

ANALYSIS OF THE TRANSFORMATION OF VILLAGE-OWNED ENTERPRISES (A Study on the Transformation of Wlahar Wetan Village Credit Union into PT BPR BKD Banyumas Regency)

¹Mukhammad Agus Athourrokhman, ²Fathul Aminudin Aziz

^{1,2}Program Studi Ekonomi Syariah, Pascasarjana, Universitas Islam Negeri Prof. K.H. Saifuddin Zuhri Purwokerto, Indonesia

ARTICLEINFO

Keywords:

Banking;
Transformation;
Village Credit Institution.

E-mail:

Mukhammad.aguz@gmail.com

ABSTRACT

Banking services in rural areas have become necessary for rural communities since the enactment of the Village Law. The government establishes a public institution that offers financial services closer to the village to fulfill this need, namely PT BPR BKD Banyumas. Before the official establishment of PT BPR BKD Banyumas, the responsibilities of this public institution were held by BKD Wlahar Wetan. BKD Wlahar Wetan has demonstrated its quality as a provider of financial and economic services. However, due to changes in time and other factors, the village government decided to transform BKD Wlahar Wetan into PT BPR BKD Banyumas based on Banking Law No. 10 of 1998 and OJK Regulation No. 10/POJK.03 of 2016. This transformation resulted in changes to the working system and organization of BKD in Banyumas Regency. This study aims to determine the transformation stages BKD Wlahar Wetan underwent to become PT BPR BKD Banyumas and the impact of the changes. This qualitative study uses a descriptive approach, with data collection techniques involving field research. This study concludes that the transformation process underwent three stages: unfreezing, changing, and refreezing. The transformation of BKD Wlahar Wetan led to various modifications, including changes in goals, culture, technology, organizational structure, and volume of activities. These changes have positively impacted and aligned with the Islamic management function, based on the principles of effectiveness and efficiency, while providing positive value to the community.

Copyright © 2023 Jurnal Ekonomi. All rights reserved.

Is Licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License \(CC BY-NC 4.0\)](https://creativecommons.org/licenses/by-nc/4.0/)

1. INTRODUCTION

The existence of Village-Owned Enterprises (Badan Usaha Milik Desa or BUM Desa) is considered as one of the policy strategies to involve the state institution (Ministry of Villages, Disadvantaged Regions, and Transmigration) in the lives of rural communities. BUM Desa serves as a means to develop collective economic activities in rural areas and aims to improve the quality of life for Indonesian communities. The constitutional basis for this is reflected in Article 18B paragraph (2) of the 1945 Constitution of the Republic of Indonesia, which requires the recognition and respect of customary law communities (such as villages, gampongs, nagaris, kampongs, and others) and their traditional rights, including the ability to manage their village's economy independently. In line with this constitutional mandate, the Indonesian government enacted Law No. 6 of 2014 concerning Village-Owned Enterprises, which provides access for communities to manage village resources and achieve self-sufficiency. Furthermore, through the Minister of Villages, Disadvantaged Regions, and Transmigration Regulation No. 4 of 2015, the government emphasizes that the establishment of BUM Desa aims to accommodate all financial and public service activities managed by villages or inter-village cooperation to enhance rural economies and optimize village assets for the benefit of the community [1-3].

Before the emergence of the Village-Owned Enterprises law, the establishment of the Village Credit Institutions (Badan Kredit Desa or BKD) in 1896 by the Dutch colonial government was in response to the dire rural economic conditions, particularly in the Banyumas Residency area. Under the initiative of the Assistant Resident of Banyumas, De Wolf Van Westerrode, a community self-help group (Kelompok Swadaya Masyarakat or KSM) was formed to address these conditions. In 1897, the KSM decided to establish 250 village granaries as BKD in the Banyumas region. While initially successful in assisting the

Analysis Of The Transformation Of Village-Owned Enterprises (A Study on the Transformation of Wlahar Wetan Village Credit Union into PT BPR BKD Banyumas Regency). Mukhammad Agus Athourrokhman,

et.al
295

rural economy, the village granaries faced numerous failures and bankruptcies due to the inability of borrowers to repay their loans, leading to economic hardships for many individuals. Only a few village granaries managed to survive. To rescue the remaining village granaries, AVB (Algemene Volkscrediet Bank), now known as Bank BRI, provided capital loans to facilitate supervision over the BKD. This was because BKD was considered a separate entity from other village assets, and other village resources could not cover any losses incurred by BKD. BKD was a financial institution established by and for the people in rural areas [4].

