

## Research Article

# Management of BUMDes in an Effort to Increase the Status of Villages to “Independent” in Banten Province

Bambang Giyanto\*, Tintin Sri Murtinah, and Delvi Adri Rahmadana Pangaribuan

NIPA School of Administration Jakarta, Indonesia

## Abstract.

This study aims to determine the management of BUMDes (Village-Owned Enterprises) in Disadvantaged Villages, Advanced Villages, and Joint Business Entities (BUMDes Bersama) in Bayah District and Cilograng District, Lebak Regency, Banten, in order to alleviate poverty in Disadvantaged Villages and raise their status to Independent Villages. The management indicators used in this study are from Luther Gullick's theory, namely planning, organizing, staffing, directing, coordinating, reporting, and budgeting. This research uses qualitative methodology with a descriptive approach. Data were obtained by interview, observation, and document review. The results indicate that the establishment of BUMDes is not based on identifying needs, but on the demands of the law. In organizing, some businesses have not been carried out properly, and their staff is only limited to local village staff, so that it is very limited in choosing professional personnel. The direction has not been carried out optimally from stake holders related to BUMDes or BUMDes Bersama and coordination has not been carried out optimally so that business development is still limited to the village level. However, reports have been carried out properly, namely through internal monitoring mechanisms and village deliberations; and budgeting for BUMDes or BUMDes Bersama is still limited to capital participation from the local village government, and involves the community or other parties to invest in BUMDes or BUMDes Together. Improvements are needed in planning the establishment of BUMDes and in planning the business field. In the utilization of staff, it is necessary to find professional staff and to pay attention to their welfare. Regarding directions, the ministry and institutions must be involved in fostering BUMDes and Joint BUMDes and to include the community and other parties to invest in BUMDes or Joint BUMDes.

**Keywords:** BUMDes management, joint BUMDes management, underdeveloped villages

Corresponding Author: Bambang Giyanto; email: bgiyanto@stialan.ac.id

**Published:** 17 July 2025

Publishing services provided by Knowledge E

© Bambang Giyanto et al. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the ICoGPASS 2024: Policy and Development Conference Committee.



## 1. INTRODUCTION

### 1.1. Background of the Problem

Development in the economic sector, especially for the community in underdeveloped villages, is an important part to do, one of the efforts is through the management and role of Village-Owned Enterprises (BUMDesa) found in villages in Lebak Regency, especially in underdeveloped villages. Currently, Lebak Regency has 288 BUMDesa units from 340 villages, and at the moment BUMDes whose active category is 140.

Based on the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Disadvantaged Villages, and Transmigration Number 10 of 2016, what is meant by Disadvantaged Villages or can be referred to as Pre-Madya Villages are villages that have the potential for social, economic, and ecological resources but have not, or are not managing them in an effort to improve the welfare of the village community, the quality of human life and experience poverty in its various forms. Meanwhile, a Very Underdeveloped Village, or what can be referred to as a Primary Village, is a village that experiences vulnerability due to natural disasters, economic shocks, and social conflicts so that it is unable to manage its potential social, economic, and ecological resources, and experiences poverty in various forms. The characteristic of a Disadvantaged Village is a village that has potential social, economic, and ecological resources but has not or does not manage them in an effort to improve the welfare of the village community, the quality of human life, and experiences poverty in its various forms. Meanwhile, a very underdeveloped village is a village that experiences vulnerability due to natural disasters, economic shocks, and social conflicts so that it is unable to manage the potential of social, economic, and ecological resources, and experiences poverty in various forms. There are several factors that make a village categorized as a disadvantaged village, including:

- a. Low per capita income: Per capita income is the amount of money earned by each resident in a village in one year. Underdeveloped villages usually have a lower per capita income compared to surrounding villages.
- b. Low education level: The education level of people in underdeveloped villages is usually lower compared to other villages. Many people do not have access to good education or no education at all.

- c. Low health levels: Underdeveloped villages usually have poor or no health facilities, making their communities more vulnerable to disease.
- d. Poor infrastructure: Underdeveloped villages usually have poor roads, inadequate bridges, poor irrigation systems, and other inadequate facilities.
- e. High poverty: Underdeveloped villages are also characterized by a high level of poverty, with people struggling to meet their basic daily needs.

Law No. 6 Year 2014 on Villages, Article 78 paragraph (1) mandates that “Village Development aims to improve village welfare and the quality of human life as well as poverty reduction through the fulfillment of basic needs, the development of village facilities and infrastructure, the development of local economic potential and the sustainable use of natural resources and the environment. As an effort to achieve community welfare, one of them is carried out by forming a Village-Owned Enterprise (BUMDes), as stated in Article 87 paragraph (1), namely the Village can establish a BUMDes. Furthermore, paragraph (3) states that BUMDes can run businesses in the economic sector and/or public services. The business results of BUMDes can be utilized for a) business development; and b) village development, village community empowerment, and the provision of assistance to the poor through grants, social assistance, and revolving funds stipulated in the APBDes.

In connection with the important role of BUMDes in improving the welfare of village communities, the management of BUMDes is a part that must be considered by its managers. Therefore, the role of BUMDes/BUMDesa Bersama is one of the government's efforts to improve the level of poverty that occurs in the village, as stated in Government Regulation No. 11 of 2021 concerning BUMDes, namely BUMDes/BUMDesa Bersama aims to: a) improve the level of poverty that occurs in the village. 11 of 2021 concerning BUMDes, namely BUMDes / BUM Desa together aims to: a) conduct economic business activities through business management, as well as the development of investment and economic productivity, and the potential of the Village; b) conduct general service activities through the provision of goods and/or services and fulfillment of the general needs of the Village community, and manage Village food barns; c) obtain profits or net profits to increase the Village's original income and develop the maximum benefit for the economic resources of the Village community; d) utilize Village Assets to create value for Village Assets; and e) develop a digital economy ecosystem in the Village.

One of the efforts in the welfare of rural communities is economic development, in this case carried out by BUMDes. In accordance with Law No. 6/2014, a Village-Owned

Enterprise (BUMDes) is a business entity whose ownership is wholly or partially owned by the Village, with capital derived from direct contributions from allocated Village resources. Its main objective is to provide services, manage assets, and run various businesses to increase the welfare of the Village community as much as possible. The establishment of BUMDes aims to stimulate economic growth at the village level, increase Village Original Revenue (PADes), provide public services such as the provision of services needed by villagers, and act as a pioneer in economic activity within the village. BUMDes is a business entity jointly managed by the village government and villagers, oriented towards improving the village economy, and the formation process is based on the needs and potential available within the village.

Article 87 of Law No. 6 Year 2014 regulates BUMDesa with the following provisions: 1) Villages have the authority to establish Village-Owned Enterprises known as BUMDesa; 2) BUMDesa management must be conducted with a passion for mutual cooperation and unity; and 3) BUMDesa is allowed to carry out economic activities and/or provide public services in line with applicable laws. Furthermore, Article 88 of Law No. 6 Year 2014 elaborates on 1) The establishment of BUMDesa must be agreed upon through village deliberations; and 2) Details regarding the establishment of BUMDesa as mentioned in paragraph (1) will be regulated through Village Regulations. Article 89 outlines the benefits of BUMDesa businesses which include: 1) Developing business; and 2) Developing the countryside, empowering rural residents, and providing support to underprivileged citizens through the provision of grants, social assistance programs, and revolving fund allocations available in the Village Budget (APB Desa). Furthermore, BUMDesa has four main objectives, namely: 1) Advancing the economic conditions of the rural population; 2) Increase the income of the rural population; 3) Use natural resources more efficiently in the public interest; and 4) Serve as a tool to advance and develop the economy in rural areas. But in reality, many BUMDesa do not achieve the desired expectations. Of the 275 existing BUMDesa units in Lebak Regency, only 68 BUMDesa units are functioning properly. The causes of BUMDesa not developing as expected are:

### **1.1.1. No shared understanding**

A common understanding of BUMDes is still uneven among the community. This difficulty stems from a lack of understanding about BUMDes, especially on the part of the village head. This is due to the traditional role of village officials, which is mostly limited

to administrative tasks and the implementation of projects and programs originating from the village head.

government above. Therefore, the concept of BUMDes is not easy to understand and requires great effort to truly understand, especially the entrepreneurial aspects and economic independence of the village that are the focus of BUMDes. The lack of understanding of BUMDes among village officials has led to the lack of socialization of BUMDes to villagers. Hence, a shared understanding of BUMDes and its significance to the village and community is hindered in its development.

### **1.1.2. Not familiar with village authority**

At present, it is undeniable that there are still many village officials who do not have sufficient understanding of village authority as stipulated in Law No. 6/2014 on Villages. The concepts of subsidiarity and recognition have not really been maximized as resources that can help villages to identify and utilize their potential. This lack of understanding among village officials causes village governments to hesitate in fully exercising village authority. Therefore, efforts to establish BUMDes as an entity that can support the development of village potential have not been realized to date.

### **1.1.3. Does not understand the context**

Prior to the enactment of Law No. 6/2014 on Villages, we could say that the notion of village development only included knowledge of physical development and structural arrangements from those at the top of the hierarchy. This is due to the fact that physical development programs are more easily observed by the community due to the physical form that can be seen directly. Meanwhile, the concept of physical development can be distinguished from programmatic empowerment efforts, where the results are not always physically observable. Nonetheless, it is important to remember that the development of human potential is a key asset in achieving village self-sufficiency. Limitations in human resource development ultimately hinder the advancement of institutional and business capabilities at the village level. Thus, finding individuals who are actively united in establishing institutions to improve collective welfare will be a difficult task, just as village governments face difficulties in finding individuals who have the ability to manage Village-Owned Enterprises (BUMDes).

#### **1.1.4. No transparency of information provided to the public at the village level**

Villages often face difficulties in achieving adequate levels of public information disclosure. Crucial information is still controlled by village elites and not disseminated to all residents. As a result, only a few people or individuals within the village elite are aware of important issues and programs. The limited access of the community to important information about the village means that the programs are only attended by certain groups, such as village officials and the family of the village head. Therefore, when a BUMDes is established, its management or structure is often filled with people close to the village head or even his own family members. This results in the BUMDes operating like a business owned by a particular family, and the business does not have a significant impact on community welfare.

#### **1.1.5. The existence of corrupt behavior**

Corrupt behavior is a task that must be addressed by the government and us as citizens. It undermines the principles of a great nation based on law and morals. The number of corrupt acts among top-level leaders dampens the spirit of creating positive social change for society, and it is

is very unfortunate. In fact, corrupt behavior may also exist at the village government level. As painful as it is, we must acknowledge that there are still several hundred village heads who are currently facing prosecution for allegedly utilizing village funds for their personal or group interests.

#### **1.1.6. There are still internal wounds from failures in the management of village officials**

The Village government's efforts to develop villages have been ongoing for some time. Together, we realize that the government has launched various programs, some successful while others not. In fact, before the existence of Badan Usaha Milik Desa (BUMDes), many government programs such as KUD, BUUD, and various other initiatives experienced difficulties and uncertainties. This made the majority of villagers feel no need to return the funds that were supposed to be the source of capital for village projects run by BUMDes.

### 1.1.7. Weak managerial skills

First of all, finding individuals with great managerial skills in managing a business is not an easy task for villages. Even if there are suitable candidates, they often already have regular jobs, so if appointed to manage the BUMDes, they will only do so with part-time enthusiasm. As a result, the development of the BUMDes is stunted and does not progress significantly. Another condition is that when there are no individuals who meet the required managerial requirements, the village government may appoint someone with inadequate capabilities, which can be seen from their history. This has the potential to take BUMDes in a more worrying direction.

### 1.1.8. BUMDes does not attract the younger generation (millennials)

The presence of BUMDes has not been entirely successful in attracting the interest of the younger generation to manage them. It can be said that in many villages in Indonesia, BUMDes are still not attractive enough for most young people to play a role in its development. Many village officials are not willing to utilize the power of the millennial generation to enhance the development of BUMDes in their area. One of the obstacles is the difficulty in convincing the younger generation that BUMDes can provide welfare for those involved. BUMDes should be the hope for them in achieving social and economic welfare in their villages. This disinterest of the millennial generation results in BUMDes still following the conventional model managed by the older generation. The younger generation and the senior generation should work together in an effort to create self-reliant villages through BUMDes. Lack of managerial skills needs to be improved through a process of education and training, either organized within the organization or involving external resources, such as the BUMDes program.

As described above related to underdeveloped villages and very underdeveloped villages, and by paying attention to the factors that cause underdeveloped or very underdeveloped villages, it is interested to conduct research with the title BUMDesa Management in an Effort to Improve the Status of Underdeveloped Villages to Become Independent Villages in Lebak Banten Regency? Why are interested in conducting research with this title, because BUMDesa/Bumdes Bersama has objectives including to a) build economic businesses through business management, as well as the development of investment and economic productivity, and the potential of the Village; b) carry out general service activities through the provision of goods and / or services as

well as the fulfillment of the general needs of the Village community, and manage the Village food barn; c) obtain profits or net profits for the improvement of the Village's food barn; c) obtain profits or net profits for the improvement of the Village's food barn.

the Village's own revenue and develop the maximum benefit of the economic resources of the Village community.

