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## Improving Management of BUMDES for Village Development

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**Abstract**--The purpose of this study is to examine and explain the management strategy of BUM Desa in realizing an Independent Village. The type of research used is descriptive qualitative, using a case study approach (case study). The focus of the research is the management of BUM Desa. Data obtained through primary and secondary data sources. Data collection techniques through interviews, observations, questionnaires and literature. The research instrument is the researcher himself. Data analysis is carried out in stages; data collection, data simplification, data presentation and conclusion drawing. The results of the SWOT analysis on the WT strategy (weaknesses and challenges) formulating a BUMDES management strategy with the Cadreization-Based Management Intervention Model show that BUMDES management is related to BUMDES institutional managerial so that the Village Government can accelerate the development and performance improvement of BUMDES management in the management of BUMDES to realize an Independent Village. The conclusion that in the management of BUMDES includes aspects of quality financial management, accountability management of village government bureaucracy and human resource capabilities, the determinants of BUM Desa management include; management patterns, institutions, supporting human resources, as well as market loci, type of business, and others that are suspected of having a dominant influence on the development of the existence of BUMDES in several regional characteristics and management strategies of BUMDES internal and external environmental factors.

**Keywords**--BUMDES, improving management, village development.

## Introduction

The government has a strong desire to improve the economy of rural communities, so local village economic institutions are formed by looking at the potential of village local wisdom, one of which is the establishment of Village Owned Enterprises (BUMDES) whose legal basis is Law Number 6 of 2014 concerning Villages (Nuak et al., 2019; Van Reenen, 2011). Villages as part of a district have genuine autonomy. Although within the limits of original autonomy, the Village with all its instruments is given the freedom to build the capacity of its economic and financial resources in order to increase the village's economic growth and improve the welfare of its people. Therefore, the management of local village resources in the form of human resources, capital resources, natural resources and social resources is the responsibility of the village. BUMDES is one of the programs issued by the government in an effort to develop and improve the rural economy in accordance with its potential. This makes many villages build and develop BUMDES with various programs (Jepri, 2019; Wilfahrt, 2018).

The capital barriers experienced by cooperatives do not need to be resolved by establishing a new legal entity, but through a linkage program between commercial banks and cooperatives launched by the ministry of cooperatives and small and medium enterprises (Murwadji et al., 2017). According to Fifianti et al. (2018), states that there is no transparency and lack of communication between Supervisors, Managers, and BUMDES Members even to the Community. The role of the community is still very weak, this is due to the view that lending by BUMDES is considered as state money that does not need to be returned, this is still an obstacle in the management of BUMDES (Bima, 2020).

According to Nursetiawan (2018), that independent villages as part of the ideals of national development are hampered by various problems that arise in their realization. One of the most dominant things, namely in the economic sector and the social sector. In the economic sector, there are still many people who are below the poverty line. The role of BUMDES in increasing village original income has not been seen due to the financial management system, marketing, production, distribution and human resources (Senjani, 2019; Collier, 2001; Zopounidis, 1999). Thus, the management of Village-Owned Enterprises that manages based on the potential that exists in the Village will be carried out properly so that the achievement of welfare and income of the Village community is fulfilled. The purpose of the research is to examine and explain the management strategy of BUM Desa in realizing an Independent Village.

## Method

This research is a type of qualitative descriptive research. Qualitative method is a method used to obtain in-depth and meaningful data (actual data, as well as exact data that contains the value behind the visible data). In the form of descriptive research is research that seeks to describe a symptom, event, and event that is happening now. Descriptive research at the time of research tends to focus on the real problem. In determining the research location, the researcher chose to conduct this research in Maros Regency. The research was carried out in August - October 2021. The sources of data were obtained through primary and

secondary data sources, the informants in this study were the village head, the district-level coaching team, the sub-district-level coaching team, and village implementers and community leaders (Villegas, 2015).

The focus of this research is the strategy of managing village-owned enterprises in realizing an independent village. The research instrument is the researcher himself in collecting research data in the form of interview guidelines, and observation forms. This research has obtained permission from the agency with the number: 200/VIII/IP/DPMPTSP/2020. Data collection techniques used are interviews, observation, documentation collection, and focus group discussions. Validation of the data is done by triangulation to ensure the validity of the data obtained in the study. Data analysis was carried out with qualitative data analysis in stages; data collection, data simplification, and data display with the help of vivo12.