Considering the risks associated with the operation of BKD, particularly the lack of legal protection, the Financial Services Authority (Otoritas Jasa Keuangan or OJK) issued Regulation No. 10/POJK.03/2016, which pressured all BKDs in Indonesia to transform into Rural Credit Banks (Bank Perkreditan Rakyat or BPR) with legal entities such as Limited Liability Companies, Public Companies, or Cooperatives. This transformation was required to be completed by December 31, 2019. Failure to comply would result in the revocation of the BKD's operational permit or its transformation into a microfinance institution or cooperative. As a response to this regulation, BKD Desa Wlahar Wetan took the step to transform into PT BPR BKD Banyumas. Twenty-four other villages also followed this transformation in the Banyumas Regency. To streamline operations, strengthen networks, and increase capital, a joint regulation involving 25 Village Heads was established, agreeing to the management collaboration of the Village Credit Institutions into a legal entity known as the People's Credit Bank. This transformation and consolidation of 25 Village Credit Institutions led to a complete change in management. They transitioned from operating as BKDs to PT BPR BKD Banyumas. This successful transformation made PT BPR BKD Banyumas the first and only entity in Central Java and even Indonesia. It became a role model for other BKDs in various regions, such as Majalengka, Sleman, Bantul, Banyuwangi, Kendal, Karanganyar, Gunung Kidul, Pangandaran, and Cirebon.

Based on observations, it is evident that an in-depth analysis of the transformation process of PT BPR BKD Banyumas and the steps taken by the organization to succeed in managing the change is lacking. Therefore, this research focuses on PT BPR BKD Banyumas as the subject of analysis to examine the actions and strategies implemented during its organizational transformation. By conducting a comprehensive study of PT BPR BKD Banyumas, this research aims to provide valuable insights into the transformation process of Village-Owned Enterprises. Understanding the experiences and strategies of PT BPR BKD Banyumas can serve as a valuable resource for other BKDs and similar entities looking to undergo similar transformations. Ultimately, the research seeks to shed light on successful organizational change management in the context of PT BPR BKD Banyumas and contribute to the knowledge and understanding of effective strategies for transforming Village-Owned Enterprises into more robust and sustainable entities.

2. METHOD

The type of research used is Field Research. This research employs a qualitative approach with a descriptive narrative presentation [5,6]. This means that the data obtained will be collected and presented directly in the form of descriptions or an overall depiction of the object's atmosphere or condition. This is done through verbal or written words based on observed behavior.

The research focuses on PT BPR BKD Banyumas, which is the primary subject of investigation. The study aims to comprehensively understand the organization's operations, practices, and dynamics during the specified research period, spanning from January 1, 2018, to January 20, 2019. During this time frame, the researchers will delve into various aspects of PT BPR BKD Banyumas, examining its organizational structure, management processes, cultural norms, and overall performance. By immersing themselves in the organization's day-to-day operations, the researchers seek to uncover valuable insights into the company's functioning and its responses to the ever-changing external environment.

The chosen research period of one year provides a significant timeframe for observing and analyzing the organization's evolution, challenges, and achievements. It allows for an in-depth examination of PT BPR BKD Banyumas' transformation efforts, including any strategic initiatives, structural changes, and cultural shifts during this period. The research team will employ various research methods to gather relevant information and data, including interviews, surveys, observations, and data analysis. By combining qualitative and quantitative approaches, they aim to obtain a holistic view of the organization's performance and transformational journey. The findings from this research will contribute to the existing body of knowledge on organizational transformation and change management. The insights gained can be valuable for PT BPR BKD Banyumas and other organizations facing similar challenges and seeking to navigate the complexities of transformation in a competitive business landscape.