## 1.2. Problem Formulation

From the background as described in the background of the problem, the problem formulations in this study are:

- a. How is BUMDesa Management in an Effort to Improve the Status of Underdeveloped Villages to Independent Villages in West Bayah Village and Giri Mukti Village in Ciligrang District, Lebak Regency, Banten?
- b. How is the Strategy to Improve BUMDesa Management in an Effort to Improve the Status of Underdeveloped Villages to Independent Villages in West Bayah Village and Giri Mukti Village in Ciligrang District, Lebak Regency, Banten?

## 1.3. Research Objectives

The purpose of this study is to review and analyze :

- a. How is BUMDesa Management in an Effort to Improve the Status of Underdeveloped Villages to Independent Villages in West Bayah Village and Giri Mukti Village in Ciligrang District, Lebak Regency, Banten?
- b. How is the Strategy to Improve BUMDesa Management in an Effort to Improve the Status of Underdeveloped Villages to Independent Villages in West Bayah Village and Giri Mukti Village in Ciligrang District, Lebak Regency, Banten?

## 1.4. Reasons for Choosing the Research Locus

- a. Lebak Regency has 288 BUMDesa units from 340 villages, and currently there are 140 active BUMDes, while the others are inactive;



- b. The distance between the village and the sub-district capital is quite far and the distance from the village to the capital of Lebak Regency in Rangkas Bitung is very far;
- c. Facilities and infrastructure in the management of BUMDes are inadequate.

## 1.5. Benefits

- a. The academic benefits of this research are expected to contribute to the academic world, especially in the field of science of rural community development.
- b. The practical benefits of the research are expected to be able to provide contributions in improving the welfare of rural communities in underdeveloped villages in Lebak Regency through the role of BUMDesa.

## 2. LITERATURE REVIEW

### 2.1. Previous Research

a. Bakri La Suhu, Raoda M. Djae and Abdurahman Sosoda (2020), Analysis of the Management of Village-Owned Enterprises (BUMDES) in Geti Baru Village, North West Bacan District, South Halmahera Regency, the research approach used was descriptive qualitative, and data collection techniques used more interviews. The results of the study that the management of BUMDes Geti Bru is carried out well by BUMDes administrators, this can be seen from the process of establishing or forming BUMDes which has involved all components at the village level, be it the village government, BPD and the community. The process of implementing BUMDes businesses has also been well managed, where the income / profit from the BUMDes business results from buying and selling is quite a lot with a month's income of Rp. 12,000,000,- and a year reaching Rp. 144,000,000,- In addition, the process of reporting or accountability for BUMDes management has been reported by the BUMDes management.

either through written submission to the village government (Village Head), reporting is done once a year. In the reporting, it is reported about the development and progress of the BUMDes business results, income in a month or a year as well as business innovations that need to be developed to be developed.

b. Research conducted by Rahmawati Ururama and Andy Ariskha Masdar (2020), Management of Village-Owned Enterprises (BUMDES) Towards Increasing Village Original Income (PADES) Batetangnga Village, Binuang District, Poliwali Mandar Regency, West Sulawesi Province, the research method used in the research is to use descriptive methods with an inductive approach. Data collection techniques were carried out through observation, interviews and documentation. The data analysis technique used is fishbone analysis. Based on the results of the research conducted, BUMDes Batetangnga is a BUMDes that is considered good enough, but there are still some shortcomings. The prominent problem is the decline in BUMDes revenue in 2018 due to several factors. Then another problem is related to the problem of human resources managing BUMDes Batetangnga which is considered not to have maximum knowledge and still needs to be developed.

c. Research conducted by Emma Rahmawati (2020), Analysis of the Management of Village-Owned Enterprises (BUMDesa) in West Bandung Regency. This study aims to determine and analyze the management of BUMDes. Data was collected using a questionnaire filled out by BUMDes managers in 15 BUMDes as a sample. The sampling technique used was purposive sampling technique with data analysis using Importance Performance Analysis (IPA). The results of this study indicate that there are 5 indicators that have poor performance but a high level of importance so that it is necessary to focus on improving these indicators, including good infrastructure facilities, innovation in the production produced, developing product distribution networks, conducting regular HR training and having an organizational culture.

d. Research conducted by Desiwantara, Khasan Effendy, Udaya Madjid, Megandaru W. Kawuryan (2021), Management Model of Village-Owned Enterprises in Increasing Original, the method used in this research is descriptive qualitative, the use of qualitative methods in this study is a suitable strategy to explore information and understand the reality of the research object in depth and detail. Then this research also uses SWOT analysis to sharpen the analysis. This research concludes that there must be community participation in capital so as to foster a greater sense of ownership of BUMDes business steps; Administrative records; Management and budget planning that must be managed transparently and accountably; and performance management, namely communication between parties (administrators/members) and BUMDes external parties.

e. Erlinda Choirunnisa and Anantha Pratama, The Role of Village-Owned Enterprises (BUMDes) in Realizing Billionaire Villages in Sekapuk Village, Ujung Pangkah District, Gresik Regency (2021), The research method used is qualitative method. The results of

this study indicate 1) as a driving force for the village economy, by developing appropriate businesses based on village potential and collaborating with other village institutions; 2) as a business institution that produces by opening profit-making business units, developing innovations for BUMDes businesses, and providing profits to the Village government in accordance with the bylaws; 3) as a means to encourage the acceleration of improving the welfare of the village community, namely by establishing partnerships with the BUMDes.

village communities through investment savings and job creation for village communities.

f. Adri Yulianti and Arwan Gunawan, The Role of Village-Owned Enterprises in Increasing Village Original Income and the Economy of the Mekarsari Village Community, Ngamprah District, West Bandung Regency (2023), the research method used is descriptive qualitative. The results of this study indicate that BUMDes Mulyasari has not been able to provide its business results for PADes and the economy of the village community as a whole, but BUMDes Mulyasari is trying to provide the best service to the people of Mulyasari Village.

From the six previous studies, it can be concluded that 1) the six studies are research on BUMDes management; 2) the five studies used qualitative methods, while one study used quantitative;

3) from the four studies it can be concluded that the management of BUMDes has not been as expected. The differences with this research are 1) this research takes a locus in the Lebak Regency area which has many disadvantaged villages;

2) The research was conducted on 2 (two) BUMDes with the criteria of one BUMDes that is no longer running (dead) and is located in a disadvantaged village, and 1 (one) BUMDes that is still running and one Joint BUMDes; 3) This research aims to determine and analyze the management of BUMDes and Joint BUMDes; 4) This research was conducted in order to compare BUMDes in underdeveloped villages with BUMDes in developed villages; and Joint BUMDes. The similarity between previous research and this research is that both are BUMDes, and focus more on BUMDes management.

## 2.2. Policy and Theoretical Review

### a. Policy Overview

#### 1) Village Law No. 6/2014 on Villages

Article 1 point 1 states that “A village is a village and a customary village or what is called by another name, hereinafter referred to as the Village, is a legal community unit that has territorial boundaries that is authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected within the system of government of the Unitary State of the Republic of Indonesia”. Furthermore, Article 1 point 6 states that “. Village-Owned Enterprises, hereinafter referred to as BUM Desa, are business entities that are wholly or partially owned by the Village through direct investment from separated Village assets to manage assets, services, and other businesses for the greatest welfare of the Village community”.

Article 87 paragraph (1) states that “Villages can establish Village-Owned Enterprises called BUM Desa. Furthermore, paragraph (2) states that “BUM Desa is managed with a spirit of kinship and mutual cooperation”. Meanwhile, paragraph (3) states that “BUM Desa can run businesses in the economic sector and/or public services in accordance with the provisions of laws and regulations. Furthermore, Article 88 paragraph (1) states “The establishment of BUM Desa is agreed upon through a Village Deliberation”. Meanwhile, paragraph (2) states “The establishment of BUM Desa as referred to in paragraph (1) shall be stipulated by Village Regulation”. Furthermore, Article 89 states that “BUM Desa’s business results are utilized for: a) business development; and b) Village Development, Village community empowerment, and village community empowerment”.

providing assistance to the poor through grants, social assistance, and revolving fund activities stipulated in the Village Budget.

Article 90 states that “The Government, Provincial Regional Government, Regency/City Regional Government, and Village Government encourage the development of BUM Desa by: a. providing grants and/or access to capital; b. providing technical assistance and access to markets; and c. prioritizing BUM Desa in the management of natural resources in the Village.

## 2) Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises

Article 1 point 2 states that “BUMDes business is an activity in the economic sector and/or public services that are managed independently by BUMDesa”. Furthermore, in Article 1 point 3, it is stated that “BUMDes Business Unit is a business entity owned by a Village-Owned Enterprise that carries out activities in the economic sector and / or public services with a legal entity that carries out the functions and objectives

of BUMDesa". Furthermore, Article 1 point 11 states that "The BUMDes organization is the completeness of the BUMDes organization consisting of the Village Deliberation or Deliberation between Villages, advisors, operational executors, and supervisors. In Article 3, it is stated that BUM Desa/BUM Desa together aims to: a) conduct economic business activities through business management, as well as the development of investment and productivity of the village economy and potential; b) conduct public service activities through the provision of goods and/or services as well as the fulfillment of the general needs of the village community, and manage the village food barn; c) obtain profit or net profit for increasing the Village's original income and developing the maximum benefit of the village community's economic resources; d) utilize Village Assets to create added value to Village Assets; and e) develop a digital economy ecosystem in the Village.

3) Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 3 of 2021 concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and / or Services of Village-Owned Enterprises / Joint Village-Owned Enterprises.

Article 28 Procurement of goods and/or services applies to procurement whose funding comes from the BUM Desa/BUM Desa joint budget, including those whose funds are sourced from: 1) Village capital participation; 2) Village community capital participation; 3) business results or profits; 4) loans; and 5) other legal and non-binding sources in accordance with the provisions of laws and regulations. Furthermore, Article 29 paragraph (1) states that the procurement of goods and/or services as referred to in Article 28 must apply the principles of: 1) transparency, meaning that all implementation and information regarding the procurement of goods and/or services, including the technical requirements of procurement administration, and the determination of prospective goods and/or service providers are open to participants of goods and/or service providers and the Village community; 2) accountability, meaning that it must achieve targets and be accountable so as to avoid practices of abuse and irregularities; 3) efficiency, meaning that the procurement of goods and/or services must be attempted by using optimal funds and abilities to get the best results in a fast time; and 4) Professionalism, means that the procurement of goods and / or services must be in accordance with sound business principles and carried out by actors who have sufficient ability and competence in the field of procurement of goods and / or services.

Furthermore, Article 30 states that in the procurement of goods and/or services must implement policies including: a) improving the quality of consolidative planning and

procurement strategies to optimize results that are beneficial to; b) aligning procurement objectives with the achievement of BUM Desa/BUM Desa joint objectives; c) conducting more competitive, accountable, and transparent procurement, including publicizing procurement implementation through media that can be reached by the Village community; d) prioritizing the use of local Village resources and providing expanded opportunities for small businesses in the Village as long as the quality, price, and purpose can be accounted for; e) strengthening institutional capacity and procurement human resources; f) synergizing and providing opportunities to BUM Desa/BUM Desa joint business units and/or to other BUM Desa/BUM Desa joint; g) implementing strategic, modern, and innovative procurement; and h) strengthening procurement performance measurement and risk management.

#### b. Theoretical Review

##### 1) Definition of Management

The word manager in English is equated with the word *management*, and the word *management* has entered into the Indonesian language absorption element to become management, so that in this study and subsequent descriptions will use the word management to interpret the manager. Marry Parker Follet in Hanafi Mamduh (2017) management is the *art of* achieving something through other people (*the art of getting things done through the others*). Almost the same opinion was also expressed by Lawren A. Appley in Rina Astini et al (2019), stating that management functions are: planning, organizing, and leadership and control While Terry and Rue (1992) suggest that: “management is a process or framework, which involves guiding or directing a group of people towards organizational goals or real goals. Furthermore, Robbins and Coulter (2009): Defining *management involves coordinating and overseeing the work activities of others so that their activities are accomplished efficiently and effectively*.

Management is defined as management, while in managing to run well, there are management functions that must be considered, as stated by Terry and Rue (1992) stating that management functions are “planning, organizing, staffing, motivating and controlling”. Massie and Douglas Hanafi Mamduh (2017) say that “Management is when the process of a group of people working together directs other people to work towards the same goal”. Furthermore, Koontz and O “Donnel in Hanafi Mamduh (2017) state that Management is “creating an effective environment for people to work in formal organizations”. Meanwhile, Donnely, Gibson and Ivancevich in Hanafi Mamduh (2017) state that “management includes activities carried out by one or more people to coordinate

activities carried out by other people and to achieve goals that cannot be achieved by one person alone". Furthermore, Stoner, Freeman, and Gilbert in Hanafi Mamduh (2017) state that management is planning, organizing, directing, controlling, activities of organizational members, and activities that use all organizational resources to achieve predetermined organizational goals ". Luther M Gullick (2003) defines management "as a field of science that seeks systematically to understand why and how humans work together to achieve goals and make this system of cooperation more beneficial to humanity. Management is said to be good if it has clear goals and objectives that are known by everyone involved in the activity. Furthermore, preparing steps to achieve goals by utilizing all resources (people, funds, facilities, opportunities, natural resources and others) optimally, effectively and efficiently. Each element is organized so as not to overlap.

