

## The Role of the Village and Community Empowerment Service in the Development of Village Owned Enterprises (BUMDes) in North Labuhanbatu Regency

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### Abstract

*This research aims to find out the role of community and village empowerment agencies in the development of BUMDes in North Labuhanbatu Regency. As an office that handles about villages, community and village empowerment agencies have the task of carrying out training, coaching, and mentoring to the development of BUMDes. The formulation of this research problem is "whether the role of training, coaching and mentoring affects bumdes development in North Labuhanbatu Regency. In this study, data was collected through questionnaire methods of 74 BUMDes administrators to find out respondents' responses to each variable. Then an analysis of the data obtained in the form of validity and rehabilitation tests, classical assumption tests, multiple regression analysis, simultaneous hypothesis tests, partial hypothesis tests and coefficients of determination. The results of this study are: partial test that the variables of training, coaching and mentoring have a positive and significant effect on the development of BUMDes, while simultaneous tests that the variables of training, coaching and mentoring together have a significant effect on the development of BUMDes in North Labuhanbatu Regency.*

### Keywords

training; coaching;  
mentoring; bumdes  
development



## I. Introduction

BUMDes is a village business institution that is managed by the community and village government in an effort to strengthen the village economy and build community social cohesion which is formed based on the needs and potential of the village. In addition, BUMDes also acts as a social institution that favors the interests of the community through its contribution to the provision of social services. Village potentials that deserve to be developed and managed by BUMDes are rural community businesses that have not been managed optimally and the rural resources owned by the village.

North Labuhanbatu Regency, which is one of the regencies with economic growth that has not reflected success, even in 2015 it was 5.18% while in 2019 it decreased to 5.15%, continues to try to support economic growth through sectors such as trade, services, tourism and industry, by strengthening and empowering the economy of rural communities through village-owned enterprises (BUMDes). The establishment of BUMDes in North Labuhanbatu Regency is based on North Labuhanbaru Regent Regulation Number 26 of 2018 concerning procedures for establishing Village-owned enterprises, Article 2 that the establishment of BUMDes is intended as an effort to accommodate all activities in the economy and or public services managed by the village or cooperation between village.

Establishment, establishment of business establishments and determination of BUMDes management carried out by the Village Government through Village Deliberations, which are then determined through Village Regulations. In article 34, the initial capital for Village-Owned Enterprises comes from the APBDes which is stipulated by Village Regulations through Village Consultations. The amount of the Village Fund that has been distributed by the Village Government to BUMDes management in North Labuhanbatu Regency from 2016 to 2020 for 57 BUMDes is as follows:

**Table 1.** The Amount of Transfer of Village Funds (DD) That Becomes the Initial Capital of BUMDes from the Village Government to the Management in North Labuhanbatu Regency

No	Fiscal year	Capital Transfer	PADes
1	2016	Rp 58.000.000	Rp 6.149.900
2	2017	Rp 449.892.900	Rp 3.052.000
3	2018	Rp 3.540.512.710	Rp 7.420.000
4	2019	Rp 7.524.859.010	Rp 79.458.178
5	2020	Rp 4.327.832.693	Rp 111.363473
<b>Total</b>		<b>Rp 15.901.097.313</b>	<b>Rp 197.443.551</b>

Source: North Labuhanbatu Regency Community and Village Empowerment Service, March 2020

Looking at the data above, regarding the transfer of BUMDes capital and PADes results in North Labuhanbatu Regency, from 2016 to 2020 they were not able to achieve the expected results or PADes. The amount of funds that must be managed by the BUMDes Management has a fairly high risk in its management. This can be due to the lack of adequate human resources as BUMDes administrators. Based on information from the Head of the Village Economic and Community Empowerment Section of the PMD Office of North Labuhanbatu Regency, this happened during the implementation in the field, which did not match the planning process with the implementation of BUMDes, the problems that often occur include:

- 1) In the implementation of BUMDes Business, there is still interference from the Village Head, if it refers to Regent Regulation Number 26 of 2018, BUMDes is an independent organization whose organizational structure is separate from the Village Government.
- 2) The establishment and determination of the type of BUMDes business does not go through the proper mechanism so that the business being carried out is only seen as modest.
- 3) Human resources as BUMDes management are not adequate and have a business spirit.
- 4) Preparation of Accountability Reports (SPJ) for irregular use of BUMDes funds, where every purchase of goods or services is not accompanied by clear proof of receipt.

