


Implementing Progressive Management to Improve Business Sustainability and Competitiveness in Gowa Regency

Samsuddin¹, Mahfud Nurnajamuddin², Suryanti³

^{1,2,3} Management Sciences, Universitas Muslim Indonesia, Makassar, Indonesia

Article Info	ABSTRACT
Keywords: Inventory Management, Just-In-Time, Supply Chain Challenges.	This research investigates how the village-owned enterprise (BUMDes) management system works in increasing Village Original Income (PADes). The research subjects included parties related to BUMDes Bonto Sunggu Manai and residents of Sunggumanai Village, Gowa, South Sulawesi. This research uses a community service approach with a qualitative descriptive method. The research findings show that although BUMDes management still faces some difficulties, there are improvement plans to be made in the future. Researchers recommend updating the five BUMDes management systems, namely finance, marketing, production, distribution, and human resources. They believe that the role of BUMDes in increasing PADes is not very clear because several management systems are inadequate.
This is an open access article under the CC BY-NC license 	Corresponding Author: Samsuddin Management Sciences, Universitas Muslim Indonesia, Makassar , Indonesia Jl. Urip Sumoharjo No.km.5, Panaikang, Kec. Panakkukang, Makassar, Sulawesi Selatan Indonesia 90231 syamsamsuddin@gmail.com

INTRODUCTION

A village is the smallest unit in the Indonesian government system, led by a village head who is elected by the residents through village head elections. One of the main duties of the village head is to manage the village's finances, including establishing an income and expenditure budget and developing the village as a source of revenue. Village authority in this case includes the ability to apply for and receive transfers of state assets to improve the welfare of village communities.

To improve the local economy, villages have alternatives to help all villagers. One approach is through the establishment of Village-Owned Enterprises (BUMDes) that aim to develop the potential of the village by utilising local natural and human resources. However, some BUMDes still face challenges in supporting local revenue, and one of the obstacles is the selection of an appropriate legal structure.

Examples of successful BUMDes include two bottled drinking water (AMDK) factories in Bali and West Java. The UDAKA AMDK factory in Dawan Kaler village, Bali, managed to reduce the unemployment rate by 70%, while BUMDes Sukarame in Garut developed hexagonal drinking water delivered to government offices and public markets. This research aims to identify and evaluate techniques that can increase village revenue through BUMDes management, focusing on the economic situation in Kabupaten Gowa and the community's views on the role and contribution of BUMDes in its operation.

1. Finance at the regional or village level

A village is an area inhabited by people who have their own rules and procedures that are recognised in the Indonesian government system. Village finances include all monetary obligations and rights related to meeting the needs of the local community. Village rights and obligations include fund collection, fund expenditure, and overall financial management.

Article 68 of the Village Law explains that village revenue consists of several sources, namely revenue derived from the village, a portion of local taxes at the district/city level, a portion of funding shared between the centre and the regions, grants and voluntary contributions from non-binding third

parties, and a portion of financial allocations provided by the central government to the regions. The village government is responsible for managing all of these components, especially village-derived revenue (PADes). PADes can come from any of the aforementioned revenue streams.

2. Badan Usaha Dimiliki oleh Desa (BUMDes)

Badan Usaha Dimiliki oleh Desa (BUMDes) is a business organisation that is owned in part or in whole by the village through equity participation derived from village-specific resources or assets, in accordance with the 2015 Regulation of the Minister of Villages, Underdeveloped Regions and Transmigration. BUMDes is responsible for administering and managing assets, services, and other businesses for the benefit of the villagers. The management plan of an evolving Village-Owned Enterprise (BUMDes) should follow the development of the BUMDes, as stipulated in Article 25 of the regulation. This approach will be determined by the type of enterprise chosen by the BUMDes.

BUMDes have the potential to develop various types of businesses that provide benefits to villagers and generate village-derived income. Businesses that can be managed by BUMDes include the provision of paving blocks, electricity, food storage, utilisation of local assets, and the application of effective and appropriate technological innovations. In addition, BUMDes can provide rental services for the needs of the village community, act as an intermediary in electricity payments, and produce and sell certain products to fulfil the needs of the community and market them on a larger market scale.