## 2) Management Functions

Management functions according to Luther M Gullick (20003) are Planning; *Organizing*; *Staffing*; *Directing*; Coordinating; *Reporting*; *Budgeting*; *Controlling*.

- a) Planning, whose basic word is "plan", is basically the act of selecting and determining all activities and resources that will be carried out and used in the future to achieve certain goals. Planning refers to thinking and determining what will be done in the future, how to do it, and what must be provided to carry out these activities to achieve maximum goals. The functions of planning are as follows: a) Describe various problems; b) Determine problem priorities; c) Determine goals and indicators of success; d) Assess obstacles and constraints; and e) Develop an operational work plan.
- b) Organizing is defined as the activity of dividing tasks to people involved in cooperation in an institution. Organizing activities determine who will carry out tasks according to organizing principles. So that organizing can be referred to as the whole process of selecting people and allocating facilities and infrastructure to support the tasks of these people in the organization and regulating their work mechanisms so as to ensure the achievement of goals. By viewing organizing as a process, it is clear that many basic inputs must be considered. First of all, the structure must reflect goals and plans because the activities of an institution are derived from them. Secondly, the structure must reflect the authority available to the managers of the institution. Thus, authority in a particular organization is socially determined to carry out policy and as such, the organization can be

changed. Third, the organizational structure like any plan, must reflect its environment. Fourth, the organization must be staffed with people.

- c) Staffing will affect “leadership and control”. Staffing requires an open-system approach. Staffing is carried out within the institution, which in turn has a relationship with its external environment. Therefore, internal factors, such as personnel policies, organizational climate and reward systems, must be taken into account. Clearly, without adequate rewards, it is impossible to attract highly qualified managers and keep them in the company. The external environment cannot be ignored either. High technology requires well-trained, well-educated managers, which can prevent the company from growing at the desired pace. Like other management functions, staffing is no less important. But somewhat different from other functions, the emphasis of this function is more focused on the resources that will carry out activities that have been clearly planned and organized in the planning and organizing functions. Activities carried out in this function include determining, selecting, appointing, fostering, guiding human resources using various approaches or the art of human resource development. Staffing is the direction and training of a group of people working on a task, and maintaining pleasant working conditions. In an effort to develop staff, methods that can be used include: job training, special assignments, simulations, role plays, research task forces, self-development and so on. Meanwhile, there are three types of staff development programs, which are from: *presupervisory programs*, *middle management programs* and *executive development programs*.
- d) Directing. Directing is an explanation, instructions, as well as consideration and guidance there are officers involved, both structurally and functionally so that the implementation of tasks can run smoothly, with the direction of staff who have been appointed and entrusted with carrying out tasks in their respective fields not deviating from the predetermined program lines. Briefing (orientation) includes introducing new employees to the company, its functions, duties, and people. Large companies usually have a formal briefing program that explains these things: history, products and services, general policies, organization (divisions, departments, and locations), benefits (insurance, retirement, leave), confidentiality requirements in defense contracts, and security regulations and others. In its implementation, this direction is often carried out together with controlling while supervising, managers often give instructions or guidance on how the work should



be done. If the direction delivered by the manager is in accordance with the willingness and ability of the staff, the staff will be motivated to empower their potential in carrying out their activities.

- e) Coordinating. Coordinating or coordinating is one of several management functions to carry out various activities so that there is no chaos, confusion, vacancy of activities by connecting, uniting and harmonizing the work of subordinates so that there is directed cooperation in an effort to achieve organizational goals. Coordination is balancing and mobilizing the team by providing the location of work activities that match each and maintaining that the activities are carried out with proper harmony among the members themselves.
- f) Reporting. By reporting, it is meant as a function related to providing information to managers, so that they can follow the development and progress of work. The reporting line can be vertical, but it can also be horizontal. The importance of reporting is seen in relation to the concept of management information systems, which are important in decision making by managers. This function is generally handled more by the company's strict department. The results of this record will be used by managers to make reports on what has been, is being and will be done in an effort to achieve goals. This recording and reporting function will be successful if the archiving system can be managed effectively and efficiently.
- g) Budgeting is one of the management functions. Budgeting is a function that deals with organizational control through fiscal planning and accounting. A budget, whether APBN or APBD, indicates two things: first as a fiscal statement and second as a mechanism. APBN is short for State Revenue and Expenditure Budget. APBN is the budget of the Republic of Indonesia's state revenue and expenditure each year that has been approved by members of the DPR (House of Representatives).
- h) Controlling. The supervisory process records progress toward goals and enables managers to detect deviations from planning in time to take corrective action before it is too late. Through effective supervision, the wheels of the organization, implementation of plans, policies, and quality control efforts can be carried out better. From all the discussion above, the author draws the conclusion that management can be done well if it can move, coordinate, direct and regulate according to the process of utilizing resources.

organization and other resources effectively and efficiently to achieve the planned goals in accordance with the planning with the group, or directed group. In addition, to know that all management functions are running well, good planning is needed with a group accompanied by organizing and directing. The most important thing is the supervision process to monitor the progress of the organization in achieving goals and the process of comparing results and expectations.

Richard L Daft in Rina Astini et al (2019) states that the functions of management are: planning, organizing, and leadership and control “. Furthermore, Hanafi Mamduh (2017) states that the functions are as follows:

a) Planning

Planning means setting organizational goals and choosing the best way to achieve those goals. Decision-making is part of planning which means determining or choosing an alternative to achieving goals from several alternatives. Planning is necessary to direct organizational activities. In the first step, plans are set for the organization as a whole, then more detailed plans for each part or division are set. In such a way, the organization has a consistent plan as a whole. Some of the benefits of planning are (1) directing organizational activities that include the use of resources and their use to achieve organizational goals, (2) establishing consistency in the activities of organizational members in accordance with organizational goals, and (3) monitoring organizational progress. If the organization deviates from the set goals, improvements can be made. Benefit number three is closely related to control activities. Control requires planning and planning is beneficial to control.

b) Organizing and Staffing

Organizing can be defined as the activity of coordinating resources, tasks, and authority among organizational members so that organizational goals can be achieved effectively and efficiently.

c) Leading

Once the organizational structure is set, the people are determined. The next step is to make how these people work to achieve organizational goals. Directing includes directing activities, influencing others, and motivating people to work.

d) Controlling

Control aims to see if the organization's activities are according to plan. Control functions include: (1) determining achievement standards, (2) measuring achievements that have been so far, (3) comparing achievements that have been achieved with achievement standards, and (4) making improvements if there are deviations from predetermined achievement standards.

### 3) Definition of Village

Maschab (2013) argues that: "When talking about "villages" in Indonesia, it can produce at least three different types of interpretations or understandings. The first is an understanding based on history and origin, the second is an understanding in an economic context, and the third is an understanding for a political context". From a sociological point of view, a village reflects a form of social unity or community of people who live in a certain area, where they have strong knowledge of each other and live a similar lifestyle, and are very dependent on natural resources. From the perspective of Sociologically, villages are often associated with communities that experience a simple life, are predominantly dependent on the agricultural sector, have strong social relations and cultural heritage, exhibit attitudes of honesty and simplicity, and generally have lower levels of education. In an economic context, a village is a community that seeks to fulfill their daily needs by using the natural resources found in their environment. In a political context, a "village" is a unit of government or political authority that has a special role within the framework of state government. In addition, according to Maschab (2013), the genealogical definition of a village is "that villagers generally have a strong blood relationship, because they have the same descendants or if there are residents from outside, they will become part of the village through marriage with the original inhabitants of the village". Meanwhile, Sunardjo in Suhartono defines a village as:

"A community of people based on customary rules and laws. A traditional community that operates in a particular area, with defined boundaries. These communities have very strong emotional and social ties, both because of kinship and because they share common political, economic, social and security interests. They have collectively elected management structures, have ownership of certain assets, and have the right to manage their own domestic affairs."

Furthermore, Unang Sunaryo (1984:99) in Thahir suggests that the village as a legal community alliance is categorized into 3 (three) types, namely:

"The types of legal community associations can be divided into three main types. The first is unity based on territorial area as the main basis. The second is a union

based on hereditary or genetic similarities such as tribes, citizens, or candidates as the main basis for obtaining the right to live in the territory. The third is a type of union that combines both aspects, namely territorial and descent.”

The same opinion was also expressed by Soetardjo (1984: 99) in Thahir that: “Villages have three basic characteristics, namely 1) formed based on hereditary (genealogical) relationships that produce ties between tribes (stamverband); 2) formed based on hereditary territory (territorial); 3) formed from a combination of genealogical and territorial elements.” Furthermore, Eko (2008:5) argues that:

“Villages, also known by other names, are communities formed by individuals who are related by descent and live in a certain area. While it is difficult to measure the size of the area they occupy, they have always had traditional ways of determining boundaries, such as by reference to visibility or stone-throwing distance. These are all local community groups that have their own governmental autonomy, which is based on local traditions.”

In another article, Eko (2008) divides the position of villages into 3 (three), namely:

“A village is a local community entity that has autonomy in its own governance, known as a *self-governing community*; it refers to a form of local *self-government*, known as *local self government*; and also includes a form of state government at the local level, called *local state government*”.

Meanwhile, Nurcholis (2011:2) suggests that what is meant by a village is: “A residential area for a group of individuals who know each other, work together in daily life, have a similar culture, and organize their social life in a distinctive way. The majority of the population there seek livelihood from agriculture and fishing.” Nurcholis (2011:2) further argues that:

“Villages are home to populations that share a fairly similar culture overall. Rural residents are connected through uniformity and solidarity within the framework of their social and cultural values. They live harmoniously and unitedly in a common life, so it can be referred to as a society that has a sense of unity and togetherness, similar to the concept of *gemeinschaft*”.

Historically, villages have been the foundation for the development of political structures and governance systems in Indonesia before the country was legally established. Social structures such as villages, traditional communities and similar entities have been very significant social elements. Villages are autonomous institutions, with their own customs, traditions and laws, and tend to be self-sufficient. This can be seen in the

village community in Java, the Government is carried out by the Village Head assisted by Carik and Pamong Desa, in solving problems known as rembug desa, this forum is a forum to solve problems that arise in the village, and this is the highest decision in the village, as well as in social and economic, there is a village barn to store rice during the harvest, and will be distributed to residents during the lean season. In Nagari West Sumatra, there is an institution that carries out government functions comprehensively through the Kerapatan Adat. This institution acts as an executive, legislative, and judicial at the same time. In accordance with the explanation from Eko (2008: 6), in Kerapatan Adat, the ninik mamak who represent the community gather to deliberate and reach an agreement in regulating the Wali Nagari, running an internal justice system, and formulating regulations for the benefit of Nagari.

### **2.3. Village-owned enterprises (BUMDesa)**

BUM Desa is a business entity whose capital ownership, either partially or wholly, belongs to the Village. This capital is obtained from assets separated from Village assets with the purpose of managing these assets, providing services, and running various other businesses with the main focus on improving the welfare of the Village community as much as possible. In Law No. 6/2014, Article 87 reveals that (1) Villages have the ability to create Village-Owned Enterprises known as BUM Desa. (2) The management of BUM Desa must prioritize the spirit of togetherness and gotong royong. (3) BUM Desa is permitted to carry out economic activities and/or provide public services in accordance with applicable regulations. Furthermore, Article 88 paragraph (1) states that the establishment of BUM Desa must be approved by Village deliberation. Paragraph (2) of Article 88 explains that the process of establishing BUM Desa as mentioned in paragraph (1) will be regulated by Village Regulation. Article 89 explains that the business proceeds from BUM Desa will be utilized to: a) develop the business; and b) empower the Village community, finance Village development, and provide assistance to the poor through grants, social assistance, and revolving fund programs stipulated in the Village Budget. Article 90 states that the objective of the Government, Provincial Government, Regency/City Government, and Village Government is to drive the progress of the development of Village-Owned Enterprises (BUM Desa) with three main efforts: first, providing grant assistance and/or access to capital sources; second, providing technical guidance and opportunities for access to markets; and third, giving priority to BUM Desa in the management of natural resources in the Village area.

Minister of Home Affairs Regulation No. 39/2010 on Village-Owned Enterprises, Article 2 paragraph (1) states that “The Regency/City Government stipulates Regional Regulations on Guidelines for the Establishment and Management of BUMDes.”. Furthermore, paragraph (2) states that “The Regency / City Regional Regulation as referred to in paragraph (1) at least contains the form of organization, management, rights and obligations, capital, profit sharing, profit and bankruptcy, cooperation with third parties, accountability mechanisms, guidance and community supervision”.