Regarding the problems above, in order to improve and optimize the development of BUMDes, the North Labuhanbatu Regency Government in this case the Community and Village Empowerment Service has the task of developing BUMDes, providing training, mentoring, and fostering the implementation of management and use of BUMDes capital. In accordance with the North Labuhanbatu Regent Regulation Number 37 of 2016 concerning the position, organizational structure of tasks and functions as well as the work procedures of the regional apparatus which are listed in the attachment to the main tasks and functions of the Village Community Empowerment Service, Section for Community

Empowerment and the Village Economy, namely: “Composing formulation materials and implementing training activities, fostering, mentoring and developing microfinance institutions, developing family economic businesses and village-owned enterprises”. The role held by the Community and Village Empowerment Service has been held continuously in all fields, for example from the field of financial reporting, management and marketing to create reliable human resources in entrepreneurship. However, what has been done by the Community and Village Empowerment Service is considered to be very minimal so that many BUMDes with business units have a gray direction, resulting in many BUMDes whose businesses are suspended.

## **II. Review of Literature**

### **2.1 Village Owned Enterprises (BUMDes)**

In Law Number 4 of 2015 concerning the Establishment, Management and Management, and Dissolution of Village-Owned Enterprises, it is stated that Village-Owned Enterprises, hereinafter referred to as BUMDes, are business entities whose entire or most of the capital is owned by the Village through direct participation which derived from Village assets which are separated to manage assets, services. In article 1 number 4 of the Regulation of the Minister of Home Affairs Number 39 of 2010 concerning Village-Owned Enterprises, BUMDes is defined as follows: Village-Owned Enterprises, hereinafter referred to as BUMDes, are village businesses formed/established by the village government whose capital ownership and management carried out by the village government and the community.

The principles of BUMDes management are important to be elaborated or described in order to be understood and perceived in the same way by the village government, members (capital participants), BPD, Regency Government, and the community. There are 6 (six) principles in managing BUMDes, namely: Cooperative, Voluntary, Emancipatory, Transparent, Accountable and Sustainable. The four main objectives in the establishment of BUMDes are: a. Improving the village economy, b. Increase the village's original income, c. Improving the processing of village potential in accordance with community needs, d. Become the backbone of rural economic growth and equity.

### **2.2 Role**

Role is a concept of what individuals can do in society as an organization. Role can also be said as individual behavior that is important for the social structure of society (Soekanto, 2003:244 in Widodo, 2009:9). Each role aims so that between the individual who carries out the role and the people around him who are involved, or have something to do with the role, there is a relationship that is regulated by social values that are accepted and adhered to by both parties. A role includes at least 3 things, namely: a. Roles include norms associated with a person's position or place in society; b. Role is a concept of what individuals can do in society; and c. Role can be regarded as individual behavior that is important to the social structure of society (Hendropusprio).

### **2.3 Coaching**

According to Masdar Helmi, coaching is all business, endeavors and activities related to planning and organizing and controlling everything in an orderly and directed manner. Coaching can also be interpreted: "assistance from a person or group of people addressed to another person or group of people through coaching materials with the aim of

developing abilities, so that what is expected is achieved. From some of the definitions above, it can be understood that in coaching there are elements of goals, materials, processes, methods, renewal, and coaching actions. There are two elements of this understanding, namely coaching itself can be an action, process, or statement of a goal, and both coaching can point to "improvement" of something. The general objectives of coaching are as follows:

- 1) To develop skills, so that workers can complete their work faster.
- 2) To develop knowledge, so that workers can complete their work rationally, and
- 3) To develop attitudes, so as to create a willingness to cooperate with fellow employees and with good management (leaders).