An effective management system, especially for allocating the company's proceeds, is necessary for BUMDes to help increase PADes. The operating result of BUMDes is calculated annually by deducting revenue from expenses incurred, as well as depreciation and fixed asset liabilities. The Articles of Association and Bylaws of the Village-Owned Enterprise (BUMDes) regulate this corporate profit sharing scheme. The distribution of these corporate proceeds should be calculated using a simple accounting system.

3. Business Management

Business is the sale of products or services that generate benefits. Business management includes planning, managing, and operating a business. In business management, there are at least five elements, namely

- a. Financial Management: Budgets and reports are part of financial management.
- b. Marketing Management aims to increase the number of sales made by consumers.
- c. Production is a crucial element in business operations that starts from raw materials and ends with the final product.
- d. To ensure that the marketing process runs smoothly, distribution must be properly monitored.
- e. Workforce management considers that good quality human resources is an important factor in the success of any system.

4. Level of Aspiration Theory

The aspiration level theory has two main assumptions. First, an individual's drive to achieve success drives them to strive to achieve it and avoid failure. Second, an individual's perception of success and failure is more subjective than its objective level. This theory can be applied to understand how society views the importance of participation in Village-Owned Enterprises (BUMDes).

METHODS

This descriptive study investigates how the BUMDes management system can affect the increase in village income. This is a community service study.

This study is considered qualitative as well. Qualitative research uses many contemporary methodologies and uses natural settings to analyze events that occur (Moloeng, 2014) referring to previous research (Denzin and Lincoln, 1987). The role and application of qualitative research in this study:

1. For assessment purposes
2. Have a desire to conduct comprehensive research
3. Striving to understand behavioral and motivational research

The existing BUMDes management system and efforts to build a new system were evaluated using qualitative analysis techniques. Quantitative descriptive analysis tools were also used by researchers to select respondents using a purposive sampling strategy. To select respondents, many standards and criteria must be met:

1. Residents of Sunggumanai Village
2. Follow the instructions given during the study.
3. Understanding BUMDES Sunggumanai Village

Phrases, behaviors, and documents related to the research questions are the sources and types of data for this study. The results of the study will be achieved through interviews and observations. In addition, relevant data and information will be analyzed. This study will analyze primary and secondary data using the interactive modeling method for qualitative data analysis developed by Miles and Huberman as cited in Wijayanti et al. (2012)

Interviews were used as a method of data collection. This is a standard open-ended interview style where any question can be asked to the informant. Questions should be related to a person's perspective; in this example, the questions are topics that discuss BUMDes and its business units.

RESULTS AND DISCUSSION

Characteristics of Research Objects

BUMDES Bonto Sunggu Manai, Sunggumanai

On January 4, 2017, in Sunggumanai Village, Pattallassanng District, Gowa Regency, South Sulawesi, Sunggumanai Village Regulation Number 1 of 2017 was issued which requires the establishment of BUMDES Bonto Sunggu Manai. This BUMDES aims to increase the income of village communities and ASI income in the village, as well as being a place for economic activities, public services, and cooperation between villages.

Mr. Adb Rivai Rasyid has led BUMDES Bonto Sunggu Manai since its inception. Decree of the Head of Sunggumanai Village Number 3 of 2017 appointed them as BUMDES administrators for the 2017-2022 period.

Mr. Adb, the Head of Sunggumanai Village, drafted and ratified the Articles of Association of BUMDES Bonto Sunggu Manai on January 30, 2017. None of the twelve chapters of the Articles of Association that serve as guidelines for administrators in organizing BUMDES have been fully implemented. BUMDes Bonto Sunggu Manai has not yet created a family budget at the time this study report was made. Research Respondents

Participants in this study were divided into two groups. The first group assessed residents' knowledge and attitudes towards BUMDES, while the second group assessed residents' involvement in the implementation of BUMDES.

