involves challenges that extend beyond legal establishment and physical infrastructure development. The central issue lies in bridging the gap between government policy objectives and the organizational capabilities required to operate cooperatives effectively and sustainably. The documentary findings highlight the importance of human resource readiness, particularly managerial, financial, entrepreneurial, digital, and governance competencies. In this context, Strategic Human Resource Management (SHRM) serves as a strategic mechanism connecting government policy with human resource development and cooperative operational readiness. The proposed framework emphasizes that professional recruitment, continuous training, effective leadership, performance management, and talent retention are essential for strengthening

cooperative capabilities and supporting sustainable performance.

Based on these findings, the government should strengthen the implementation of KDKMP through a competency-based human resource development strategy. Recruitment and manager placement should consider local business requirements and relevant professional competencies, while training programs should be followed by practical mentoring and continuous performance evaluation. Cooperative managers should also be supported by clear organizational structures, transparent financial management systems, effective governance mechanisms, and access to digital technology and markets. Furthermore, coordination among central and local governments, cooperative institutions, business partners, and community members should be improved to ensure that human resource development is supported by adequate institutional and operational resources. Evaluation of KDKMP should therefore move beyond the number of cooperatives established and buildings completed toward measurable indicators of operational readiness, business viability, financial sustainability, and member benefits.

This study contributes to the integration of SHRM, Human Capital Theory, the Resource-Based View, and Policy Implementation Theory in explaining the relationship between government cooperative policy and sustainable organizational development. However, because the research relies on documentary analysis, the proposed framework remains a theoretically informed analytical model rather than an empirically validated causal framework. Future research should employ interviews, field observations, and comparative case studies across different regions to investigate how SHRM practices are implemented and how they influence cooperative operational readiness and performance. Such empirical investigation would provide stronger evidence for developing context-specific human resource strategies and improving the long-term sustainability of KDKMP in Indonesia

REFERENCE

ANTARA. (2026, September 1). Kemenkop jelaskan alasan penempatan manajer KDKMP belum dilakukan. https://www.antaranews.com/berita/5720728/kemenkop-jelaskan-alasan-penempatan-manajer-kdkmp-belum-dilakukan

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120. https://doi.org/10.1177/014920639101700108

Basnawi, C., & Pertiwi, B. A. (2026). Memutus rantai elite capture dan moral hazard dalam Koperasi Desa/Kelurahan Merah Putih (KDKMP). *Suara Analis Kebijakan, 4*(2). https://sajak.lan.go.id/article/view/138/

Becker, G. S. (1964). *Human capital: A theoretical and empirical analysis, with special reference to education*. University of Chicago Press.

Bowen, G. A. (2009). Document analysis as a qualitative research method. *Qualitative Research Journal, 9*(2), 27–40. https://doi.org/10.3316/QRJ0902027

Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology, 3*(2), 77–101. https://doi.org/10.1191/1478088706qp063oa

CELIOS. (2025, June 4). *Merah-Putih village cooperatives: A study on implementation, reform, and policy alternatives*. https://celios.co.id/publications/red-and-white-cooperatives-or-red-and-white-squeeze

Coordinating Ministry for Food Affairs. (2026, June 26). *Informasi publik: Perkembangan Koperasi Desa/Kelurahan Merah Putih*. https://ppid.kemenkopangan.go.id/informasi-publik

Coordinating Ministry for Food Affairs. (2026, September 29). *Menko Pangan percepat operasional KDKMP, bereskan penempatan manajer dan kerja sama layanan BUMN*. https://www.kemenkopangan.go.id/detail-artikel/menko-pangan-percepat-operasional-kdkmp-bereskan-penempatan-manajer-dan-kerja-sama-layanan-bumn-

Coordinating Ministry for Food Affairs. (2026, October 14). *Percepat operasionalisasi 10.070 titik KDKMP, jajaran menteri turun monitor serentak mulai 15 Oktober*. https://kemenkopangan.go.id/detail-artikel/percepat-operasionalisasi-10-070-titik-kdkmp-jajaran-menteri-turun-monitor-serentak-mulai-15-oktober

Cornforth, C. (2004). The governance of cooperatives and mutual associations: A paradox perspective. *Annals of Public and Cooperative Economics, 75*(1), 11–32. https://doi.org/10.1111/j.1467-8292.2004.00241.x

