

Strengthening Business Management of BUMDes Kertaraharja in Cibubuan Village, Conggeang District, Sumedang Regency

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ABSTRACT

The research results found that the institutional capacity of BUMDes in Cibubuan Village, Conggeang District, Sumedang Regency was generally not implemented optimally. This can be seen from several problems, namely limited active resources in BUMDes, the low quality of human resources, lack of BUMDes leadership, lack of information on BUMDes business development and socialization related to BUMDes businesses, the workflow is still not running according to the organizational structure, lack of training and the absence of well-made activity reports. The research method used is a qualitative approach. The primary data sources in this research were 6 people. The data collection techniques used include observation, interviews and documentation studies. To overcome the problem, efforts were made, including optimizing the economic potential of Cibubuan Village as a BUMDes business potential, conducting BUMDes Reorganization Socialization, conducting FGDs and discussions, business feasibility training, training that encourages the formation of village tourism businesses, social media training, Opak product branding training and then socializing it and to the community and training in making reports on business results carried out by each BUMDes business unit, holding scheduled meetings and discussions with the BUMDes director and administrators accompanied by the Village Headman.

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INTRODUCTION

BUMDes is one of the institutions in the village formed by the government to encourage the creation of village economic improvement, which is encouraged by the Government and all parties to continue to strive so that village economic activities can increase through the use of natural resources and human resources.

The existence of BUMDes is one of the important considerations to channel the initiative of the village community in developing the potential of the village, managing and utilizing the existing potential as well as the participation of capital from the village government in the form of financing and village wealth which is handed over to be managed as part of the BUMDes which will encourage the village economy and create village economic independence.

The development of BUMDes (Village-Owned Enterprises) is one way to improve economic factors in the village in accordance with Law Number 6 of 2014 concerning Villages where in Article 87 paragraph (1) it is stated that "Villages can establish Village-Owned Enterprises" then further regulated in government regulation Number 43 of 2014 concerning Implementation Regulations on Businesses, namely in Chapter VIII of Village-Owned Enterprises, Article 132 states that:

1. Villages can establish BUMDes.
2. The establishment of BUMDes as referred to in paragraph (1) is carried out through the village community and stipulated by village regulations.
3. The BUMDes management organization is separate from the village government organization.

In Cibubuan Village, Conggeang District, Sumedang Regency, a Village-Owned Enterprise (BUMDes) was formed on September 2, 2022, which was named BUMDes Kertaharja.

BUMDes was established on the basis of strengthening and helping the economy of Cibubuan Village so that all forms of village needs can be met, especially in village development so that the supporting facilities and infrastructure of the village are getting better. In addition, the establishment of BUMDes Kertaharja is to be more optimal in the management of assets owned by the village and the optimization of human resources, the better, innovative, and creative.

What has been done by the Cibubuan Village government in optimizing the Kertaharja BUMDes by forming 5 business units, and what is already running is a trading business unit as a supplier of raw materials for making opak, namely glutinous rice and savings and loan business units, by forming a team consisting of registrars of savings and loan members, loan collectors chaired by coordinators from each hamlet.

Human resources (Humans) are one of the main elements in the management of BUMDes Kertaharja starting from organizing, and managing the business, to marketing products. Humans play an important role in BUMDes activities, of course in this case there needs to be strengthened so that BUMDes are even better. Strengthening the capacity of BUMDes is something that needs to be considered in the progress of BUMDes, this is where the role of the village government is very important in this capacity-strengthening process. So that the results of BUMDes' business are maximized and can help the village economy.

To strengthen the institutional sector in BUMDes Kertaharja, it is necessary to have the role of the village government and adequate infrastructure to support BUMDes activities by forming a strengthening of BUMDes organizations, creating professional BUMDes employees, good organizational structure, and good governance so that it is hoped that a clear division of labor will be arranged through the preparation of SOPs (Standard Operating Procedures) and increasing the ability to assess the feasibility of BUMDes businesses. And coaching is needed considering the strategic goals to be achieved to create professional, moral, skilled, creative and innovative BUMDes. Based on the results of the initial observations that have been made, that the Strengthening of the Institutional Capacity of Village-Owned Enterprises (BUMDes) Kertaharja in Conggeang District, Sumedang Regency is not optimal, it can be seen from the following indicators:

1. The lack of professionalism of BUMDes management can be seen from the commitment and responsibility to the management of BUMDes,
2. The management of the BUMDes business has not been maximized, as can be seen from the business results of the Kertaharja BUMDes which are still limited.
3. Socialization has not been maximized in the community, this can be seen from the ignorance of the village community about the activities of BUMDes Kertaharja as a result of which BUMDes are less known.