The first wave of responses included 59 people from six different hamlets. Here is the gender breakdown:

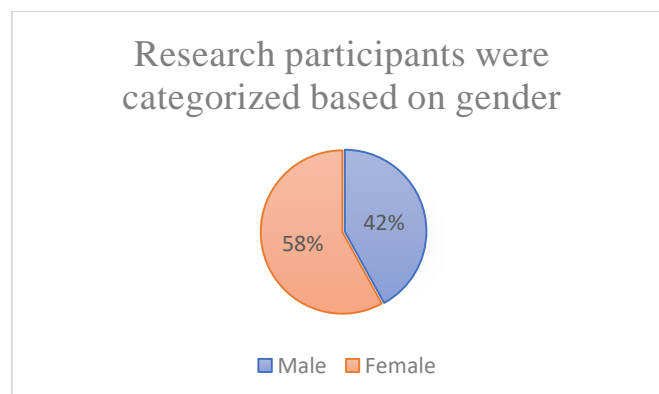


Figure 1. Participant data in stage 1 were collected based on gender differences.

Participant data is arranged based on age range, where the majority are in the productive age range, namely between 31 and 50 years.

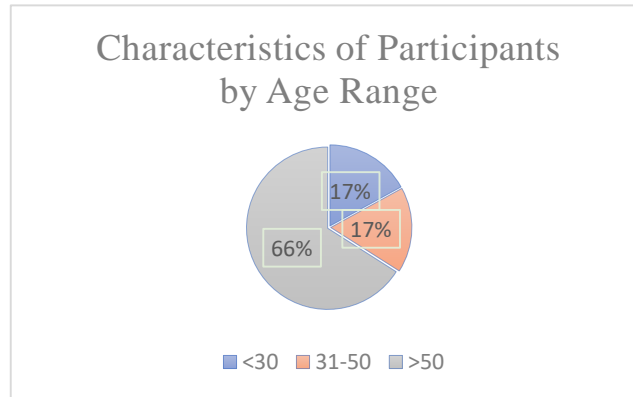


Figure 2. Participant data by age range

Based on the data, the majority of participants have a final education of high school/vocational school. This can be seen in the following diagram:

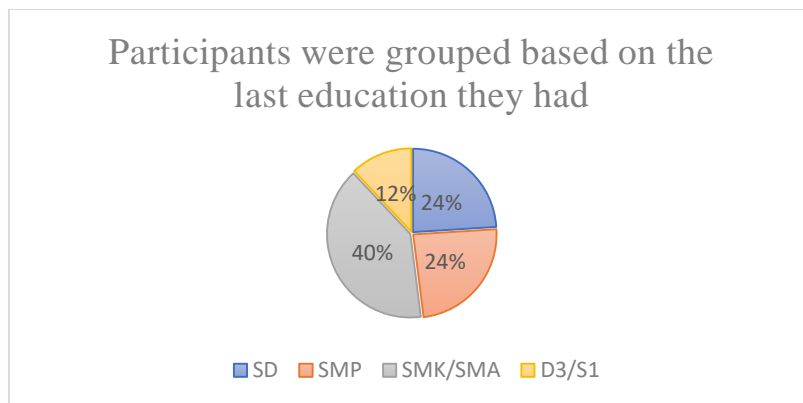


Figure 3. Participant data in stage 1 were collected based on their last level of education.

Participant data information about the second group is listed in the following table:

No.	Respondent Type	Amount
1.	Public	2
2.	RT/RW Devices	6
3.	Person in charge of government duties at the village level	1
4.	The party responsible for managing BUMDes	2
5.	BPD	1
Amount		12

Table 2. Data of participants involved in stage 2 were collected.

Findings from the analysis of data obtained from the research questionnaire

The level of understanding and views of residents towards Village-Owned Enterprises (BUMDes) in Sunggumanai Village.

To respond to the first question in this study, 59 of the 60 questionnaires distributed were answered completely.

The results of data processing show that residents who answered have understood the function of the Village-Owned Enterprises (BUMDes) in Sunggumanai Village. The overall score is 2.79 on a scale

of 4. Of the ten questions asked, question 8, which states that the community must receive financial reports from village business units, received the highest score. The results show that residents really want BUMDES financial transparency for their residents.

Statement 7, which states that village business units increase my income, has the lowest result. People tend to disagree with the statement, because the score is only 2.32. Because most residents do not work as BUMDes managers, they do not experience the direct influence of the existence of BUMDes to increase residents' income.