Analysis Of The Transformation Of Village-Owned Enterprises (A Study on the Transformation of Wlahar Wetan Village Credit Union into PT BPR BKD Banyumas Regency). **Mukhammad Agus Athourrokhman,**

This research will better understand the organization's strengths, weaknesses, opportunities, and threats. It will shed light on the factors that influence the success or failure of transformation initiatives, providing valuable recommendations for PT BPR BKD Banyumas and other organizations aspiring to embark on similar transformational journeys. This research project aims to comprehensively analyze PT BPR BKD Banyumas' transformation efforts during the specified research period. By exploring the organization's internal dynamics, external influences, and responses to change, the study seeks to contribute to the broader understanding of organizational transformation and facilitate informed decision-making to pursue sustainable growth and success.

The object or focus of this research is the transformational change management conducted by Badan Kredit Desa Wlahar Wetan, leading to its transition into PT BPR BKD Banyumas. Subject of Research The subjects of this thesis are as follows: a) Operational Executives and Supervisory Board of PT BPR BKD Banyumas (Ex-Officio Head of Wlahar Wetan Village) The operational executives and supervisory board possess information regarding the operational procedures before and after the transformation into PT Bank BKD Desa Wlahar Wetan. Board of Directors and Commissioners of PT BPR BKD Banyumas The board of directors and commissioners hold information about the organizational structure, vision, and mission of PT BPR BKD Banyumas.

Data Sources The data used in this research consists of two sources: primary data and secondary data. Primary Data Primary data refers to data obtained directly from the original source or informants, such as individuals, consumers, employees, teachers, farmers, and others. This data is raw and will be processed for specific purposes according to the research needs. In this study, primary data was collected through interviews with operational executives and the supervisory board (Ex-Officio Head of Wlahar Wetan Village) and interviews with the Board of Directors and Commissioners of PT BPR BKD Banyumas. Secondary Data Secondary data refers to data obtained from secondary sources, which are not directly from the original source. Secondary data can be tables, graphs, and other formats. Secondary data sources can include previous research, government institutions, laws and regulations, and other relevant materials. In this research, secondary data was collected from books, journals, previous studies related to change management and transformation, laws and regulations concerning Village-Owned Enterprises and Badan Kredit Desa, OJK regulations on the transformation of Badan Kredit Desa, a joint rule from 25 village heads in Banyumas district, and other relevant sources.

Data collection methods are the approaches used by researchers to gather data. To obtain factual data, the researcher employed the following research techniques:

1. Observation is considered the foundation of all scientific knowledge. Scientists can only work based on data, which are facts about the real world obtained through observation. Data is collected using various sophisticated tools, allowing the observation of extremely small objects (such as protons and electrons) as well as objects in far distances (such as outer space).

Sugiyono [7,8] classifies observation into participant observation, overt and covert observation, and unstructured observation

- a. Participant Observation In this type of observation, the researcher actively engages in the daily activities of the individuals being observed or used as research sources. While making observations, the researcher participates in the actions of the data source and experiences the ups and downs associated with it.
- b. Overt and Covert Observation In this approach, the researcher openly informs the data source about the research being conducted. However, there may be moments when the researcher needs to be overt or covert in their observations, particularly when dealing with confidential or sensitive information.
- c. Unstructured Observation In qualitative research, unstructured observation involves conducting observations without a predefined structure. The focus of the research evolves during the observation process.

The observation technique employed in the PT BPR BKD Banyumas research involved a combination of overt and covert observation methods. The researcher openly informed PT BPR BKD Banyumas about the observation activities for the purpose of analyzing the transformation of the Village-Owned Enterprise (Case Study: Transformation of Badan Kredit Desa into PT BPR BKD Banyumas). During the observation, the researcher directly observed and examined the management and organizational aspects of PT BPR BKD Banyumas after its successful transformation into a PT BPR BKD. The progress of PT BPR BKD Banyumas before and after the transformation was compared. In addition to observing activities at the PT BPR BKD Banyumas office, the researcher also observed relevant media coverage regarding the transformation of Badan Kredit Desa.