Based on this background, the formulation of the problem in this study is: How to Strengthen the Business Management of Village-Owned Enterprises (BUMDes) Kertaharja in Cibubuan Village, Conggenag District, Sumedang Regency?

LITERATURE REVIEW

Capacity building is an ongoing process, requiring specific assessments and measurements of the organizational-operational component of the equation. These components include increased autonomy and administrative competence, and arrangements that incentivize coordination and collaboration while maintaining adequate control and oversight (Ola G. El-Taliawi and Zeger Van Der Wal, 2019).

1. Capacity Strengthening

According to Grindle Capacity Building (1997:6-22):

Capacity building is intended to encompass a variety of strategies that have to do with increasing the efficiency, effectiveness, and responsiveness of government performance" (Capacity building efforts intended to develop various strategies that can increase efficiency, effectiveness, and responsiveness, from government performance). are as follows:

- a. Human resource development, with a focus on: Professional personnel and technical abilities as well as types of activities such as: training, hands-on practice, working climate conditions, and recruitment,
- b. Organizational strengthening, with a focus: management to increase the success of functional roles, as well as types of activities such as: incentive systems, personnel equipment, leadership, organizational culture, communication, managerial structures, and institutional reform with a focus: institutions and systems and macro structures, with types of activities: economic and political rules, policy and regulatory changes, and constitutional reform.

Sensions in Soeprpto (2013) stated that capacity building is:

Capacity building usually is understood to mean helping governments, communities, and individuals to develop the skills and expertise needed to achieve their goals.

The capacity building program, often designed to strengthen participant's abilities to evaluate their policy choices and implement decisions effectively, may include education and training, institutional and legal reforms, as well as scientific, technological, and financial assistance".

(Capacity building is usually understood as a tool to assist governments, communities, and individuals in developing their abilities and knowledge to achieve the goals that have been set. Capacity-building programs can be designed to strengthen participants' ability to evaluate policy choices and implement policies effectively, including education and training, institutions and policy reforms, as well as knowledge, technology, and help the economy).

2. Capacity Building Goals

According to Daniel Ricket dalam Hardjanto (2006, 67) said "The ultimate goal of capacity building is to enable the organization to grow stronger in achieving its purpose and mission". bahwa tujuan dari capacity building adalah:

- a. Accelerating the implementation of decentralization in accordance with applicable regulations.
- b. Monitoring proportionally, duties, functions, financial systems, mechanisms, and responsibilities in the context of implementing regional capacity building.
- c. Mobilization of other sources of local government funds.
- d. Effective and efficient use of funding sources.

3. Characteristics of Capacity Building

Capacity Building according to Gandara (2008:16) is characterized by the following things:

- a. It is an ongoing process
- b. Having essence as an internal process built from existing potential
- c. Has its own intrinsic value
- d. Managing Change Issues
- e. Using an integrated and holistic approach.

4. Factors Affecting Capacity Building

Soeprapto (2003) stated that significant factors that affect capacity development are as follows:

a. Shared Commitment

Collective commitments of all actors involved in an organization (including local governments) greatly determines the extent to which capacity building will be implemented or succeeded, this joint commitment is the basic capital that must continue to be continuously grown, developed and maintained properly because this factor will be the basis of all activity designs that will be carried out by an organization. Without the commitment of both upper, middle, and lower-level leaders and staff, it is impossible to expect the capacity-building program to take place, let alone succeed well.

b. Leadership

Conducive leadership is one of the most basic things in influencing the initiation and success of personal capacity-building programs in an organization. In the context of public organizations (such as local governments), a dynamic leadership mechanism must be continuously encouraged as carried out by the private sector. This is due to the increasingly difficult challenges ahead and also the reality of limited resources owned by the public sector. Conducive leadership provides wide opportunities for every element of the organization in organizing institutional capacity development toward the realization of desired organizational goals. Leadership plays an important role in the success of the organizational capacity building program, Leadership required in capacity building includes openness, acceptance of new ideas (receptivity to new ideas), honesty (honesty), attention (caring), respect for dignity and respect (dignity) and respect.

c. Reform of Contextual Regulations

Local government politics in Indonesia and the culture of local government employees who always take refuge in existing regulations and other legal-formal procedural factors are the most serious obstacles to the success of capacity-building programs. Therefore, as part of the implementation of the program that is greatly influenced by leadership factors, reform (or it can be read as the implementation of conducive regulations) is one of the ways that needs to be done in order to make this capacity program a success.

d. Institutional Reform

Reformasi The above regulations are certainly one of the important parts of institutional reform in essence pointing to the development of a climate and culture that is conducive to the implementation of personal and institutional capacity programs towards the realization of the goals to be achieved.