## Result and Discussion

The results of the study using SWOT matrix analysis obtained several strategy formulations, namely to analyze the management strategy of BUM Desa, this study used SWOT analysis. SWOT analysis is used to determine the strengths and weaknesses of the internal environment as well as opportunities and threats from the external environment management of BUM Desa, BUM Village, Ampekale Village, Bontoa Subdistrict, BUM Purnakarya Village, Tanralil Subdistrict and BUM Cenrana Baru Village, Cenrana Subdistrict, Maros Regency (case study). When all done right, a SWOT analysis can guide the process of making a good strategic plan. SWOT analysis can be useful in finding strategic advantages that can be a model for BUM Desa management.

<p style="text-align: center;">IFE</p> <p style="text-align: center;">EFE</p>	<p style="text-align: center;"><b>Strength (S)</b></p> <ul style="list-style-type: none"> <li>• Office infrastructure is adequate</li> <li>• The line of business that will be managed to serve the needs of public consumption</li> <li>• Products are easy to market;</li> </ul>	<p style="text-align: center;"><b>Weakness (W)</b></p> <ul style="list-style-type: none"> <li>• Capacity of human resources manager is low</li> <li>• There is no clear vision and mission of the organization</li> <li>• The organizational structure is not yet ideal</li> <li>• Weak in Administration and Finance</li> <li>• Weak in production management</li> </ul>
<p style="text-align: center;"><b>Opportunity (O)</b></p> <ul style="list-style-type: none"> <li>• Total population as consumers.</li> <li>• Has excellent village potential to be developed.</li> <li>• The development of technology is increasingly advanced.</li> <li>• Conducive socio-cultural conditions.</li> </ul>	<p style="text-align: center;"><b>(S-O) Strategy</b></p> <ul style="list-style-type: none"> <li>• Optimization of BUMDES performance with technology development (SO1)</li> <li>• Establishment of BUMDES information service center (SO2)</li> <li>• Establishment of community-based superior products</li> </ul>	<p style="text-align: center;"><b>(W-O) Strategy</b></p> <ul style="list-style-type: none"> <li>• Develop a BUM Desa business unit that is very much needed by the community</li> <li>• Develop and optimize HR managers through Entrepreneurship Training, Village BUM Management and the use of Information Technology</li> </ul>

	business unit. (SO3) <ul style="list-style-type: none"> <li>• Optimization of product marketing through Information technology (E-Commerce) (SO4).</li> </ul>	(WO1) <ul style="list-style-type: none"> <li>• Optimizing the Vision and Mission of BUM Desa based on Village Superior Products (WO2)</li> <li>• Develop and revitalize BUM Desa Institutions through community participation (WO3)</li> <li>• Improvement of BUMDES institutions through cooperation with financial institutions (WO4)</li> </ul>
<b>Threat (T)</b> <ul style="list-style-type: none"> <li>• Leading potential is not focused.</li> <li>• Have not built cooperation with other BUMDES and the private sector.</li> <li>• Can't use</li> <li>• Technology to the fullest.</li> <li>• Internet network in the village is still weak.</li> <li>• Budget Support from Local Government.</li> <li>• There are competitors in other villages with the same type of business.</li> <li>• Community Participation in BUMDES Management</li> </ul>	<b>Strategi (S-T)</b> <ul style="list-style-type: none"> <li>• BUMDES business development focuses on Village Superior Products (ST1).</li> <li>• Establishment of partnership business with other parties (ST2)</li> <li>• Provision and Strengthening of Village Information Technology (Village Internet) (ST3).</li> <li>• The revitalization of the BUMDES Regional Regulation is based on fostering and increasing Village Original Income (PA Desa).(ST4)</li> <li>• Strengthening product promotion through market mechanisms (ST5).</li> <li>• Community service provision for the development of BUMDES management (ST6).</li> </ul>	<b>Strategy (W-T)</b> <ul style="list-style-type: none"> <li>• Encouraging the Government to issue a PERDA for the development and financing of BUMDES management.</li> <li>• Looking for new alternative sources of financing and building business networks with other institutions outside the community.</li> </ul>