The table below shows the perception values given by residents to BUMDes Bonto Sunggu Manai in Sunggumanai Village:

No.	Question	Score	Information
1.	I found that in my village there is a business entity.	2.95	Tend to Agree
2.	Village business units provide products according to community demand.	2.71	Tend to Agree
3.	Villagers are employed by businesses.	2.81	Tend to Agree
4.	BUMDES uses the natural potential that exists in the village.	2.86	Tend to Agree
5.	My village looks advanced since the establishment of the business unit.	2.72	Tend to Agree
6.	I believe that my village income has increased since the establishment of the business unit.	2.70	Tend to Agree
7.	My income grew thanks to local business units.	2.32	Tend to Agree
8.	Disclosure of village business financial reports is expected to be made available to the community.	3.22	Tend to Agree
9.	Commercial business units in my village are managed effectively.	2.75	Tend to Agree
10.	Individuals who manage village-owned businesses have good qualities.	2.81	Tend to Agree
	Average	2.78	Tend to Agree

Table 3.Results of the first phase of the survey.

Information:

0.5 - 1.5: Tendency to strongly disagree

1.5 - 2.5: Not pleasant

2.5 - 3.5: Probable agreement

3.5 - 4.0: Tendency to strongly agree

Participation of Sunggumanai Village residents in BUMDES management

To find out the answer to this second research question, we asked the following people for their opinions:

Would you contribute directly to a village-owned business? What would your contribution be if you answered yes? If no, can you explain why?" Of the 59 people who answered, 28 (47.46%) said yes (want to be involved in BUMDes management), and slightly more said yes than no, namely 31 (52.54%). From this, it can be concluded that there are a large number of Sunggumanai Village residents who have not participated in BUMDes management and do not want to.

Most respondents, or 15 people, expressed their willingness to contribute and participate by purchasing goods offered by BUMDes. Meanwhile, 9 respondents chose to become employees or

managers, 1 person was interested in becoming an investor, and the rest only provided ideas for development.

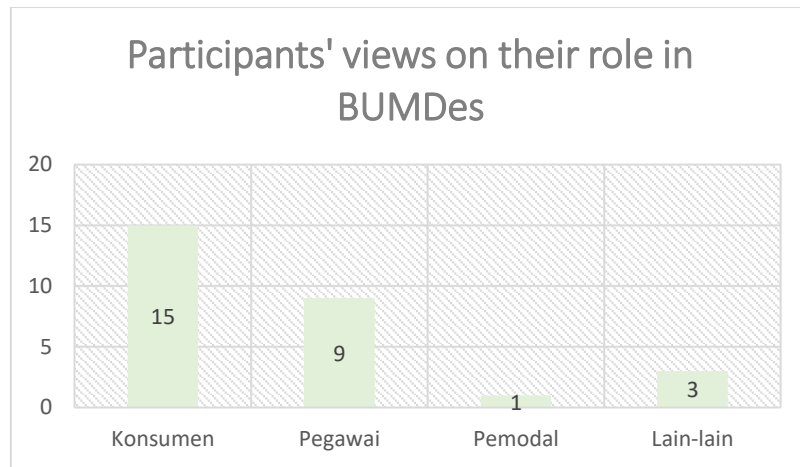


Figure 4. Views of Participants Contributing to BUMDes

In contrast, 31 people who responded did not contribute, as shown in the following chart:

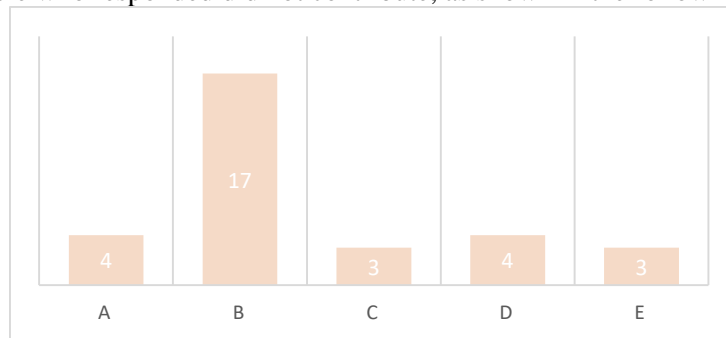


Figure 5. Respondents' views regarding non-participation in BUMDes.

Information:

- A. Respondents outside productive age.
- B. Respondents are involved in other activities or have additional responsibilities.
- C. Respondents admitted to being less familiar with BUMDes and its business units.
- D. Respondents chose to delegate BUMDes management to a third party.
- E. Additional perspective: they support their own business and disagree with the BUMDes business unit.