2. Esterberg defines an interview as "a meeting of two people to exchange information and ideas through questions and responses, resulting in communication and the joint construction of meaning about a particular topic." Interviews involve two individuals coming together to exchange information and ideas through a question-and-answer format, allowing for the construction of meaning in a specific topic.

Interviews are used as a data collection technique when the researcher wants to conduct a preliminary study to determine the issues that must be investigated. Additionally, interviews provide an opportunity to gain deeper insights from the respondents.

In this research, the author conducted both structured and unstructured interviews. In structured interviews, the researcher prepares a list of questions to guide the interview process. On the other hand, unstructured interviews were conducted via messaging applications like WhatsApp or mobile phone calls. The purpose of the interviews was to ensure a consistent context for the questions asked. In this study, the author interviewed Mr. Dodiet, the ex-officio Village Head of Wlahar Wetan, and Mr. Heri, the Director of PT BPR BKD Banyumas.

3. Documentation Documents are records of past events. They can take various forms such as written texts, images, or monumental works created by individuals. Written documents can include diary entries, historical accounts, stories, biographies, and policy regulations. In this research, the author documented the post-transformation activities of PT BPR BKD Banyumas and recorded every interview with the interviewees. Additionally, the author captured images from media sources that provided information about the transformation of Badan Kredit Desa, particularly in Wlahar Wetan Village.

3. RESULT AND DISCUSSION

Analysis of the Transformation Process of BKD Wlahar Wetan into PT BPR BKD Banyumas The transformation of PT BPR BKD Banyumas is a result of the Financial Services Authority's policy as stipulated in Regulation OJK No. 10/POJK.03 of 2016 concerning the fulfillment of People's Credit Banks and the transformation of Village Credit Institutions into People's Credit Banks, which is a provision of Law No. 10 of 1998 regarding the granting of People's Credit Bank status to Village Credit Institutions in banking regulations, and based on concerns from the Village Government about the absence of deposit insurance institutions. This factor became a driving force for change that led to the organizational transformation of the Village Credit Institution into PT BPR BKD Banyumas. This is evidenced by the significant amount of funds absorbed from the community, reaching an annual turnover of 4 billion. The increasing amount of funds absorbed from the community indicates that the BKD is trusted and accepted by the community. It has been proven that BPR BKD can protect the community from loan sharks. Many Micro, Small, and Medium Enterprises (MSMEs) have become customers of BPR BKD. However, there are concerns about leaving the absorbed funds without supervision from the Financial Services Authority and the Deposit Insurance Agency. Therefore, the BKD initiated the transformation into PT BPR BKD Banyumas to obtain official supervision from the Financial Services Authority and to have their funds guaranteed by the Deposit Insurance Agency.

Additionally, the author observed through news and the perspectives of political observers, revealing other implicit or hidden reasons behind the enactment of Regulation OJK No. 10/POJK.03 of 2016, which served as the foundation for the transformation of BKD Wlahar Wetan into PT BPR BKD Banyumas. These implicit factors indicate intervention from external parties at the national or even international level who have an interest in this transformation policy. As stated by [9], analyzing the factors causing transformation is necessary because if an organization is in the form of an entity that provides services to the community, the receiving community is one of the parties that can trigger transformation. This occurs because the community always demands the services they desire. These demands put pressure on public bodies to meet them. If the public body is deemed incapable of meeting these demands, a decision to change the organization will be made to address the issue.

In this case, the researcher believes that the demands originating from service recipients are not the only factors leading to the decision for a public body to undertake organizational change. Another factor that leads to such change is support or intervention from internal parties, namely the Wlahar Wetan village government in the phenomenon of the transformation of BKD Wlahar Wetan into PT BPR BKD. Several agreements are deemed to have taken place between the village government and BKD to establish cooperation that includes hidden interests. When looking at this transformation from the perspective of political system theory proposed by [10], the demands from service users are considered as inputs causing the implementation of a political system resulting in a decision or output from the political system. Apart from demands, there are other inputs needed to generate an output. This input comes from support from a party other than the demanding community. In transforming BKD Wlahar Wetan into PT BPR BKD, this