Institutional reform points to two important aspects, namely structural and cultural. These two aspects must be managed in such a way and become an important and conducive aspect in supporting the capacity building program because capacity development must begin with the identification of the capacity possessed, then there must be recognition from individuals and institutions about the weaknesses and strengths possessed of the available capacity (existing capacities). This recognition is important because honesty about the abilities possessed is half a requirement that must be possessed in order to succeed in the capacity building program.

5. Village-Owned Enterprises (BUMDes)

According to Prasetyo (2019:36) stated that in general BUMDes have 2 benefits, namely commercial and public services, namely:

a. Komersil

As a commercial institution, BUMDes can open up a wider space for the community, increase income, and also create jobs for the village community. Village youth who have the potential will get jobs in the village so as to reduce urbanization.

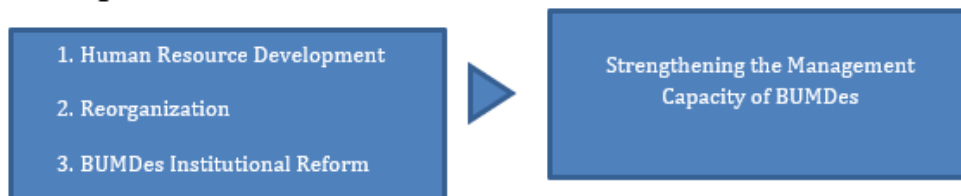
b. Public Service

BUMDes are not only engaged in business but BUMDes must also be committed to meeting the needs of the community through their contribution to the field of social services. For example, what has been done by BUMDes Tirta Mandiri has a program of one house one scholar, which is to provide scholarships to students in Ponggok Village.

According to Prasetyo (2019:36) stated that the four important objectives of the establishment of Village-Owned Enterprises are:

1. Improve the village economy.
2. Increase the original income of the village.
3. Improving the management of village potential in accordance with the needs of the community.
4. It is the backbone of village economic growth and equity.

Thinking Framework



Source: Adaptation of Grindle, M.S, 1997; Ola & Zeger, 2019.

METHOD

In this study, qualitative research methods are used. The data collection techniques used are literature studies and field studies consisting of interviews, observations, and documentation studies. The primary data sources in this study are 6 people, namely the Head of Cibubuan Village, the Director of BUMDes, the secretary, the treasurer, the head of the savings and loan unit, the head of the trading unit and the Chairman of the Pokdarwis. The data processing/analysis techniques in this study are data reduction, data presentation and verification.

RESULTS AND DISCUSSION

As for finding out the Strengthening of the Institutional Capacity of Village-Owned Enterprises (BUMDes) Kertaharja in Cibubuan Village, Conggeang District, Sumedang Regency, it can be reviewed from, the first from the availability of Cibubuan Village Regulation Number 18 of 2022, concerning the Establishment, Management and Management of Village-Owned Enterprises (BUMDes) and the second discussed from the theory of capacity building, according to Grindle (Haryono, 2012:46) is as follows:

a. Human Resource Development

The dimension of human resource development with a focus on professional personnel and technical abilities as well as types of activities such as training, hands-on practice, working climate conditions, and recruitment.

1) The Existence of Training or Training in Implementation

ActivitiesBUMDes at Cibubuan Village Based on research in the field, it can be analyzed that the Training or Training in the implementation of the Kertaharja BUMDes activities in Cibubuan Village has not gone well. This is because there has been no effective training conducted by BUMDes Kertaharja. This is not in line with research according to Grindle (Haryono, 2012:46) has the following dimensions: Human resource development dimensions, with a focus: Professional personnel and technical abilities as well as types of activities such as: training, hands-on practice, working climate conditions, and recruitment. Therefore, BUMDes reorganization training, training in making activity reports, and other training needed by the Kertaharja BUMDes management in Cibubuan Village are needed.

2) Conducting a Comparative Study to Create Good Cooperation with External Parties

Based on research in the field, it can be analyzed that the Comparative Study is carried out so that the creation of good cooperation with external parties has gone well. In line with Soeprapto (2003) stated that the significant factors that affect capacity development are as follows:

The Joint Commitment is collective commitments of all actors involved in an organization (including local governments) greatly determines the extent to which capacity building will be

implemented or successful, This joint commitment is a basic capital that must be continuously grown, developed and maintained properly because this factor will be the basis of all activity designs that will be carried out by an organization. Without the commitment of both upper, middle, and lower-level leaders and staff, it is impossible to expect the capacity-building program to take place, let alone succeed well.