Figure 1. SWOT analysis can be useful in finding strategic advantages that can be a model for BUM Desa management

## Discussion

The results of the study show that from the SWOT analysis that the strategy for strengthening the institutional capacity of BUM Desa with a regeneration-based management intervention model can answer the problems of BUM Desa management. Independent village as part of the ideals of national development is hampered by various as part of the ideals of national development is hampered by various problems that arise in its implementation. One of the most dominant, namely in the economic sector and social. Village development is an effort to improve the standard of living and welfare of rural communities. In village

development, a strategy is needed to achieve goals that are progressive and of course sustainable (Bebbington et al., 2006; Ahmad, 2013). Each village certainly has different natural resources (SDA) potentials in line with the topography and contours of a rural area itself. Natural resources remain one of the main supporting factors in village development (Park & Wang, 2010; Gatto et al., 2017).

Nursetiawan (2018), stated that BUMDES which grew from social solidarity and local wisdom were much stronger and sustainable than BUMDES which were born due to government intervention from above. This is because local wisdom, which is parallel to the wealth of social and political capital, is a very influential factor in the resilience and sustainability of BUMDES. According to the results of research Diartho (2017), it is stated that one of the efforts that can alleviate poverty problems and realize the independence of a village is by establishing a business institution called the Village Owned Enterprise (BUMDES). BUM Desa is a business entity whose capital is wholly or most of the capital owned by the village to manage assets, services, and other businesses for the maximum welfare of the village community (Syukran, 2016).

In this process, several approaches were taken. One of them is understanding the position of the organization with other similar organizations. Therefore, further strategic approaches that are useful and efficient for the organization through understanding the position will be obtained (Nayeri et al., 2008). According to research results Anggraeni (2017), it is stated that the existence of BUMDES is undeniably bringing changes in the economic and social fields. The asset management strategy carried out by BUMDES Sekapuk includes observing the environment, formulating strategies, implementing strategies, and evaluating or controlling (Hayyuna, 2014; Che, 2002). According to Ihsan & Setiyono (2018), argues that the availability of resources, community participation and empowerment, government support and collaboration with third parties. Hayyuna (2014), states that the management strategy that has been carried out by BUMDES can increase village income.

According to research results Adawiyah (2018), stated that organizational development can be carried out by strategies, namely survey feedback, education and training activities, team formation, and management focusing on goals. The success of this strategy can be supported by the aspect of social capital. BUMDES management strategy can create business opportunities for the community. And the community participates in the management of BUMDES. The obstacle faced by BUMDES today is capital because with the many business units running, large amounts of funds are needed (Linda, 2018; Grigorievna et al., 2021). According to Zandri et al. (2018), argues that there are several strategies implemented, namely by socializing to the community to increase awareness, collaborating with outside parties for marketing, continuing to improve and optimizing the results of business profits in BUMDES and conducting various trainings to improve performance human Resources.

According to Purnamawati (2018), argues that the application of environmental accounting in all operational activities in BUMDES is directly oriented to interests, namely profit (profit), people (community) and planet (environmental resilience). The lack of BUMDES development is caused by insufficient human

resources, inadequate use of technology, lack of a community approach, lack of public trust in the government (Sirait & Sinaga, 2020; Sabodash et al., 2021). Putra (2018), argues that conducting environmental observations, strategy formulation, strategy implementation, evaluation and control. According to the results of research Laundry (2019), that there is a positive relationship between the competence of BUMDES managers to the implementation of BUMDES managers, implementation of BUMDES management and BUMDES performance, BUMDES managers' competence to BUMDES performance, and Competence of BUMDES managers to BUMDES performance and implementation of BUMDES management.

## Conclusion

That the BUM Desa management strategy with a cadre-based management intervention model can answer the problems of BUMDES management. This concept is a “new theory” that can be used as a reference in the development of BUMDES and in other districts throughout Indonesia. Therefore, it is deemed necessary to intervene in the management of BUMDES based on Cadreization related to the institutional managerial of BUMDES so that it can accelerate the development and improve the performance of BUMDES managers to realize an Independent Village.

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