In Article 5 paragraph (1), the requirements for the establishment of BUMDes are: a) at the initiative of the village government and or the community based on villagers’ deliberations; b) the potential for community economic businesses; c) in accordance with the needs of the community, especially in fulfilling basic needs; d) the availability of village resources that have not been optimally utilized, especially village assets; e) the availability of human resources capable of managing business entities as assets driving the economy of the village community; f) the existence of community business units which are economic activities of community members that are partially managed and less accommodated; and g) to increase community income and village original income. Furthermore, paragraph (2) states that the mechanism for establishing BUMDes is carried out through the following stages: a) village meetings/deliberations to produce an agreement; b) the agreement is set out in the by-laws which at least contain: organization and work procedures, determination of personnel, accountability and reporting systems, profit sharing and bankruptcy; c) proposing the agreement material as a draft village regulation; and d) proposing the agreement material as a draft village regulation.

d) issuance of village regulations. Furthermore, the BUMDesa Organization as mentioned in Article 7 paragraph (1) states that “The BUMDes management organization consists of at least: a) advisors or commissioners; and b) operational executors or directors. Furthermore, paragraph (2) states that the advisor or commissioner is held by the Village Head. Paragraph (3) states that “Operational executors or directors consist of: a) director or manager; and b) head of the business unit.

In order to advance BUMDesa /BUMDesa Bersama based on article 22 paragraph

(1) The Minister of Home Affairs provides guidance and stipulates norms, standards, procedures and criteria for BUMDes. (2) Governors conduct socialization, technical guidance on management standards, procedures and criteria as well as facilitate the acceleration of capital development and management coaching of BUMDes in the Province. Paragraph (3) Regents/Mayors conduct coaching, monitoring, evaluation,

efforts to develop management and human resources and initiatives in existing capital in rural areas. Whereas in (4) the Village Head coordinates the implementation of BUMDes management in his/her working area. Furthermore, in the context of implementing supervision of BUMDesa management as stipulated in Article 23 paragraph (1) BPD and/or internal supervisors formed through village deliberations supervise the management of BUMDes. In paragraph (2) the Regency / City Inspectorate supervises the management of BUMDes.

Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 3 of 2021 concerning Registration, Data Collection and Ranking, Development, and Procurement of Goods and / or Services of Village-Owned Enterprises / Joint Village-Owned Enterprises. Article 23 paragraph (1) states that “The guidance and development of BUM Desa/BUM Desa together is carried out by: a) the Minister for general guidance and development; and b) ministers/heads of non-ministerial government agencies for technical guidance and development.” Then in paragraph (2), it is stated that the guidance and development of BUM Desa/BUM Desa together is carried out by the Minister. Then in paragraph (2) it is stated that “The guidance and development of BUM Desa/BUM Desa together as referred to in paragraph (1) shall be implemented in a synergistic and coordinated manner”. Furthermore, Article 24 states that “The development of joint BUM Desa/BUM Desa aims to achieve effective and efficient planning, management, implementation, and organizational monitoring systems.” Meanwhile, in Article 25, the development of joint BUM Desa/BUM Desa is carried out through the following strategies: a) revitalization of BUM Desa/BUM Desa institutions; b) improving the quality of management and strengthening the organization of BUM Desa/BUM Desa together; c) strengthening the management of BUM Desa/BUM Desa together and BUM Desa/BUM Desa together; d) strengthening cooperation or partnerships; e) strengthening the management of assets and capital; f) improving the quality of administrative management, reporting and accountability; and g. strengthening the management of profits and benefits for the Village and the Village community. Furthermore, Article 26 paragraph (1) states that “The strategy of revitalizing the BUM Desa/BUM Desa institution together is elaborated in programs or activities: a) counseling/socialization of legal entities of BUM Desa/BUM Desa together; b) monitoring and guidance of laws and regulations at the regional level related to BUM Desa/BUM Desa together; c) capacity building for the preparation of Articles of Association and bylaws of BUM Desa/BUM Desa together; d) strengthening the image of BUM Desa/BUM Desa together as a legal entity; e) dissemination of best practices of the

business world and BUM Desa/BUM Desa together; f) organizing consultations and/or assistance related to BUM Desa/BUM Desa together institutions; g) strengthening coordination between stakeholders in the development of BUM Desa/BUM Desa together; h) providing BUM Desa/BUM Desa together consultation clinics that function to provide problem-solving assistance; i) assisting the managers of community revolving fund activities ex national program for rural community empowerment to become BUM Desa together; and j) other programs or activities in the context of revitalizing BUM Desa/BUM Desa together. Meanwhile, paragraph (2) states that the strategy to improve the quality of management and strengthen the organization of BUM Desa/BUM Desa together is described in programs or activities: a) increasing the effectiveness of the roles and functions of the joint BUM Desa/BUM Desa organization including the Village Consultative Meeting, advisors, operational executors, and supervisors; b) increasing the capacity of advisors, operational executors, supervisors, and employees in the preparation and implementation of work program plans; c) increasing the effectiveness of organizational management and governance including the application of management operational standards and standard operating procedures; d) assistance in the field of organizational restructuring; and other programs or activities to improve the quality of management and strengthening of the joint BUM Desa/BUM Desa organization.

Paragraph (3) states that the strategy of strengthening the management of joint BUM Desa/BUM Desa businesses and BUM Desa/BUM Desa joint business units is elaborated in programs or activities: a) establishment and development of joint BUM Desa/BUM Desa Business Units; b) assistance and improvement of processing and production techniques; c) standardization of processing and production processes; d) improvement of quality control capabilities; e) assistance in marketing; f) business diversification in joint BUM Desa/BUM Desa Enterprises and/or joint BUM Desa/BUM Desa Business Units; and g) other programs or activities in the context of strengthening the management of joint BUM Desa/BUM Desa Enterprises and joint BUM Desa/BUM Desa Business Units. Paragraph (4) states that the strategy of strengthening cooperation or partnerships is described in programs or activities: a) facilitation and strengthening of cooperation between BUM Desa/BUM Desa together; b) facilitation and strengthening of cooperation between BUM Desa/BUM Desa together with the business world; c) facilitation and strengthening of cooperation between BUM Desa/BUM Desa together with financing/financial institutions; d) facilitation and strengthening of cooperation between BUM Desa/BUM Desa together with government institutions; e) facilitation and strengthening of cooperation between BUM Desa and e-commerce; and f) other



programs or activities to strengthen cooperation or partnerships. Paragraph (5) states that the strategy to strengthen asset management and capital is described in programs or activities: a) expansion of funding sources; b) expansion of access to guarantee institutions; c) expansion of access to financing sources; d) development of working capital and investment capital financing; and e) other programs/activities to strengthen asset management and capital. Paragraph (6) states that the strategy to improve the quality of administrative management of reporting and accountability is elaborated in programs or activities: a) increasing the capacity and understanding of good corporate governance; b) increasing the effectiveness of organizational, financial and business administration procedures that are effective and effective transparent and accountable; c) increased capacity and understanding of bookkeeping and financial reports of business entities; and d) other programs or activities to improve the quality of administrative management of reporting and accountability. Paragraph (7) states that the strategy to strengthen the management of profits and benefits for the Village and the Village community is elaborated in programs or activities: a) utilization of Village potential and cultural economic values in the Village; b) incubation and consolidation of Village community business activities; c) increasing product added value; d) increasing business competitiveness and productivity; e) technical guidance on product development; f) facilitation of the development of public services provided by BUM Desa/BUM Desa together; and g) other programs or activities to strengthen the management of profits and benefits for the Village and the Village community.

In order to advance BUMDesa/BUMDesa Bersama, development needs to be carried out as stipulated in Article 27 paragraph (1) which reads “Development aims to expand the coaching strategy. Then in paragraph (2) it is stated that development is carried out through human resource development, business development, marketing network development, capital development, and increased participation of BUM Desa/BUM Desa stakeholders together with integrated programs or activities which include: a) business development and entrepreneurship training according to business needs and growth; b) support for the provision of resources to realize the industrialization of village commodities through joint BUM Desa/BUM Desa; c) periodic and continuous community communication forums; d) organizing business meetings, business seminars, and/or business visits, periodically and continuously; e) organizing partnership meetings between fellow BUM Desa/BUM Desa together with other economic business actors; f) facilitation of increased access to capital; g) facilitation of increased access to partnerships or business cooperation and non-business cooperation; h) increased access and

facilitation of procurement of production and processing facilities and infrastructure, raw materials, auxiliary materials, and packaging; facilitation of access of joint BUM Desa/BUM Desa to sources of information and utilization of appropriate technology; j) empowerment and increased access of joint BUM Desa/BUM Desa to sources of business information and supply chains both locally, nationally and internationally; k) support for product promotion including provision of promotional infrastructure; l) support for the development of marketing and distribution networks, and expansion of marketing coverage; m) conducting training and strengthening product marketing capacity through digital media; and n) development programs or activities according to the needs of joint BUM Desa/BUM Desa.

## 2.4. Very Underdeveloped Villages and Underdeveloped Villages

Highly marginalized villages, also known as Primary Villages, face risks due to natural disasters, economic instability, and social tensions, which make them face difficulties in optimizing the utilization of social, economic, and environmental resources, while also dealing with diverse forms of poverty.

In Permendes PDTT No. 2 of 2016 on the Village Development Index, it is stated that there are several levels of villages, namely 1) independent villages or called Sembada Villages; 2) developed villages or can be referred to as Pre Sembada Villages; 3) developing villages or can be referred to as Madya Villages are villages with the potential to become developed villages; 4) Underdeveloped villages, or can be referred to as Pre-Madya Villages; and 5) Very Underdeveloped Villages, or can be referred to as Primary Villages.

Desa Mandiri, or Sembada Village, is an advanced village that has the ability to carry out village development to improve the quality of life and life for the welfare of the village community with social resilience, economic resilience, and ecological resilience in a sustainable manner. An Advanced Village, also known as a Pre Sembada Village, is a Village that has the potential for social, economic and ecological resources, as well as the ability to manage them to improve the welfare of the Village community, the quality of human life, and poverty reduction. Developing Villages, or Madya Villages, are villages with the potential to become developed villages, which have potential social, economic, and ecological resources but have not yet managed them optimally to improve the welfare of the village community, the quality of human life, and to overcome poverty. Underdeveloped Villages, or what can be called Pre-Madya Villages, are villages that

have potential social, economic, and ecological resources but have not yet managed them optimally to improve the welfare of the village community, the quality of human life, and experience poverty in its various forms. A Very Underdeveloped Village, also known as a Primary Village, is a Village that experiences vulnerability due to natural disasters, economic shocks, and social conflicts, resulting in the inability to manage potential social, economic, and ecological resources, and experiences poverty in its various forms.

The classification of Village Status is 5 (five) statuses of Village progress and independence determined based on the Village Development Index, with the following explanation:

- a) An Independent Village or Sembada Village is an advanced village that has the ability to carry out village development to improve the quality of life and life for the greatest welfare of the village community with social resilience, economic resilience, and ecological resilience in a sustainable manner;
- b) An Advanced Village or a so-called Pre-Sufficient Village is a Village that has the potential for social, economic and ecological resources, as well as the ability to manage them to improve the welfare of the Village community, the quality of human life, and reduce poverty.
- c) Developing Villages or so-called Intermediate Villages are villages with the potential to become developed villages, which have the potential for social, economic and ecological resources but have not yet managed them optimally to improve the welfare of the village community, the quality of human life and reduce poverty.
- d) Underdeveloped Villages or so-called Pre-Madya Villages are Villages that have potential social, economic, and ecological resources but have not, or are not managing them in an effort to improve the welfare of the Village community, the quality of human life and experience poverty in its various forms.
- e) Very Underdeveloped Villages, also known as Primary Villages, are villages that experience vulnerability due to natural disasters, economic shocks, and social conflicts so that they are unable to manage their potential social, economic, and ecological resources, and experience poverty in its various forms.

The classification of village status above is generated based on the Village Development Index consisting of 1) Social Resilience Index (IKS); 2) Economic Resilience Index (IKE); and 3) Economic Resilience Index (IKE).

3) Environmental Resilience Index (IKL). The respective indicators are as follows 1) Social Resilience Index (IKS) consists of a) social capital; b) health; c) education; and d) housing. The Index of Economic Resilience (IKE) only has one dimension, namely the social dimension. While the Ecological / Environmental Resilience Index has only one dimension, namely the Ecological Dimension. Each dimension is translated into several indicators that are part of the assessment or calculation to determine whether a village is an Independent Village, Advanced Village, Developing Village, Underdeveloped Village and Very Underdeveloped Village. The score for each village is as follows:

- a) An Independent Village or Intermediate Village is a Village that has a Village Development Index greater ( $>$ ) than 0.8155.
- b) An Advanced Village or Pre-Madya Village is a Village that has a Village Development Index less than and equal to ( $\leq$ ) 0.8155 and greater ( $>$ ) than 0.7072.
- c) Developing or Intermediate Villages are villages that have a Village Development Index less than and equal to ( $\leq$ ) 0.7072 and greater ( $>$ ) than 0.5989.
- d) A Disadvantaged Village or Pre-Madya Village is a Village that has a Village Development Index less than and equal to ( $\leq$ ) 0.5989 and greater ( $>$ ) than 0.4907.
- e) Very Disadvantaged Villages or Primary Villages are villages that have a Village Development Index of less than ( $\leq$ ) 0.4907.

Very Underdeveloped Villages, also known as Primary Villages, face risks due to natural disasters, economic instability, and social tensions, which make them face difficulties in optimizing the utilization of social, economic, and environmental resources, while also dealing with various forms of poverty. In addition, there are Disadvantaged Villages, which can also be referred to as Early Middle Villages. In these villages, there are potential social, economic, and ecological resources that have not been fully utilized or have only been utilized on a limited scale to improve the welfare of villagers and the quality of human life. As a result, these villages also face various forms of poverty.