The evaluation results show that the role of residents in the management of BUMDes Bontu Sunggu Manai Sunggumanai Village is inadequate. This is indicated by the number of people who responded refusing to contribute still being greater than the number of respondents who were willing (31:28, or 52.54% vs. 47.46%). It was found that some residents of Sunggumanai Village were not aware of the business run by BUMDes in their village. The importance of the contribution of the role of BUMDes in increasing Village Original Income (PAD) in Sunggumanai Village.

Information on income from the village was not available when this research was conducted. The financial information obtained is still considered taboo and is not common to be given to the public. No one gave an answer to the questionnaire that had been made and sent to the Village, and no one included valid data on the questions. This indicates that BUMDes has not had a significant role in increasing the

original income of Sunggumanai Village. The following factors cause BUMDes not to have a direct and real role in increasing PAD:

1. BUMDes was established in 2017 and started functioning effectively in 2019.
2. BUMDes currently only operates one type of business. Namely the significant production of paving blocks.
3. There is no clear system regarding profit sharing because there has been no official determination regarding the capital system. However, BUMDes administrators, village staff, and residents have the determination and seriousness to run BUMDes as well as possible in order to achieve the goals of its establishment.

In this analysis, the results of the study will be discussed and revealed, not only answering the three previous research questions, but also describing the results of various aspects asked to residents, village communities and BUMDes management. The following is a summary of the current situation, existing aspirations, and results that are in accordance with applicable theories or regulations.

No.	Findings	Repair
A. Type of business		
1.	The type of business run by BUMDes has met the requirements in accordance with regulations that classify it as a public service.	It's right
2.	BUMDes concentrates more on managing existing businesses rather than exploring new businesses.	There needs to be market identification and analysis of community needs.
B. Financial management		
1.	BUMDes and related business units employ workers who have education in accounting to manage financial aspects.	It's been good
2.	Budgeting has been completed well.	It's been good
3.	Not yet implementing BUMDes accounting system	Need to use UMKM accounting system
4.	Not having an adequate and fair capital system for results	There needs to be a simple local capital system.
C. Marketing Management		
1.	Product: The available packaging variants are limited and not attractive enough.	Need innovation
2.	Price: Has met the standards and is appropriately priced.	It's been good
3.	Promotion: The community has not yet been involved in marketing BUMDes products.	For optimal marketing, the community must be involved.
4.	Place: Limited to Kerten village because neighboring villages have similar products.	Applying for a wider product distribution permit can optimize it.
D. Production Management		
1.	The quality of Quaten drinking water has not met the standards expected to be officially tested by BPOM, but it has been tested at the Health Center Laboratory and shown that it is safe for consumption.	Further testing can be carried out in the laboratory and obtain BPOM permission.

2. The gallon bottled water is still in the depot warehouse and has not been sent directly to customers. A replenishment schedule system can be created to reduce stock build-up.

E. Distribution Management

1. The 3-wheeled transport vehicles are currently still safe and sufficient for distribution, the management plans to add distribution vehicles next year because of the plan to add gallon units. It's good because we have planned to add distribution tools.

2. Decree of the Minister of Industry and Trade of the Republic of Indonesia No. 651/MPP/kep/10 2004 prohibits distribution through a consignment system in several grocery stores. Comply with relevant rules

F. Human Resource Management

1. Currently, the management structure has reached an adequate level. However, the management has planned to add staff in the following year as the business unit will grow. There is a possibility to add more as BUMDes develops.

2. There is no wage system that attracts residents to contribute as BUMDes employees. With product improvement and financial stability, it can be improved.

3. Since the current operational processes of the business unit do not require special skills, there is no training system designed to improve employee skills. Can cooperate with universities to get training to improve employee skills

CONCLUSION

BUMDes Bonto Sunggu Manai in Sunggumanai Village, Gowa Regency, South Sulawesi, was established in 2017 with the hope of making a positive contribution to the village community and increasing village income. This BUMDes aims to create job opportunities and reduce unemployment by utilizing the village's natural resources and the creativity of residents. In carrying out its operational activities, this BUMDes uses simple management with a limited number of managers, production employees, and distribution employees.