This is because the comparative study has never been carried out so it has never been shared related to activities from other BUMDes that can be used as a benchmark / comparative study for BUMDes Kertaharja.

3) Maintaining a Harmonious Work Climate

Based on research in the field, it can be analyzed that maintaining a harmonious work climate has not gone well. This is evidenced by the lack of good cooperation between the BUMDes management body and the officers to make the reports that need to be made. This means that there is no awareness from the management and there is no leadership ability in managing BUMDes.

So this is not in line with Soeprapto (2013) stating that the factors that affect capacity development are as follows:

Leadership is conducive leadership is one of the most basic things in influencing the initiation and success of personal capacity building programs in the institution of an organization. In the context of public organizations (such as local governments), a dynamic leadership mechanism must be continuously encouraged as carried out by the private sector. This is due to the increasingly difficult challenges ahead and also the reality of limited resources owned by the public sector. Conducive leadership provides wide opportunities for every element of the organization in organizing institutional capacity development toward the realization of desired organizational goals. Leadership plays an important role in the success of the organizational capacity-building program, Leadership required in capacity building includes openness, receptivity to new ideas, honesty, caring, respect for dignity, and respect.

Thus, it does not unite the chairman, secretary and treasurer who play an important role in the progress of the BUMDes. This also has an impact on reports of bumdes activities that are not carried out,

4) Employee Recruitment According to the needs, skills, and knowledge underlying the position

Based on research in the field, it can be analyzed that the recruitment of employees according to the needs, expertise, and knowledge underlying the position has not gone well. Even though Village Regulation Number 18 of 2022, concerning BUMDes, the operational management of BUMDes consists of candidates for BUMDes Director, BUMDes secretary candidates and BUMDes treasurer candidates. Plus 5 BUMDes business units, namely the trade unit, the service unit, the fisheries, agriculture and plantation unit, the financing unit, and the production business unit. However, in its implementation, only 2 units are running, namely glutinous rice trading and savings and loans.

Of course, this is not in line with Soeprapto (2013) regarding capacity building because the establishment of business units has not reinforced helping the village economy. The definition of Soeprapto (2013) regarding capacity building is as follows:

Capacity building is usually understood as a tool to assist governments, communities, and individuals in developing their abilities and knowledge in order to achieve the goals that have been set. Capacity-building programs can be designed to strengthen participants' ability to evaluate policy choices and implement policies effectively, including education and training, institutions and policy reforms, as well as knowledge, technology, and helping the economy.

b. Organizational Strengthening

Strengthening the organization with a focus on management to improve the success of roles and functions, as well as types of activities such as incentive systems, personnel equipment, leadership, organizational culture, communication, and managerial structure.

1) The Role of Leaders in the BUMDes Work System

Based on research in the field, it can be analyzed that the Role of Leaders in the Bumdes Work System has not been fully led properly by the current Director of BUMDes. Because everything is done together.

This is not in line with Soeprapto (2013) stating that significant factors that affect capacity development are as follows:

Leadership is conducive leadership It is one of the most basic things in influencing the initiation and success of the personal capacity building program in the institution of an organization. In the context of the environment public organizations (such as local governments), must be continuously encouraged by a dynamic leadership mechanism as carried out by the private sector. This is due to the increasingly difficult challenges ahead and also the reality of limited resources owned by the public sector. Conducive leadership that provides wide opportunities for every element of the organization in organizing institutional capacity development towards the realization of desired organizational goals. Leadership plays an important role in the success of organizational capacity building programs, Leadership required in capacity building includes openness (openness), acceptance of new ideas (receptivity to new ideas), honesty (honesty), attention (caring), respect for dignity and dignity (dignity) and respect.

2) Existence Clear and transparent organizational structure

Based on research in the field, it can be analyzed that the Organizational Structure with the Operational Procedure System (SOP) has not been implemented clearly and transparently so that it can be said that it has not run well. This is because in the organizational structure of BUMDes and programs that have been prepared, it still needs encouragement for the implementation of programs from many parties in a pentahelic.

3) The Existence of Adequate Facilities and Infrastructure in Supporting BUMDes Activities

Based on research in the field, it can be analyzed that the existence of adequate facilities and infrastructure to support BUMDes activities is quite well available. This is because the facilities in the BUMDes office are functional and useful for the needs of BUMDes administrators.