## 2.5. Key Concepts

In the research, the key concept is the Management of BUMDesa / BUMDesa Bersama in an Effort to Improve the Status of Underdeveloped Villages into Independent Villages in Lebak Regency - Banten. What is meant by management or management is a process

that involves guiding or directing a group of people in order to achieve predetermined organizational goals. The indicators of management are planning; organizing; staffing; directing; coordinating; budgeting; evaluating. The explanation of each indicator in this study is as follows:

- a. Planning is the process of creating a plan to achieve a specific goal, including identifying the goal to be achieved, analyzing the current situation, and developing a strategy to achieve the goal.
- b. Organizing is the activity of dividing tasks to people involved in an institution.
- c. Staffing is human resources plays a very important role, the back and forth of an organization depends on the human resources in it.
- d. Directing is the process of providing instructions, instructions, and guidance from leaders to subordinates to work in accordance with a predetermined plan to achieve goals in accordance with planning and organizing efforts.
- e. Coordinating is a process of uniting and integrating common interests.
- f. Budgeting is a written plan of an organization’s activities expressed quantitatively and generally expressed in units of money within a certain period of time”.
- g. Evaluating is the process of determining the results of some activities that have been planned and achieved to support the achievement of goals.

2.6. Framework of Thought

The framework for thinking in this study can be seen in the picture below

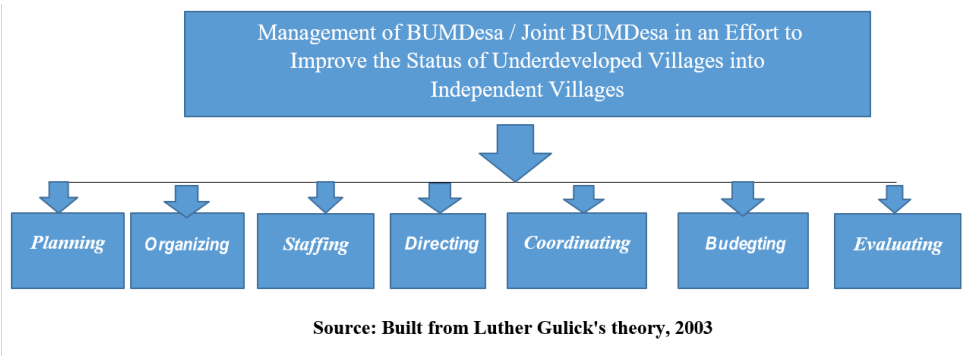


Figure 1: Framework.

### 3. RESEARCH METHODS

Research methods are tools that help define the symptoms and research subjects for a study. The strategy adopted by researchers to discover scientific truth is known as methodology. In other words, research methodology serves as a set of guidelines that help researchers focus their efforts and ensure research is conducted in a legitimate and trustworthy manner. It is crucial to understand and use the right technique for the stated research problem because mistakes in the selection of methods can significantly affect the outcome and effectiveness of the research itself. In this research, the research methodology used is qualitative methodology with a descriptive approach.

As for the Data Collection Technique in this study, data collection was carried out using interviews, document reviews, focus group discussions. While the stages in data processing go through several stages, namely 1) Collecting all previously obtained data originating from interviews or with data that is already available; 2) Furthermore, the process of classifying or categorizing data; 3) Data processing; and 4) Conclusion.

### 4. RESEARCH RESULTS AND ANALYSIS

#### 4.1. Overview of the Research Locus

##### 4.1.1. Village Profile and BUMDesa Bayah Barat

###### a. Village Profile

###### 1) Geography

Administratively, Bayah Barat Village is located in Bayah Sub-district, Lebak Regency, Banten Province. The area of Bayah Barat Village is administratively bounded by neighboring villages. To the north, it is bordered by Cimancak Village, to the south by Darmasari Village, to the west by part of Panggarangan Sub-district, and to the east by Bayah Timur Village. In addition, the West Bayah region is also located on the coast of the Indonesian sea/ocean. The prominent economic potential in Bayah Barat Village is marine fisheries (fishermen). The total area of West Bayah Village is 13,014 hectares. The existing area is divided into several designations, which can be grouped as public facilities, agricultural settlements, economic activities and others. The land area designated for public facilities, such as roads, settlements, TPU, schools, private facilities and others is 236 hectares. As for agricultural activities, it consists of paddy

fields, fields, and livestock and the forest is 778 hectares. The total population of Bayah is 8495 people consisting of 2626 families and spread over 9 RW and 41 RT . Orbitation or distance to the Sub-district Capital is 1 Km, distance to the Regency Capital is 135 Km and distance to the Provincial Capital is 180 Km.

## 2) Livelihood

The livelihoods of the people of West Bayah are a) farmers; b) civil servants, military personnel, teachers; doctors; private employees; craftsmen; traders; self-employed and fishermen. The largest number of fishermen is 447 people, fishermen are divided into 2 (two) parts, namely: First, juragan fishermen are fishermen who own boats and fishing gear who are able to hire fishermen workers in their efforts to catch fish at sea. Second, worker fishermen are fishermen who do not own the means of production, but only have labor/skills that are sold to juragan fishermen to help run the fishing business at sea.

### b. Profile of BUMDesa Desa Bayah Barat or BUMDesa MEMIKAT

#### 1) Legal Basis for the Establishment of BUMDesa Bayah Barat or BUMDesa MEMIKAT

BUMDesa Desa Bayah Barat or hereinafter referred to as BUMDesa MEMIKAT was formed based on Village Regulation Number 3 of 2022 concerning the Articles of Association and Bylaws of BUMDesa MEMIKAT dated March 16, 2022.



**Figure 2:** Research Team with Bayah Barat Village Officials and BUMDesa MEMIKAT Management. *Source: Processed by Researchers, 2024.*



## 2) Type of Business BUMDesa MEMIKAT

The types of BUMDesa MEMIKAT businesses are: a) Running a business in the field of wholesale and retail trade which includes: 1) Street Vendors and Market Stalls; b) Wholesale Trading of Groceries, Catering and Snacks;

c) Payment Service Provider (PJP); d) Collection of Non-Hazardous Waste and Garbage; f) Running a Business in the Oil and Gas Sector consisting of Wholesale Trading of Solid, Liquid and Gas Fuels; g) Running a business in the field of fisheries which includes: (1) Raising Freshwater Fish in Ponds;

b) Freshwater Fish Hatcheries; and (2) Freshwater Fish Cultivation in Other Media; h) Running a business in agriculture which includes (a) Tropical and Subtropical Fruit Farming; h) Running a Goods Loading and Unloading Business which includes: (a) Cargo Handling (Loading and Unloading of Goods; (b) Other Transportation Support Activities; (c) Wholesale Trade in Marine Transportation Equipment, Parts and Supplies.

## 3) Capital of BUMDesa Desa Bayah Barat or BUMDesa MEMIKAT

The initial capital of BUM Desa Desa Bayah Barat or BUMDesa MEMIKAT in 2019 was Rp. 100,000,000 (One Hundred Million). And until now there has been no more capital participation.

### 4.1.2. Mukti Village Profile and BUMDesa Girimantra

#### a. Girimukti Village Profile

##### 1) Geographically

Giri Mukti Village is a village located in Cilograng Sub-district, Lebak Regency and Cilograng Sub-district is adjacent to Pelabuhan Ratu, Sukabumi Regency and the coast of the Indonesian Ocean.

##### 2) Total Population of Girimukti Village

Based on the administrative data of the Village Government in 2024, the population of the village is as follows: a) Number of Family Heads 917 families; b) Total Population 2,888 people; c) Male 1,506 people; and Female 1,382 people.

##### 3) Social Circumstances

The cultural perspective of the community in Girimukti Village is influenced by Javanese culture and Sundanese culture (Priangan) and is closely related to its traditional Kasepuhan culture. Javanese and Sundanese cultural traditions are influential in religious rituals and other rituals. Individually in the families of the Girimukti Village



community, Javanese traditions combined with religious rituals are still held. This tradition is carried out in addition to being a belief that is still believed as well as being used as a means to socialize and interact in the community. A clear example that can still be seen today is the event of sending prayers (tahlilan, yasinan) for people who died with the names: sadugna, tiluna, sevenna, matang puluh, and natus. Serah Tahun Pantangan. Every month Maulid, Prah-Prahan, Nyimuran and ruahan. For people who give birth to a culture that still exists such as Marhabaan.

Sundanese traditions are also still used in other ritual events such as weddings. The “Lengseran” event is an event carried out in welcoming the groom, besides that there is also a “Nyawer” event, all of these are traditional Sundanese traditions that are still alive and preserved. Traditional arts which are cultural heritage are still preserved even though the situation is like living unwillingly, such as rengkongan, Pantunan, Angklung / dog - dog lojor. Topeng, Wayang golek (This is due to the lack of interest from the younger generation in traditional (regional) arts, as well as the absence of attention and guidance from the Government in this case the relevant Office.

#### 4) Livelihood

In accordance with the condition of the Girimukti Village area, which is hilly and mountainous, the livelihood of the Girimukti village community is 99% farmers, so to improve the people's economy based on the people is a government program that is very beneficial for the community in increasing family economic income. In general, the economy of Girimukti Village is supported by community business activities engaged in agriculture and plantation businesses. The trade, entrepreneurship, and livestock sectors also make a significant contribution to the economy of Girimukti Village.

In general, the livelihoods of Girimukti Village residents can be identified into several livelihood fields, such as: farmers, farm laborers, civil servants, private employees, traders, entrepreneurs, retirees, craftsmen, and animal husbandry. Girimukti Village is one of the villages in Indonesia that is still in a disadvantaged village condition as evidenced by the imbalance between the economic level and human resources so that there are still many people who become laborers outside the village, some even become TKW / TKI, besides that access to health and transportation roads is also not as expected.

#### b. Profile of BUMDesa Giri Mukti or BUMDesa GIRIMANTRA

##### 1) BUMDes Profile

##### a) Legal Basis

BUMDesa in Giri Mukti village named BUMDesa GIRIMANTRA was established in 2016 and was formed based on Girimukti Village Regulation Number 3 of 2016 concerning the Establishment of BUMDesa, and Decree of the Head of Giri Mukti Village.

Village Number 400.31/33/Ds.008/2016 on the Establishment of BUMDes Management “GIRIMANTRA” Giri Mukti Village.

b) Purpose and objectives of the establishment of BUMDesa “GIRIMANTRA”

The purpose of the establishment of BUMDesa “GIRIMANTRA” is to improve the rural economy as well as the village’s original income in Girimukti Village, Cilograng District.

c) Type of Business of BUMDesa “GIRIMANTRA”

The business types of BUMDesa “GIRIMANTRA” are (1) Garut sheep breeding and fattening business; (2) Pine forest tourism management in collaboration with Perum PERHUTANI.

d) Capital of BUMDesa “GIRIMANTRA”

BUMDesa “Girimantra” business capital is the participation of Girimukti Village, namely:

(1) For the business capital of breeding and fattening graut sheep is Rp. 40,000,000 (forty million rupiah);

(2) Capital participation for the Pine Forest Tourism business which amounted to Rp. 196,721,000, - (One hundred ninety million seven hundred twenty-one thousand rupiah).

The two aforementioned endeavors did not work as intended.



**Figure 3:** Research Team Together with the Management of BUMDesa Giri Mukti or BUMDesa GIRIMANTRA and staff of Cilograng District. *Source: Processed by Researchers, 2024.*

#### 4.1.3. Profile of BUMDesa Bersama Loganantra LKD Cilograng District, Lebak Regency

a. The establishment of BUMDes Bersama Loganantra LKD Cilograng District is a transformation of the National Program for Community Empowerment (PNPM).

In accordance with Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises in article 73, it is stated that:

1) The manager of the community revolving fund activities of the former National Program for Independent Community Empowerment (PNPM) for rural areas must be formed into a joint BUM Desa no later than 2 (two) years as of the promulgation of this Government Regulation;

2) The capital of the joint BUM Desa as referred to in paragraph (1) is sourced from the joint capital of the Villages and the capital of the Village community;

3) Village community capital as referred to in paragraph (21) comes from all assets managed by the manager of the community revolving fund activities of the former national program for rural independent community empowerment whose ownership status is joint ownership of the Village community in 1 (one) sub-district of the former National Program for Community Empowerment;

4) Provisions regarding the amount of capital ownership of BUM Desa / BUM Desa jointly owned by the Village or jointly owned by Villages as referred to in Article 39 paragraph

(1) does not apply to BUM Desa Bersama as referred to in paragraph (1);

5) The joint BUM Desa as referred to in paragraph (1) is called a Village Financial Institution;

6) Joint BUM Desa as referred to in paragraph (1) may form Joint BUM Desa Business Units in accordance with the provisions of laws and regulations;

7) Profits obtained from joint BUM Desa as referred to in paragraph

(1) which is the portion of the former asset management of the national program for the empowerment of rural self-reliant communities is used to the greatest extent for poverty reduction.