Febriana, E., Damayanti, A., & Suprapto, H. (2026). Managerial readiness of Koperasi Desa/Kelurahan Merah Putih chairpersons and supervisors in Kutai Kartanegara Regency. *Jurnal Ekonomi & Manajemen Indonesia, 26*(1). https://doi.org/10.53640/e4pkad34

House of Representatives of the Republic of Indonesia. (2025, November 9). *Pemerintah harus waspadai risiko fiskal program Koperasi Merah Putih*. https://www.dpr.go.id/kegiatan-dpr/berita/Pemerintah-Harus-Waspadai-Risiko-Fiskal-Program-Koperasi-Merah-Putih-60702

House of Representatives of the Republic of Indonesia. (2026, July 29). *Darmadi Durianto minta pemerintah evaluasi desain Koperasi Desa/Kelurahan Merah Putih*. https://www.dpr.go.id/kegiatan-dpr/berita/Darmadi-Durianto-Minta-Pemerintah-Evaluasi-Desain-Koperasi-Desa-Kelurahan-Merah-Putih-67770

Ikram, M., & Hamzah, M. N. (2026). Professionalizing cooperatives through human resource management: A systematic literature review and evidence-informed implications for Indonesia's village cooperatives. *SINOMIKA Journal: Publikasi Ilmiah Bidang Ekonomi dan Akuntansi, 5*(3), 457–480. https://doi.org/10.47353/sinomika.v5i3.5363

Jamaluddin, F., Mohd Saleh, N., Abdullah, A., Hassan, M. S., Hamzah, N., Jaffar, R., Abdul Ghani Aziz, S. A., & Embong, Z. (2023). Cooperative governance and cooperative performance: A systematic literature review. *SAGE Open, 13*(3). https://doi.org/10.1177/21582440231192944

Jiang, K., Lepak, D. P., Hu, J., & Baer, J. C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal, 55*(6), 1264–1294. https://doi.org/10.5465/amj.2011.0088

Lipsky, M. (1980). *Street-level bureaucracy: Dilemmas of the individual in public services*. Russell Sage Foundation.

Matland, R. E. (1995). Synthesizing the implementation literature: The ambiguity-conflict model of policy implementation. *Journal of Public Administration Research and Theory, 5*(2), 145–174. https://doi.org/10.1093/oxfordjournals.jpart.a037242

Ministry of Cooperatives. (2025, November 12). *Realisasi pelatihan kompetensi SDM pendamping Kopdes Merah Putih capai 61 persen*. https://kop.go.id/read/realisasi-pelatihan-kompetensi-sdm-pendamping-kopdes-merah-putih-capai-61-persen

Ministry of Cooperatives. (2026, July 20). *Menkop resmi buka pelatihan manajer KDKMP*. https://kop.go.id/read/menkop-resmi-buka-pelatihan-manajer-kdkmp

Ministry of Cooperatives. (2026, October 29). *Data dan infografis: Talenta dan daya saing koperasi*. https://talenta.kop.go.id/data-infografis

Republic of Indonesia. (1992). *Law No. 25 of 1992 concerning cooperatives*.

Republic of Indonesia. (2025). *Presidential Instruction No. 9 of 2025 concerning the acceleration of the establishment of Village/Urban Village Cooperatives Merah Putih*. https://peraturan.bpk.go.id/Details/316750/inpres-no-9-tahun-2025-percepatan-pembentukan-koperasi-desakelurahan-merah-putih

Santika, R., Farizki, R., & De Jesus, F. S. (2026). Professional certification as a strategy to strengthen the institutional capacity of village cooperatives in supporting people's economy. *Journal of Economic Development and Village Building, 4*(2). https://doi.org/10.59261/jedvb.v4i2.109

Voigt, L., & von der Oelsnitz, D. (2024). A framework of HRM in cooperatives: A systematic literature review and future research agenda. *Journal of Co-operative Organization and Management, 12*(1), Article 100232. https://doi.org/10.1016/j.jcom.2024.100232

Wright, P. M., & McMahan, G. C. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management, 18*(2), 295–320. https://doi.org/10.1177/014920639201800205

Zhai, X., Zhu, C. J., & Zhang, M. M. (2026). Looking back and looking forward: Thirty years of evidence on strategic HRM systems and performance (1995–2025). *Human Resource Management, 65*(5), 1229–1251. https://doi.org/10.1002/hrm.70074