Analysis Of The Transformation Of Village-Owned Enterprises (A Study on the Transformation of Wlahar Wetan Village Credit Union into PT BPR BKD Banyumas Regency). **Mukhammad Agus Athourrohman,**

support, as proposed by the theory, comes from the village government, providing support for the demands expressed by the financial service users and the intervention of the financial services authority. After the demands and support are present, a political system process is carried out by the village government, resulting in a binding decision directed at BKD Wlahar Wetan

Based on the data obtained, the intended output in this transformation phenomenon is establishing a joint regulation, namely Regulation No. 1 of 2017, regarding managing village credit institutions as a legal entity of People's Credit Banks. After understanding the underlying reasons for the transformation, the researcher discovered other reasons, divided into explicit and implicit. Explicitly, this transformation is carried out to meet the high turnover demands, requiring a larger institution to meet the requirements for guaranteeing by the Deposit Insurance Agency and being supervised by the Financial Services Authority. In other words, this transformation is carried out to improve the quality and services perceived to have many shortcomings. However, additional data implicitly indicates that this transformation is based on the political interests of the village government collaborating with 25 villages in the Banyumas district. These interests involve merging existing Village-Owned Enterprises (BUMDes) with a commercial inter-village cooperation system. In other words, this transformation is carried out to pool large funds obtained from each village's customers in respective BKDs, which are then used for other purposes.

Therefore, it can be concluded that the factors that led to the transformation of BKD Wlahar Wetan into PT BPR BKD Banyumas are the community's demands and the government's support regarding those demands. The voiced demands include the request for better and reliable services, and the support shown by the village government is manifested in the decision to undergo a transformation driven by the financial services authority, resulting in the joint regulation No. 1 of 2017 regarding the management of village credit institutions as a legal entity of People's Credit Banks. Based on these factors, PT BPR BKD carried out the transformation referring to Regulation No. 10/POJK.03 of 2016 issued by the Financial Services Authority, which emphasizes the fulfillment of People's Credit Banks and the transformation of Village Credit Institutions into People's Credit Banks. The transformation was necessary because according to Regulation No. 10/POJK.03 of 2016, BKD had been granted operational and became PT BPR BKD Banyumas. Based on the observations made by the researcher, there were several stages that BKD Wlahar Wetan went through to become PT BPR BKD Banyumas. These stages are as follows:

1. Preliminary study and problem identification: Conducting a preliminary study to determine the problems that need to be addressed in the transformation process.
2. Planning and preparation: Developing a transformation plan and making necessary preparations, such as forming a transformation team and allocating resources.
3. Legal and regulatory compliance: Ensuring compliance with the legal and regulatory requirements set by the financial services authority, such as obtaining operational permission and fulfilling the criteria for People's Credit Banks.
4. Organizational restructuring: Restructuring the organization to align with the principles and requirements of a People's Credit Bank, which may involve changes in roles, responsibilities, and reporting lines.
5. System and process alignment: Aligning the systems and processes within the organization to meet the operational standards of a People's Credit Bank, including financial management, risk management, and customer service.
6. Staff training and development: Providing training and development programs for employees to enhance their skills and knowledge in line with the new organizational structure and requirements.
7. Communication and stakeholder engagement: Communicating the transformation process to internal and external stakeholders, including employees, customers, suppliers, and regulatory authorities, to ensure their understanding and support.
8. Implementation and monitoring: Implementing the transformation plan and continuously monitoring the progress and outcomes of the transformation process, making necessary adjustments as needed.

By successfully completing these stages, BKD Wlahar Wetan transformed into PT BPR BKD Banyumas, aligning with the requirements and standards of a People's Credit Bank.