Based on the mandate of Government Regulation Number 11 of 2021 Article 73, UKP Cilograng was transformed into a Jointly Owned Enterprise, which is based on a Joint Regulation of Village Heads in the Cilograng District area of Lebak Regency. BUMDes Bersama Loganantra LKD was formed based on the Joint Regulation of the Head of

Cibareno Village; Head of Cijengkol Village; Head of Cikamunding Village; Head of Cikatomas Village; Head of Cilograng Village; Head of Cireundeu Village; Head of Girimukti Village; Head of Gunungbatu Village; Head of Lebaktipar Village; Head of Pasirbungur Village Number 1 of 2023 concerning the Establishment of Village-Owned Enterprises Together with Loganantra Cilograng LKD.

In order to manage businesses, utilize assets, develop investment and productivity, provide services, and/or provide other types of businesses for the greatest welfare of the community Cibareno Village, Cijengkol Village, Cikamunding Village, Cikatomas Village, Cilograng Village, Cireundeu Village, Girimukti Village, Gunungbatu Village, Lebaktipar Village, Pasirbungur Village established BUM Desa Bersama Loganantra Cilograng LKD.



**Figure 4:** Together with BUMDes Management with Loganantra LKD Lilograng Sub-district.  
*Source: Processed by Researchers, 2024.*

b. The purpose and objective of the establishment of BUMDes Bersama Loganantra LKD Lilograng Sub-district is the transformation of PNPM

The purpose of establishing BUM Desa Bersama **Loganantra LKD Lilograng Sub-district** is to conduct a) Conventional Savings and Loans; b) Services; and c) General Trading.

c. BUMDes business together with Loganantra LKD Lilograng Sub-district

To achieve the aims and objectives mentioned above BUM Desa Bersama can: run a business in the field of savings and loans which includes: 1) Conventional Microfinance Institutions that include business development and community empowerment services, both through loans or financing in micro-scale businesses to members and

the community, management of Deposits, as well as providing business development consulting services. Financial institutions included in this group include the Village Bank, Village Barn, Market Bank, Employee Bank, Village Credit Agency (BKD), Sub-district Credit Agency (BKK), Small People's Business Credit (KURK), Sub-district Credit Agency (LPK), Village Production Bank (BKPD), Rural Credit Enterprise (BUKP), and the like. 2) Conducting business in the field of services which include a) Other Telecommunication Activities YTDL, which includes the sale of credit, both credit vouchers and electronic and the sale of cellular phone starter packs; b) Cellular phone sales; c) Cellular phone sales; and d) Cellular phone sales. cellular phone starter packs; b) Industry Printing General, which includes industrial activities of printing newspapers, magazines and other periodicals such as tabloids, newspapers, magazines, journals, pamphlets, books and brochures, music manuscripts, maps, atlases, posters, advertising catalogs, prospectuses and other printed advertisements, diaries, calendars, business forms and other commercial printed matter, letter paper or personal stationery and other printed matter resulting from printing machines, offset, photo cliché, flexography and the like, duplicating machines, computer printers, embossed letters and so on including rapid printing equipment; direct printing without an intermediary medium onto textiles, plastics, glass, metal, wood and ceramics, except printing of silk screens on fabrics and apparel; and printing on labels or identifying marks (lithography, tombstone printing, flexographic printing and so on). Also includes reprinting through computers, stencil machines and the like. These printed matter are usually copyrighted. Paper or cardboard label industry; c) Retail Trade in Writing and Drawing Instruments, which includes trading businesses Specialty retail of writing and drawing instruments, such as pencils, pens, markers, ballpoint pens, sign pens, mechanical pencils, pens, drawing brushes, rapido, crayons and pastels, blackboards, drawing tables, white boards, screen printing equipment, writing machine tape, watercolors, oil paints, rubber erasers, wooden erasers, tip-ex, ink, pencil sharpeners, rulers and chalk. d) Retail Trade in Printing and Publishing Products; which includes the business of special retail trade in printing and publishing products, such as invoices, notes, receipts, business cards, etiquettes, envelopes, agendas, address books, greeting cards, postcards, stamps, stamps, albums, notebooks, picture books, lined paper, graph paper, atlases, braille, newspapers, magazines, newsletters, dictionaries, science books and picture books.

d. Capital of BUM Desa Bersama Loganantra LKD Cilograng Sub-district

1) Starting Capital

The initial capital of BUMDesa Bersama Loganantra Kecamatan Cilograng is Rp 6,327,534,80, - (Six billion three hundred twenty million seven million thirty-four thousand eight hundred eight rupiah).

#### 2) Asset

**Assets owned by BUMDesa Bersama** Loganantra LKD Cilograng District consist of: a) Land worth Rp. 20,000,000, - (Twenty million rupiah); and b) Land worth Rp. 20,000,000.

b) Buildings and inventories and other assets worth Rp. 125,098,881, - (One hundred and twenty-five million ninety-eight thousand eight hundred and eighty-one rupiah).

## 4.2. Research Results and Analysis

### 1. Management of BUMDes MEMIKAT, GIRIMNTRA and BUMDes Bersama Lokanandra Cilograng

#### a. Planning

The establishment of BUMDesa and BUMDesa Bersama in general is not based on good and careful planning, it seems that the establishment is forced, this is merely to fulfill the provisions in Article 87 paragraph (1) of Law No. 6 of 2014 concerning Villages, namely that "Villages can establish Village-Owned Enterprises called BUM Desa". The word "may" should not necessarily be fulfilled or held, however, the fact is that almost every village in Indonesia in general and in Lebak Regency in particular, out of the 340 existing villages, 288 villages have BUMDesa, half of the 288 BUMDesa are not running as expected. Likewise, what happened to the establishment of BUMDesa Bersama was not based on careful planning, only based on fulfilling the provisions of Article 73 of Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises in article 73 paragraph (1) which reads: "The manager of the community revolving fund activities of the former National Program for Independent Community Empowerment (PNPM) for rural areas must be formed into a joint BUM Desa no later than 2 (two) years as of the promulgation of this Government Regulation". The Government Regulation was promulgated on February 2, 2021. The existence of BUMDesa and Joint BUMDesa so far in its planning is more to fulfill the provisions of laws and regulations.

In addition to fulfilling the provisions of Article 87 paragraph (1) of Law No. 6 of 2014 on Villages and Article 73 paragraph (1) of PP No. 11 of 2021 on BUMDes, the planning for the establishment of BUMDes and BUMDes Bersama is also not based on the identification of local potential in the village or its environment, this can be



seen in the Articles of Association and Bylaws of each BUMDes, where one business activity clashes with businesses that have been carried out by the community so that this becomes competition for the local community. In addition, there are also business activities that are not measured by the BUMDes' own capabilities and conditions, both in terms of capital and resources, so that the planning is not implemented properly. In addition, in planning, there are BUMDes whose business planning is only based on following village neighbors whose BUMDes have been successful, or the BUMDes business planning is the same as the neighboring villages, such as the party equipment rental business. This is what makes the planning immature, is planning based on trial and error planning.



**Figure 5:** Research Team after Discussion with Bayah Sub-district Government Officials.  
*Source: Processed by Researchers, 2024.*

#### b. Organizing

Organizing activities determine who will carry out tasks according to organizing principles. So that organizing can be referred to as the whole process of selecting people and allocating facilities and infrastructure to support the tasks of these people in the organization and regulating their work mechanisms so as to ensure the achievement of goals. Likewise, what happens in a BUMDes or Joint BUMDes organization, a manager or director is required to be able to organize or move everything in BUMDes

or Joint BUMDesa activities starting from planning, utilizing existing resources, and implementing the BUMDes and Joint BUMDes.

In reality, in organizing the BUMDes GIRIMANTRA and BUMDes MEMIKAT have not been maximally able to organize the BUMDes that are their responsibility, this can be seen in the existing business fields, as happened in BUMDes GIRIMANTRA with a sheep fattening business, but was unable to organize the search for sheep feed, so that in the search for sheep feed which is the main need for sheep must use a third party, and it requires additional costs to find sheep feed. Likewise, what happened to BUMDes MEMIKAT with its waste collection business from

The red and white cement factory entrusted a third party, but the third party was unable to carry out its obligations as expected by BUMDes MEMIKAT, resulting in the red and white cement factory being dissatisfied with the work entrusted to BUMDes MEMIKAT.



**Figure 6:** Research Team discussing with Village Officials and BUMDes MEMIKAT Management. *Source: Processed by Researchers, 2024.*

The same thing also happens to BUMDes Bersama Lokanandra Cilograng, whose business has so far only focused on lending activities to small and medium business groups for village communities incorporated in the Joint BUMDes, has not been able to develop activities to save funds from the community. Likewise, capitalization still



depends on capital participation from village funds, not yet opening capital participation from the community.

c. Staffing

Staff or human resources play a very important role, the progress and decline of an organization depends on the human resources in it. In Article 34 of PP Number 11 of 2021, it is stated that (1) BUM Desa / BUM Desa employees are employees whose appointment, dismissal, rights and obligations are based on a work agreement in accordance with the provisions of the laws and regulations regarding employment; (2) BUM Desa / BUM Desa employees as referred to in paragraph (1) consist of: a) secretary; b) treasurer; and c) other employees. (3) The secretary and treasurer are tasked with assisting the implementation, authority and duties of the operational executor. The appointment and dismissal of the secretary and treasurer are decided through a Village Deliberation/Inter-Village Deliberation and determined by the operational executor. (5) The appointment and dismissal of other employees is determined by the operational executor. However, there is no mention in the Government Regulation of educational requirements for BUMDes or Joint BUMDes managers or employees.

The existence of human resources in the BUMDes environment is a very important part of managing BUMDes and Joint BUMDes, as well as in BUMDes MEMIKAT (BUMDes Bayah Barat) as regulated in Article 14 of the Articles of Association, namely: BUMDes is managed and led by an operational executive, hereinafter referred to as the director, who is appointed by the village deliberation. Article 15 states (1) operational executives are carried out by BUMdes directors, (2) directors as referred to in article 14 are appointed from individuals proposed by the Village Head, BPD, and/or elements of the Community in the village deliberation. (3) The operational executor referred to in paragraph (2), must fulfill the following requirements:

- a) domiciled and residing in Bayah Barat village;
- b) be physically and mentally healthy (not suffering from any illness that may hinder his/her duties as director;
- c) have the expertise, integrity, honesty, experience and high dedication to advance and develop village-owned enterprises;
- d) have at least a high school education or equivalent;
- e) has never been found guilty of causing a business to be declared bankrupt;
- f) has never been convicted of a criminal offense

- g) have sufficient expertise and knowledge of the business field in economics and cooperation;
- h) have leadership and cooperation skills; and
- i) (5) the village deliberation elects the individual proposed as referred to in paragraph (4) (6). Furthermore, paragraph (6) states that the selected individual as referred to in paragraph (3) is determined by the village deliberation.

The progress of an organization depends on the availability of human resources, including the availability of human resources who manage and operate BUMDes. When looking at the Articles of Association of BUMDes, the lowest educational requirement is high school or equivalent. Meanwhile, the requirements for a Director at BUMDes GIRIMANTRA (Desa Giri Mukti) are more advanced, namely 1) high school education with a minimum of 5 years of work experience; or 2) Diploma 3 education has a minimum of 3 years of work experience; or 3) Strata One education has a minimum of two years of work experience. In addition, another requirement for a Director is to be able to prepare proposals related to the BUMDes that he or she will lead. In general, the educational background to become a BUMDes Director is Strata One (S1). The competence of the managers and operational personnel in each business unit owned is not as expected and still needs to be improved. This is because BUMDes as one of the pillars of the village economy is a business unit that is always required to make a profit for the welfare of the village community.

#### d. Directing

Here, after the plan has been laid out; the necessary materials have been sorted and employees hired to do the work; the manager or director or any other party related to the progress of the BUMDes or BUMDes Bersama must be able to direct efforts towards the ultimate goal of the BUMDes or BUMDes Berama organization by dividing the main strategic goal into small and large targets that can be achieved in the short, medium and long term.

In Government Regulation Number 11 of 2021 in Article 72 paragraph (1), it is stated that “The guidance and development of BUM Desa/BUM Desa together is carried out by: a) the Minister for general guidance and development; and b) ministers/heads of non-ministerial government agencies for technical guidance and development”. Furthermore, paragraph (2) states that “The guidance and development of BUM Desa/BUM Desa together as referred to in paragraph (1) shall be implemented in a synergistic



**Figure 7:** Team Discussing with Bayah Sub-District Head.

and coordinated manner. Directing the progress of BUMDes and Joint BUMDes many agencies are involved as regulated by several laws and regulations, including:

1) Minister of Home Affairs Regulation No. 39/2010 on BUMDs in Article 22 Paragraph (1) states that “The Minister of Home Affairs provides guidance and establishes norms, standards, procedures and criteria for BUMDes”. Furthermore, paragraph (2) states that “The Governor conducts socialization, technical guidance on standards, procedures, and management criteria and facilitates the acceleration of capital development and management guidance of BUMDes in the Province”. Paragraph (3) states that “Regents/Mayors conduct coaching, monitoring, evaluation, efforts to develop management and human resources as well as initiatives in existing capital in rural areas”. And paragraph (4) The Village Head coordinates the implementation of BUMDes management in his/her working area.