This is in line with Lupiyoadi and Hamdani (2011:182) stating that: Direct evidence is the ability of the organization to provide physical facilities and infrastructure and the state of the surrounding environment is real evidence and the services provided.

c. Institutional Reform

Institutional reform with a focus: on institutions and systems as well as macrostructures, with types of activities: economic and political rules of the game, changes in policies and regulations, and constitutional reform.

1) There are regulations or policies from the Kertaharja Village government to BUMDes

Based on research in the field, it can be analyzed that the regulations or policies from the Kertaharja Village government to BUMDes, namely Village Regulation No. 18 of 2022 concerning Village-Owned Enterprises (BUMDes), have been carried out well. The existence of the Kertaharja Village Regulation regulation can be a reference for carrying out BUMDes activities so that it can be in accordance with the regulations it sets.

2) Revitalization of BUMDes management

Based on research in the field, it can be analyzed that the revitalization of BUMDes management has not fully gone well. This can be seen from the potential that is not developed by the local potential of the village in the form of food potential by opak, orchards, fish farms, and natural tourism potential that is not touched as the economic potential of the village.

This is not in line with Capacity Building , according to Gandara (2008:16), which is characterized by the following:

- a. It is an ongoing process
- b. Has essence as an internal process
- c. built on existing potential
- d. Has its own intrinsic value
- e. Managing Change Issues
- f. Using an integrated and holistic approach

As the results of Jacob Brix's research, 2020 which researched companies in Europe for 50 years that have 2 goals. The first goal is to recognize new, sustainable opportunities and translate those opportunities into real products or products and services that can be commercialized. The second goal is to build the innovation capacity of the organization so that members of the organization can better manage the difficult transitions they face when switching between activities related to exploration and exploitation.

Therefore, this research can be used as a new model that can be used to explain how the organizational capacity of BUMDes can be developed through Human Resource Development and Reorganization in order to implement sustainability-oriented strategies to strengthen business management in BUMDes.

3) The Existence of Legal Entities in BUMDes Organizations

Based on research in the field, it can be analyzed that the Legal Entity in the BUMDes organization is clearly registered. This can be seen from the evidence of law number 11 of 2020 concerning copyright, so BUMDes has been legally declared as a legal entity. That way, BUMDes has the flexibility to collaborate with a number of partners in business development.

CONCLUSION

Based on the results of the research on Strengthening the Institutional Capacity of Village-Owned Enterprises (BUMDes) of Kertaharja, Cibubuan Village, Conggeang District, Sumedang Regency, that the Strengthening of the Institutional Capacity of Village-Owned Enterprises (BUMDes) of Kertaharja, Cibubuan Village, Conggeang District, Sumedang Regency has not been running optimally, this is because there are still several obstacles in the indicators that are not in accordance with the Capacity Strengthening, such as the non-functioning of the Operational Procedures (SOP), lack of training related to the BUMDes business that is run, namely opak business, natural tourism potential, fruit orchards and fish farming for the people of Cibubuan Village. The lack of ability of BUMDes officers in carrying out the implementation of BUMDes such as; secretaries who still need administrative training and the preparation of activity reports and other duties; The treasurer still needs training in managing finances, so that the existing business potential is not maximized, this happens because the role of the BUMDes management itself has not yet functioned so that the targets are not realized properly in accordance with the Government Regulation on BUMDes.

Suggestion

To overcome the above obstacles, the Restructuring of the BUMDES Organization was carried out by reorganizing BUMDES, improving SOPs, and focusing on 3 BUMDes business units from the previous 5 business units. The 3 business units are the glutinous rice trading business, the savings and loan business, and the village tourism business. Also prepared is the workflow (SOP) of the business unit program. Subsequently, the Village Government and BUMDes Kertaraharja conducted socialization of BUMDes reorganization followed by FGD/discussion to plan training activities that can support the professionalism of BUMDes management, such as opak product marketing training, plantation business management training, livestock and excellent service training to the officers of BUMDes Kertaraharja then conduct socialization to the community related to the fruit plantation and livestock business that is being developed, optimize the preparation of reports on the results of activities related to the business carried out at BUMDes Kertaraharja, recruitment of employees in accordance with the plan set by them, namely looking for administrators who have the ability and expertise in accordance with the position they need, holding an evaluation of leadership performance after input and a box of suggestions from administrators and the community who see the performance in leading, strengthening the capacity of BUMDes Kertaraharja, as well as optimizing business activities of sticky rice trade and nature tourism on a regular basis in collaboration with the local community with the aim of increasing the potential and income for BUMDes so that the community is prosperous.

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