Analysis of the Impact of PT BPR BKD Banyumas Transformation

After undergoing various organizational transformation processes, PT BPR BKD Banyumas, formerly known as BKD Wlahar Wetan as a Village-Owned Enterprises (BUMDes), certainly experienced many changes in organizational goals, service delivery, organizational activities, organizational structure, and

Analysis Of The Transformation Of Village-Owned Enterprises (A Study on the Transformation of Wlahar Wetan Village Credit Union into PT BPR BKD Banyumas Regency). **Mukhammad Agus Athourrohman,**

technological improvements. These improvements are necessary because without these changes, the transformation processes would be in vain and the organization's activities would be considered unproductive. Based on what [11] wrote, it can be said that there are positive impacts because PT BPR BKD Banyumas has gone through five stages, namely:

1. Uninformed optimism. In this stage, PT BPR BKD Banyumas began to change its paradigm from BKD Wlahar Wetan, which was originally focused on social empowerment, to a business-oriented approach. With this change in thinking and ideas, PT BPR BKD Banyumas believes that the profits generated will be managed by BKD Wlahar Wetan for the benefit of the village and customers, while still maintaining the principles of mutual cooperation and community brought by BKD Wlahar Wetan. This includes providing services of a single type without differentiating job status and offering 0% administrative fees on specific savings services dedicated to the middle-lower economic class. Furthermore, PT BPR BKD Banyumas also believes that a banking institution that is based on and for the village will be closer to the people and serve their interests. This is evidenced by the vision and mission that will guide its future direction. The vision upheld by BKD Wlahar Wetan during its active operations was "To become a financial service center from the village, by the village, for the village." Meanwhile, the mission of PT BPR BKD Banyumas is as follows: (1) Serve wholeheartedly, (2) Optimize fund management and system development to provide sustainable excellent services to customers, (3) Develop employees to achieve optimal performance and become one of the main competitive advantages of the company, (4) Build close coordination and partnerships with all stakeholders to collectively create quality financial services.

These changes and the transformation from BKD Wlahar Wetan to PT BPR BKD Banyumas have several positive impacts. Firstly, there is a shift in focus from social empowerment to a business-oriented approach, which can lead to improved financial performance and sustainability. Secondly, the organization aims to provide equal and inclusive services to all customers, regardless of their job status, and offers specific services with no administrative fees to cater to the needs of the middle-lower economic class. This can contribute to financial inclusion and socioeconomic development in the community. Thirdly, by maintaining the principles of mutual cooperation and community, PT BPR BKD Banyumas aims to create a closer connection between the banking institution and the people, fostering trust and a sense of ownership. Finally, through its vision and mission, PT BPR BKD Banyumas strives to provide excellent and sustainable financial services, develop its employees, and establish strong partnerships with stakeholders, all of which can positively impact the overall quality of financial services in the community.

Based on that, the process undertaken by PT BPR BKD Banyumas aligns with the saying of Prophet Muhammad (peace be upon him):

إذا حكم الحاكم فاجتهد ثم أصاب فله أجران وإذا حكم فاجتهد فخطأ فله أجر (رواه البخاري)

"If a judge strives to make a correct judgment and succeeds, then he will receive two rewards. And if a judge strives to make a judgment but errs, then he will still receive one reward." (Narrated by Bukhari)

It is understood that the *ijtihad* (dedicated effort to find the correct judgment) carried out by PT BPR BKD Banyumas is intended for the good and welfare of the community, particularly the residents within the scope of PT BPR BKD.

2. Informed pessimism Entering this phase, PT BPR BKD establishes a cultural framework based on a new set of organizational values. The new set of values includes: (1) Integrity, which involves carrying out every task and responsibility in alignment with genuine thoughts, words, and behaviors; (2) Professionalism, which entails executing tasks with dedication, according to competence and assigned responsibilities; (3) Service Excellence, which signifies the commitment to provide the best service sincerely to all participants; (4) Operational Efficiency, which focuses on achieving optimal performance through proper planning and rational budget utilization based on needs. However, during the implementation, doubts arose as transforming the old culture into a new one takes time. Therefore, the CEO at that time, Heri Siswoyo, instructed all employees to strictly adhere to the new set of values and regularly read them before conducting work activities gradually to become accustomed to them over time. This was done by constantly remembering the ten main organizational behaviors, which include: (1) Prioritizing the organization's interests over individual/group interests; (2) Aligning thoughts, words, and actions; (3) Courageously admitting and being accountable for mistakes; (4) Continuously enhancing competencies; (5) Improving the quality of processes and work outcomes; (6) Thinking positively and being adaptable to change; (7) Having a positive attitude towards participants' needs; (8)