2) Permendes PDTT No. 3 of 2021 concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and/or Services of Village-Owned Enterprises / Joint Village-Owned Enterprises, in Article 23, it is stated that paragraph (1) Guidance and Development of BUM Des / Joint BUMDesa is carried out by a) the Minister to In paragraph (2), it is stated that “The guidance and development of Joint BUMDes/BUMDes as referred to in paragraph (1) shall be implemented in a synergistic and coordinated manner. Furthermore, in paragraph (3) “The guidance and development of Joint BUMDes/BUMDes is carried out by the governor and/or regent/mayor. Furthermore, in Article 24, it is stated that “The guidance of BUM

Desa/BUM Desa together aims to achieve an effective and efficient organizational planning, management, implementation, and monitoring system. Article 24 states “Guidance and Development of Joint BUMDes/BUMDes as referred to in Article 23 is carried out through strategies:

- a) revitalization of BUMDes/BUMDes Bersama institutions;
- b) improvement of management quality and organizational strengthening of BUMDes/BUMDes Bersama;
- c) strengthening and management of BUMDes / BUMDes Bersama and BUMDes / BUMDes Bersama business units;
- d) strengthening cooperation or partnerships;
- e) strengthening asset management and capitalization;
- f) improving the quality of administrative management, reporting and accountability; and
- g) strengthening the management of profits and benefits for the Village and the village community.

3) Furthermore, each Village Regulation on the Establishment of Village-Owned Enterprises (BUMDes) also regulates BUMDes Development, namely: 1) The Regent conducts coaching, monitoring, evaluation, efforts to develop management and human resources as well as initiatives in capital in rural areas; 2) In conducting guidance, monitoring, evaluation, efforts to develop management and human resources as well as initiatives in existing capital in rural areas as referred to in paragraph (1), the Regent may assign the local Sub-District Head and/or related SKPD. In paragraph

(3) The Village Head coordinates the implementation of BUMDes management in his/her working area.

By taking into account some of the above regulations, where there are many government agencies that have duties and functions to provide direction and guidance on the progress of BUMDes and Joint BUMDes, there should be many advanced BUMDes and Joint BUMDes, but in reality, on the contrary, many BUMDes and Joint BUMDes are dead.

e. Coordinating

Coordination is a process of uniting and integrating common interests. The function of coordination is to find differences in order to achieve common goals in an effective and

efficient manner. Therefore, the role of a BUMDes or Joint BUMDes Director in managing BUMDes or Joint BUMDes cannot run without coordination with other parties, therefore coordination with other parties is needed to advance BUMDes or Joint BUMDes. In the Village Regulations or bylaws of the BUMDes used as the research locus there is no coordination, but what exists is a regulation or clause on cooperation as contained in Girimukti Village Regulation Number 3 of 2016 concerning the Establishment of BUMDes, in article 21 it is stated that paragraph (1) BUMDes can carry out business cooperation between 2 (two) or more villages and with third parties. Then paragraph (2) states that business cooperation between 2 (two) or can be carried out in one District or between Districts in the Region. Furthermore, paragraph (3) states "Cooperation between 2 (two) or more villages must be approved by each village government, The cooperation clause is also found in the BUMDes MEMIKAT (West Bayah) by-laws as stated in Article 31 paragraph (1) BUMDes can cooperate with other parties. Furthermore, in paragraph (2), it is mentioned that the cooperation consists of a) business cooperation; and non-business cooperation. Furthermore, paragraph (3) states "The cooperation must be mutually beneficial and protect the interests of the BUMDes".

Village and the Village community as well as the parties working together. Cooperation is also carried out by BUMDes Bersama Logantara Cilograng, but the term used is network development which includes 1) types of cooperation; 2) Cooperation Partner institutions; and 3) cooperation functions.

Basically, two BUMDes and one Joint BUMDes have provided space for cooperation to develop BUMDes and Joint BUMDes businesses, but in practice the cooperation has not been implemented optimally, so the existence of BUMDes and Joint BUMDes has not provided maximum benefits.

#### f. Reporting

The report is a communication tool in an organization to convey detailed data on each activity. With this report, members of an organization provide feedback to the leadership or to anyone related to the implementation of these activities. And with the report it is possible to improve, test or change the policies that have been made. The same thing is done by BUMDes and BUMDes Bersama Logantantra Cilograng. For example, as stated in the Joint Regulation of Village Heads in Cilograng District Number 1 of 2023 concerning the Establishment of BUMDes Bersama, namely as stated in Article 18 letter c which reads "The director is tasked with preparing reports and semesterly implementation of BUMDesa Joint Business management to be submitted

to the advisory and supervisory board. Furthermore, Article 18 letter d states “preparing an annual report on the implementation of the Joint BUMDesa Business to be submitted to the Inter-Village Consultative Meeting after being reviewed by the advisory board and supervisor”. Likewise, BUMDes BUMDes Girimantra as stipulated in GIRIMUKTI Village Regulation Number 3 of 2014 concerning the Establishment of BUMDes, as stipulated in Article 25 which reads, paragraph (1) Operational executors or directors report the accountability of BUMDes to the Advisor or Commissioner no later than 3 (three) months after the end of the business book. Then paragraph (2) The Advisor or Commissioner reports the BUMDes accountability to the BPD in the village deliberation forum no later than 6 (six) months after the business year ends.



**Figure 8:** Research Team with Director of BUMDes Bersama Loganandra Ciligrang. *Source: Processed by Researchers, 2024.*

BUMDes Bayah Barat or BUMDes Memikat also requires the Director to make a report, this is as stated in Article 19 letter c which reads “The Director is tasked with preparing a semesterly report on the implementation of BUMDesa Business management to be submitted to the advisor and supervisor”. Then letter d states “The Director is tasked with preparing an annual report on the implementation of BUMDesa Business management to the Village Deliberation after being reviewed by advisors and supervisors.

#### g. Budgeting

A budget is an estimate or budget made in written form to organize the income and expenses of a business during a certain period. Every organization must prepare a plan for the estimated budget needed, whether it is a public organization or a business organization. The same thing also happens to BUMDes GIRIMANTRA BUMDes MEMIKAT and BUMDes BERSAMA LOGANANDRA Ciligrang.



BUMDes Girimantra at the time of establishment had capital participation from the village government in the amount of Rp. 196,721,000, - (One hundred ninety-six million seven hundred twenty-one thousand rupiah) based on the Decree of the Girimukti Village Head Number 412.31/17/Ds.008/2019 concerning Capital Participation for Village-Owned Enterprises (BUMDes) of Girimukti Village. The total budget was used for the businesses of 1) sheep fattening; and 2) pine forest tourism management in collaboration with PT PERHUTANI. However, both businesses did not run as expected. Meanwhile, BUMDes MEMIKAT of West Bayah Village based on the Articles of Association and Bylaws in 2020 the capital invested in BUMDes MEMIKAT was Rp 100,000,000, - (One hundred million rupiah). The capital is used for 1) 3 kg LPG gas sales business; Egg sales business; and 3) Waste transportation service business from PT Semen Merah Putih. However, of the three types of business, only two businesses are still running today (May 2024), namely 1) 3 kg LPG gas sales business and 2) Waste transportation service business. These two businesses have provided a profit of Rp 48,864,000 (forty-eight million eight hundred sixty-four thousand rupiah) and have contributed to both the village revenue and regional revenue. BUMDes MEMIKAT, although not in the condition expected, can still survive, and can contribute to PADes.

Meanwhile, BUMDes Bersama Loganantra Cilograng, which is a transformation of the National Program for Community Empowerment (PNPM), due to the provisions of Government Regulation Number 11 of 2021 Article 73 paragraph (1) which reads “The manager of community revolving fund activities of the former national program for rural independent community empowerment must be formed into a joint BUM Desa no later than 2 (two) years from the enactment of this Government Regulation. The initial capital owned by BUMDes Bersama is IDR 6,327,534,808, - (Six Billion Three Hundred Twenty Seven Million Five Hundred Thirty Four Thousand Eight hundred Eight Rupiah) consisting of:

- a. Money worth Rp. 6,182,435,927, - (Six Billion One Hundred Eighty Two Million Four Hundred Thirty Five Thousand Nine Hundred Twenty Seven Rupiah)
- b. Buildings, inventories and other assets worth Rp. 125,098,881, - (One Hundred Twenty Five Million Ninety Eight Thousand Eight Hundred Eighty One Rupiah).
- c. Land worth 20,000,000,- (Twenty Million Rupiah)

In addition, in the context of business development, the founding villages will include capital with a participation value of Rp. 50,000,000 (Fifty Million Rupiah) with each of Rp.

5,000,000, - per village with a total of 10 villages. And in the future, in accordance with the development and progress of the business of BUM Desa Bersama, the founding villages are ready to increase the amount of capital participation again. The business conducted by BUMDes Bersama is savings and loans provided to medium and small business groups.

The development of the BUMDes Bersama business until now is still running and developing as expected, this can be proven by revolving funds in the community in the form of savings and loans reaching Rp. 69. 788,010,000, - (Sixty Nine billion seven hundred eighty eight million ten thousand rupiah). However, in The business side is not growing, because it only focuses on savings and loans, not yet developed into other businesses.

## 2. Strategy Improving Management BUMDes MEMIKAT, GIRIMNTRA and BUMDes Bersama Lokanandra Ciligrang

### a. Planning

The planning for the establishment of BUMDes or Joint BUMDes has not been based on good planning, this is only based on the euphoria of the implementation of Law No. 6 of 2014 concerning Villages, as stated in Article 87 paragraph (1) of Law No. 6 of 2014 concerning Villages, namely that "Villages can establish Village-Owned Enterprises called BUM Desa". The word "may" should not necessarily be fulfilled or held, however, the fact is that almost every village in Indonesia generally establishes BUMDes as an example in Lebak Regency, the number of existing villages is 340 villages, and the number of BUMDes is 288, while the active ones are 140 BUMDes, the rest are not active.

The creation or establishment of BUMDes does not seem to be based on careful planning, especially at this time villages in Indonesia have sufficient funds for capital participation in the establishment of BUMDes or Joint BUMDes. In addition to planning the establishment of BUMDes or Joint BUMDes that are not based on careful planning, also planning in the field of business, so it is not uncommon for the type of BUMDes business between one BUMDesa and another BUMDes to have the same type of business, as well as the type of BUMDes business with MSEs in the same village, so that in terms of business it becomes unhealthy competition, the type of BUMDes business should be different from one another, as well as MSMEs in the village must also be different, so that they complement each other's community needs. This is also one of the factors that make BUMDes or Joint BUMDes not progress. Therefore, in planning



the establishment or planning of a business, identification is carried out first, this identification can be done with SWOT Strengths (strengths), Weaknesses (weaknesses), Opportunities (opportunities), and Threats (threats). Thus, it can be known what the strengths, weaknesses, opportunities and threats are when establishing a BUMDes or BUMDes business opportunities. In addition, the establishment of BUMDes is not necessarily carried out by every village, however, it can be done to join with other villages, namely by forming a joint BUMDes, this is more strategic, both in terms of capital, business aspects, market aspects and so on.

#### b. Organizing

Organizing is the process of establishing formal relationships between people and resources towards achieving goals. Organizing is a basic activity of management carried out to organize all existing resources and required resources including the human element, so that work can be completed successfully. One of the roles of the Director or Leader of a BUMDes or Joint BUMDes is to be able to mobilize or organize the BUMDes or Joint BUMDes that he leads and look for breakthroughs or new innovations to advance the BUMDes or Joint BUMDes, not only depending on what has been obtained so far, as has happened in BUMDes MEMIKAT, BUMDes GIRIMANTRA and BUMDes BERSAMA LOGANANTRA so far only relying on activities that have been running. When viewed in the AD-ART, there are many business activities that have not been carried out, and this is a challenge for the Directors or Leaders of BUMDes and BUMDes Bersama, therefore innovations need to be made to develop BUMDes or BUMDes Bersama businesses. In addition, the natural potential of West Bayah Village, Giri Mkti Village and Cilograng Sub-district can be used to develop BUMDes or BUMDes Bersama businesses.

#### c. Staffing

Human resources or BUMDes employees play a very important role for the advancement of the BUMDes or Joint BUMDes business that is managed, however, there are several problems related to the existence of BUMDes human resources so that they want to work more facilely in developing BUMDes or Joint BUMDes, including:

##### 1) Employee Recruitment

Based on Village Regulations governing the establishment of BUMDes and BUMDes Bersama, the requirements for BUMDes/BUMDes Bersama employees are villagers or local residents, but not necessarily local villagers, but residents of other villages are also allowed. This is with the consideration of obtaining professional employees or

personnel as needed, by providing opportunities for residents from other villages to become employees or personnel at BUMDes or BUMDesa Bersama, the opportunity to obtain professional personnel is more open, given the limited professional personnel available in the village. In order to avoid any doubts in entrusting the management of BUMDes or Joint BUMDes to these villagers, it is necessary to make provisions and commitments that want to advance BUMDes and Joint BUMDes, so that employees or personnel can work seriously.