In order to increase BUMDes revenue and its contribution to Village Original Income, it is necessary to improve BUMDes management strategies. This includes updates to the BUMDes management system, including financial management, marketing, production, distribution, and human resources. However, this study cannot analyze the relationship between BUMDes and Village Original Income due to limited access to village government financial data.

To support the development of BUMDes, the village government needs to pay more attention and allocate operational budgets through the village government budget. Citizen participation in the development of BUMDes also needs to be encouraged, both in the form of purchasing products and becoming employees. Coordination between BUMDes managers and Business Units also needs to be improved through periodic evaluations and cooperation to ensure the smooth running and development of BUMDes.

REFERENCE

Anwar, Cahiril, dkk. (2012). Analisis Penggunaan Anggaran Biaya Administrasi Umum Dan Efisiensi Terhadap Peningkatan Kinerja Supervisor. *JURNAL Akuntansi & Keuangan*, Vol. 3, No. 1, Maret 2012, hlm. 139-152.

- Birnberg, J., Luft, J., & Shields, M. D. (2006). Psychology Theory in Management Accounting Research. Handbook of Management Accounting Research. Elsevier.
- Copra, S., & Meindl, P. (2010). Supply Chain Management: Strategy, Planning and Operation. Edisi ke-4. NJ: Pearson Education
- Dewi, A. S. K. (2014). Peranan Badan Usaha Milik Desa (Bumdes) sebagai Upaya dalam Meningkatkan Pendapatan Asli Desa (Pades) serta Menumbuhkan Perekonomian Desa. Journal of Rural and Development, Volume V, No. 1, Februari 2014
- Dewi, A. S. K. (2014). Peranan Badan Usaha Milik Desa (BUMDES) Sebagai Upaya Dalam Meningkatkan Pendapatan Asli Desa (PADes) Serta Menumbuhkan Perekonomian Desa. Journal of Rural and Development, Vol. 5, No. 1.
- Harmono. (2009). Balance Scorecard-Based Financial Management: Theory, Cases, and Business Research. Jakarta: PT Bumi Aksara.
- Hidayat, A. B., & Fanida, E. H. (2016). Management Strategies of Village-Owned Enterprises (BUMDES) in Developing Surya Sejahtera BUMDesa in Kedungturi Village, Taman District, Sidoarjo Regency. Publika Journal of Public Administration. Vol. 4, No. 9.
- Keputusan Kepala Desa Kerten Nomor 03 Tahun 2017 Tentang Penetapan Kepengurusan Bumdesa Ngudi Mulyo Desa Kerten, Kecamatan Gantiwarno
- Keputusan Menteri Perindustrian dan Perdagangan Republik Indonesia Nomor 651/Mpp/ Kep/10/2004 Tentang Persyaratan Teknis Depot Air Minum Dan Perdagangannya Menteri Perindustrian Dan Perdagangan Republik Indonesia
- Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Republik Indonesia Nomor 4 Tahun 2015 tentang Pendirian, Pengurusan Dan Pengelolaan, dan Pembubaran Badan Usaha Milik Desa
- Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Republik Indonesia Nomor 4 Tahun 2015 tentang Pendirian, Pengurusan dan Pengelolaan, dan Pembubaran Badan Usaha Milik Desa.
- Peraturan Pemerintah Republik Indonesia Nomor 72 Tahun 2005 tentang Desa
- Pujawan, I. N. (2005). Supply Chain Management. Surabaya: Guna Widya
- Ramadana, Coristya Berlian, Heru Ribawanto dan Suwondo. 2013. Keberadaan Badan Usaha Milik Desa (BUMDES) Sebagai Penguatan Ekonomi Desa (Studi di Desa Landungsari, Kecamatan Dau, Kabupaten Malang). Jurnal Administrasi Publik. Vol. 1 No. 6. Hal 1068-1076
- Sartono, R Agus. 2017. Manajemen Keuangan Teori dan Aplikasi. Yogyakarta: BPFE
- Wijayanti, A. W., Rahman, M., & Muluk, K. (2012). Perencanaan Anggaran Berbasis Kinerja di Kabupaten Pasuruan. Jurnal Wacana, Vol. 15, No. 3