Analysis Of The Transformation Of Village-Owned Enterprises (A Study on the Transformation of Wlahar Wetan Village Credit Union into PT BPR BKD Banyumas Regency). **Mukhammad Agus Athourrokhman,**

et.al

- Demonstrating empathy and patience in serving participants; (9) Planning budgets based on priority needs; (10) Being frugal and rational in budget utilization.
3. Hopeful realism In this phase, the efforts from the previous stages start to yield results, including the acceptance and support from each employee and tangible improvements. With the implementation by the CEO, the employees of PT BPR BKD Banyumas have gradually adapted to the new set of values and have even been able to enhance information and communication facilities, as well as develop their own website, although it still has many shortcomings.
 4. Informed optimism In this stage, all employees and the board of directors begin to build confidence in further improvement. This has also caught the attention of Gedhe Foundation, an institution focused on village innovation, which considers PT BPR BKD Banyumas as one of the village innovation programs that should be further developed.
 5. Completion In this final stage, PT BPR BKD Banyumas has achieved success in the transformation process. It is evident that until 2019, PT BPR BKD Banyumas was the most successful BKD transformation case in Central Java and even in Indonesia. PT BPR BKD Banyumas also became the only banking-based BUMDes (Village-Owned Enterprises) that became a benchmarking study for BKDs in Majalengka, Sleman, Bantul, Banyuwangi, Kendal, Karanganyar, Gunung Kidul, Pangandaran, and Cirebon districts.

4. CONCLUSION

The author obtained and analyzed various data based on the research conducted on the Analysis of the Transformation of Village-Owned Enterprises (Study of BKD Wlahar Wetan Transformation into PT BPR BKD Banyumas). The following conclusions were drawn: The transformation process of BKD Wlahar Wetan into PT BPR BKD Banyumas was driven by the political interests of the village government, collaborating with 25 villages in the Banyumas district. The main objective was to merge existing Village-Owned Enterprises (BUMDes) with a commercial inter-village cooperation system. In other words, this transformation aimed to accumulate substantial funds from customers in each village through their respective BKDs, which would then be utilized for other purposes.

REFERENCES

- [1] Kania I, Anggadwita G, Alamanda DT. A new approach to stimulate rural entrepreneurship through village-owned enterprises in Indonesia. *Journal of Enterprising Communities: People and Places in the Global Economy* 2021. <https://doi.org/10.1108/JEC-07-2020-0137>.
- [2] Srijekki K. Empowering the role of village owned enterprises (BUMDes) for rural development: case of Indonesia. *Jurnal Akuntansi, Manajemen Dan Ekonomi* 2018;20:5-10. <https://doi.org/10.32424/1.jame.2018.20.1.1018>.
- [3] Winarsi S, Moechthar O. Implementation of The Law Principles of Good Corporate Governance in Indonesian Village-Owned Enterprise (BUMDes). *Yuridika* 2020;35:635. <https://doi.org/10.20473/ydk.v35i3.21637>.
- [4] Sudibyo YA, Puspasari N, Restianto YE. Transforming Indonesian Rural Microfinance Institutions. *Modeling Economic Growth in Contemporary Indonesia*, Emerald Publishing Limited; 2022, p. 187–200. <https://doi.org/10.1108/978-1-80262-431-120221011>.
- [5] Hancock B, Ockleford E, Windridge K. An introduction to qualitative research. Trent focus group London; 2001.
- [6] Pitman MA. *Qualitative research design: an interactive approach* 1998.
- [7] Sugiyono. *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Penerbit Alfabeta Bandung; 2015.
- [8] Sugiyono. *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: CV. Alfabeta; 2017.
- [9] Fortezza F, Figueiredo B, Scaraboto D, Del Chiappa G. Managing multiple logics to facilitate consumer transformation. *J Bus Res* 2022;144:377–90. <https://doi.org/10.1016/j.jbusres.2022.02.023>.
- [10] Chun SA, Shulman S, Sandoval R, Hovy E. Government 2.0: Making connections between citizens, data and government. *Information Polity* 2010;15:1. <https://doi.org/10.3233/IP-2010-0205>.
- [11] Saefullah A, Rusdiana A. *Manajemen Perubahan* 2016.