## 2) Joint BUMDes/BUMDes Employee Income

The income of BUMDes employees as stated in the Articles of Association of BUMDes MEMIKAT is a minimum salary of Rp. 750,000 (seven hundred and fifty thousand rupiah) per month, plus a holiday allowance, the maximum amount is twice (the allowance is if BUMDes finances allow). The amount of salary received by BUMDes MEMIKAT employees does not reach the 2024 Lebak Regency Minimum Wage of IDR 2,978,764.69 (Two Million Nine hundred seventy-eight thousand seven hundred sixty-four rupiah). Likewise, the salaries of BUMDes Bersama Loganantra Cilograng employees, who each receive:

- a) Salary of at least Rp. 500,000,- (five hundred thousand rupiah);
- b) Administration and general fees 5%;
- c) Employee transportation at 5%;
- d) 3% holiday allowance;
- e) Purchase of inventory at 2%;
- f) On-time Return Inventory of 1%;
- g) Inter-village deliberation activities by 1%; and
- h) Operating and other expenses of 1%.

However, to encourage BUMDes or BUMDes Bersama employees, it is necessary to provide additional income in the form of commissions if the BUMDes or BUMDes Bersama reaches a predetermined income or profit target.

## 3) Health Insurance

Health insurance is a very important part for workers and their families, as is the case for workers employed at BUMDes or BUMDes Bersama.

In Law No.24 of 2011 concerning Social Security Service Agency (BPJS) Article 14 states that "Every person, including foreigners who work for at least 6 (six) months in

Indonesia, must become a Participant of the Social Security program". Furthermore, Article 15 states in paragraph (1) Employers are gradually obliged to register themselves and their workers as Participants to BPJS in accordance with the Social Security program followed. Then paragraph (2) The Employer, in conducting registration as referred to in paragraph (1), is obliged to provide complete and correct data on himself and his workers and family members to BPJS. Furthermore, in Article 16 paragraph (1) "Every person, other than the Employer, and recipients of Contribution Assistance, who meets the requirements for participation in the Social Security program must register himself and his family members as participants to the BPJS, in accordance with the Social Security program followed. with the Social Security program that is followed. From the provisions of Article 14 and Article 16, every employer is legally obliged to register their employees as BPJS members, as well as BUMDes and BUMDes Bersama.

In the Articles of Association and Bylaws, whether it is in the BUMDes MEMIKAT; BUMDes GIRIMANTRA, none of them include the membership of their employees as BPJS members, except for BUMDes Bersama Loganantra, which is mentioned in 19 letter c point 3, namely "The Director is entitled to BPJS Employment Insurance worth Rp. 100,000, - (one hundred thousand rupiah) every month, while for the Secretary, and Treasurer it is not regulated. This is also a separate problem for BUMDes or BUMDes Bersama employees, because by becoming a member of BPJS, they will have their own inner peace at work.

#### 4) Job or career continuity

The appointment of a Director is made by the community based on the results of the Village Deliberation for BUMDes, and is appointed for a term of 4 (four) years (BUMDes GIRIMANTRA), while for Joint BUMDes Directors are appointed in the Inter-Village Deliberation. The term of office of BUMDes or Joint BUMDes employees is not like employees in general until they reach a certain age. However, this is not the case for BUMDes or BUMDes Bersama employees, as the tenure is limited by a certain period of 2 periods or 3 periods, so that the job does not become the main job. In addition to the above, there are unclear career and future guarantees. This is a problem in managing BUMDes or BUMDes Bersama is the continuity of work or career for the managers, namely if someone manages BUMDes or BUMDes Bersama successfully and can contribute to PADes and PAD and can prosper the village community, then his term of office expires, then what will be obtained from the manager. This makes the employees of BUMDes or BUMDes Bersama work half-heartedly, because it has never been considered or written in the Articles of Association and Bylaws. In the future,

there needs to be a guarantee that BUMDes or BUMDes Bersama employees have succeeded in bringing BUMDes or BUMDes Bersama.

d. Directing

Directing is an action to ensure that all group members strive to achieve goals in accordance with managerial planning and organizational efforts. Directing is an activity of one of the supervisor's roles. If we look at various laws and regulations, there are many directives that are the responsibility of ministries and non-ministerial government agencies, including local governments, both provincial and district governments, namely in the form of guidance, but this is not enough to advance the existence of BUMDes or BUMDes Together, because the direction is only written, it should be followed up with real action by plunging into BUMDes or BUMDes Together by seeing the real conditions of what are the shortcomings faced by BUMDes or BUMDes Together. By providing direct guidance to BUMDes and BUMDes Bersama, it is hoped that it can provide motivation to the managers of BUMDes or BUMDes Bersama to advance their business.

e. Coordinating

Coordination in an organization is an active arrangement, not a passive arrangement in the sense of making rules regarding all movements and activities and performance between superiors and subordinates who have duties and obligations and authorities that are interconnected with each other, which arrangement aims to prevent confusion and overlapping activities which can result in waste and bad influence on the spirit and order of work. Coordination is intended to resolve conflicting or overlapping issues. Likewise, in managing BUMDes and Joint BUMDes, clashes often occur, therefore in managing BUMDes and Joint BUMDes. Therefore, in managing an organization, including in managing BUMDes and Joint BUMDes, coordination is needed, both horizontal and vertical coordination, this is so that there is synchronization and harmony.

f. Budgeting

So far, the capital owned by BUMDes and BUMDes Bersama is capital participation from the village government and is limited in nature, so that the capital owned by BUMDes and BUMDes Bersama, and this makes it difficult for BUMDes and BUMDes Bersama managers to develop their businesses. BUMDes and BUMDes Bersama managers are required to be able to manage the budget, and be able to collect a budget that is not only sourced from capital participation which is a contribution from the village government. Therefore, BUMDes and Joint BUMDes managers are advised to be able

to invite the village community or anyone to invest in the form of capital participation in BUMDes and Joint BUMDes or save in BUMDes or Joint BUMDes whose business field is savings and loans.

The strategies described above are expected to be a way out for the development of BUMDes and Joint BUMDes in the future, so that BUMDes and Joint BUMDes can make a maximum contribution to the welfare of the community in particular and can contribute to village original income (PADes). Thus, it can encourage the status of Underdeveloped Villages or Developing Villages to become Advanced Villages and Independent Villages.

## 5. CLOSING

### 5.1. Conclusion

From the data and information as described in the previous chapters, it can be concluded:

- a. So far, planning for the establishment of BUMDes and Joint BUMDes has only been based on the provisions as stipulated in the Law without proper planning, and only based on the demands of the laws and regulations as stipulated in Law No. 6/2014 on Villages.
- b. Organizing. Organizing is the process of establishing formal relationships between people and existing resources towards achieving goals. Because a BUMDes and Joint BUMDes Director is required to be able to organize or mobilize the operationalization of the BUMDes or Joint BUMDes, because the back and forth of an organization is how we can move the people in it, including in organizing with work partners, because without being well organized, the BUMDes or Joint BUMDes business cannot run well.
- c. Staffing or management of BUMDes and BUMDes Bersama has so far only been carried out by local villagers, thus the availability of skilled personnel is very limited. In addition, the payroll system and welfare have not been as expected, including career and health insurance.
- d. Directing in the management of BUMDes and BUMDes Bersama is an important part of advancing and developing BUMDes and BUMDes Bersama. This directing is not only limited to the directing done by the Director. BUMDes and BUMDes

Bersama to their subordinates, but direction must also be carried out by all related parties, such as Ministries, Institutions, Regional Governments both Provincial and Regency/City.

- e. Coordinating that BUMDes and BUMDes Bersama have been doing well, however, coordination with various stakeholders still needs to be improved in order to develop and advance BUMDes and BUMDes Bersama businesses.
- f. Reporting. Reporting carried out by BUMDes or BUMDes Bersama has been going well, because in institutional operationalization there is already a well-developed mechanism carried out by the internal supervisory unit, advisory board and village deliberation forum to accept or reject and validate the report.
- g. In terms of budget or capital, BUMDes and BUMDes Bersama only depend on local government capital participation, so the capital owned by BUMDes and BUMDes Bersama is very limited, and this has implications for the development of business fields due to limited capital.

## 5.2. Advice

### a. Planning

In planning the establishment of a BUMDes or Joint BUMDes, it is better to first identify whether or not it is necessary to establish a BUMDes on its own, or whether it is better to establish a Joint BUMDes. Likewise, in the field of business, it is necessary to consider the needs of many people, but it is also not permissible to create a business that is a competitor to existing residents or MSMEs.

### b. Staffing

The death and life of BUMDes or BUMDes Bersama depends on the management staff, therefore it is necessary to find staff or people who are professional and do not work at BUMDes or BUMDes Bersama as a part-time job, however, career continuity and welfare guarantees also need to be considered so that staff or managers can work more seriously and professionally.

### c. Directing

The progress of BUMDes or Joint BUMDes is solely the responsibility of the Director or Leader of BUMDes or Joint BUMDes. Therefore, direction in the form of guidance

on the existence of BUMDes or Joint BUMDes is a shared responsibility, namely both ministries or non-ministerial government agencies.

d. Budgeting

The BUMDes or BUMDes Bersama budget has so far only been sourced from village government capital participation and the amount is very limited, therefore related to capital must involve the community in the form of naming capital or in the form of community savings, as well as capital participation with third parties. Thus, the capital owned by BUMDes or BUMDes Bersama will be sufficient and able to develop BUMDes or BUMDes Bersama businesses.

## References

- [1] Astini, Rina; Harwani, Yuli; Nugroho, Arisetyanto; and Tafiprios, Introduction to Management: Basic Management Theories and Concepts for Modern Organizations with a Recent Case Study Approach. Jakarta: Edu Pustaka; 2019.
- [2] Mamduh H. Management. Open University; 2017.
- [3] Gulich L, Urwich L. The Early Sociology of Management and Organizations. USA and Canada: Rodledge; 2003.
- [4] Maschab, Mashuri, The Politics of Village Governance in Indonesia, Jogjayatarkat: PolGov, 2013
- [5] Irawan Tahir M. History of Village Development in Indonesia: Past, Present and Future Villages, in Journal of Village Governance and Its Problems, Jakarta: Indonesian Government Science Society, 2012, Edition 38 Year 2012, pp.99-100.
- [6] Nurcholis H. Growth and Organization of Village Governance. Jakarta: Erlangga; 2011.
- [7] Rahayu AY. S and Rahmayanti. Krisna Puji, Introduction to Public Sector Management, Depok Rajawali Pers; 2023.
- [8] Rasagama I (Wihelmus W, translator). Gede, Management Functions According to Luther Gulick in the Management of Physics Laboratory in Higher Education, t.p, Robbins, Stephen R/ Coulter, Marry, Management, New Jersey: Pearson Education Inc, 2009 Stoner, James A.F. and Freeman, R. Edard, Management. Bakowatun (Jakarta): Intermedia; 1992.
- [9] Eko S. Past, Present and Future of Village Autonomy, Yogyakarta: Institute for Research and Empowerment (IRE), 2008.
- [10] Eko S. Affirming the Political Position and Authority of Villages, Yogyakarta: Institute for Research and Empowerment (IRE), 2008.

- [11] Terry, George R and Rue, Leslie Principles of Management translated by. ATocoalu. Jakarta: Bumi Aksara; 2012.
- [12] Law Number 6 Year 2014 on Villages
- [13] Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises
- [14] Minister of Home Affairs Regulation No. 39/2010 on Village-Owned Enterprises
- [15] Regulation of the Minister of Villages, Development of Disadvantaged Areas, and Transmigration Number 10 of 2016 concerning Guidelines for Data and Information Management of Villages, Disadvantaged Areas and Transmigration
- [16] Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 3 of 2021 concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and / or Services of Village-Owned Enterprises / Joint Village-Owned Enterprises.
- [17] Yulianti A, Gunawan A. The Role of Village-Owned Enterprises in Increasing Village Original Income and the Economy of the Mekarsari Village Community, Ngamprah District, West Bandung Regency. KRISNA Journal: Collection of Accounting Research. 2023 Jan;14(2):263–73.
- [18] Bakri La Suhu, Raoda M. Djae and Abdurahman Sosoda, Analysis of Village-Owned Enterprises Management in Geti Baru Village, North West Bacan District, South Halmahera Regency, Journal of Government of Archipelago Volume 1 Number 1 March 2020
- [19] Desiwantara KE, Madjid U, Kawuryan MW. Management Model of Dsa-Owned Enterprises in Increasing Original Revenue, INOVASI-17 (4), 2021; 850-859, <http://journal.feb.unmul.ac.id/index.php/INOVASI>
- [20] Rahmawati E. Analysis of the Management of Village Enterprises (BUMDesa) in West Bandung Regency, Scientific. J Bus Econ. 2020 Apr;25(1):.
- [21] Choirunnisa E, Pratama A. The Role of Village-Owned Enterprises (BUMDes) in Realizing a Billionaire Village in Sekapuk Village, Ujung Pangkah District, Gresik Regency. Societas: Journal of Administrative and Social Sciences. 2021 Nov;10(2):83–97.
- [22] Rahmawati Sururama and Andy Ariskha Masdar, Management of Village-Owned Enterprises (BUMDes) Towards Increasing Village Original Income (PADES) Batetangnga Village, Binuang District, Polewali Mandar Regency, West Sulawesi Province