## **2.5 Mentoring**

According to the Ministry of Agriculture (2004), mentoring is an activity in community empowerment by placing assistants who act as facilitators, communicators and dynamists. Mentoring is generally an effort to develop the community in its various potentials. What is meant by mentoring Village Owned Enterprises is the activity of strengthening the organization, institution and business by the Facilitator of BUMDes management so as to increase the productivity and competitiveness of BUMDes so that they are able to grow into a sustainable business on a larger scale. BUMDes assistants are trained personnel in charge of strengthening the management in overcoming problems. Mentoring is a common strategy carried out by institutions, both government agencies, private sector and NGOs to support the success of the program.

## **2.6 Development of BUMDes**

Development is a systematic and continuous effort made to realize something that is aspired. Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired. In addition, development is also very dependent on the availability of natural resource wealth. The availability of natural resources is one of the keys to economic growth in an area. (Shah, et al. 2020)

According to Suharto Prawirokusumo, the benchmark for the level of success and development of small companies can be seen from the increase in sales turnover. The benchmark for business development must be a measurable parameter so that it is not relative or even virtual which is difficult to account for. The more concrete the benchmarks, the easier it is for all parties to understand and justify the achievement of these successes. The Business Development Indicators are: 1. Business capital, 2. Sales turnover, 3. Business Profit, 4. Labor, 5. Business Branch.

## **III. Research Methods**

This research uses quantitative methods and was conducted at the Department of Community and Village Empowerment, North Labuhanbatu Regency, Jalan Captain H. Rananen Y Damuli Kebun, Kualuh Selatan District, North Labuhanbatu Regency. To obtain accurate data in this study, the data collection techniques used by researchers are: Questionnaire (questionnaire), Interview, Observation and Documentation. Methods of Analysis The method used in this study is multiple linear regression analysis using the SPSS (Static Package for Social Science) program.

## **IV. Results and Discussion**

### **4.1. The Role of Training in the Development of Bumdes in North Labuhanbatu Regency**

The results of the study indicate that training (X1) has a significant positive effect on the development of BUMDes (Y) in North Labuhanbatu Regency. The better the training carried out by the PMD Office, the better the development of each village-owned enterprise. This is evident in the tcount value of the training variable 3,586 which is greater than ttable 1,672 with a significance value of 0.001 less than 0.05 or 5%, this means that the development of Village-Owned Enterprises in North Labuhanbatu Regency is influenced by training carried out by the Community and Village Empowerment Service.

The confirmation results show that the results of tabulation of respondents' answers for indicators of training methods are 59.14% of respondents stated that they do not agree with the one-way training method, which is not in line with the expectations of the training participants and is in accordance with real conditions in the field. Therefore, efforts need to be made, namely by evaluating the methods used in the training, for example by grouping the training participants according to the type of business and training needs in each BUMDes and dividing into small groups so that the training materials and objectives can be understood by the trainees.

Because in this study training has a positive and significant effect on the development of village-owned enterprises in the North Labuhanbatu Regency Government, therefore efforts need to be made by the Community and Village Empowerment Office of North Labuhanbatu Regency to improve training for village-owned business entities in collaboration with the others who are competent in the field of economic development. Training that is carried out optimally and continuously periodically can improve the skills, insight and experience of BUMDes administrators in the context of developing BUMDes into independent BUMDes, and vice versa if the training carried out is not good and not on target it will reduce the level of development of BUMDes which will eventually reduce the quality of management and BUMDes.

### **4.2. The Role of Guidance on the Development of Bumdes in North Labuhanbatu Regency**

The results of the study indicate that coaching (X2) has a significant positive effect on the development of BUMDes in North Labuhanbatu Regency. The better the coaching carried out for the BUMDes management, the better the development of the BUMDes, both in terms of management and income. This is evident in the tcount value of the work environment variable which is 3,340 which is greater than ttable of 1,672 with a significance value of 0.003 which is less than 0.05 or 5%. This means that the development of BUMDes in North Labuhanbatu Regency is also influenced by the guidance carried out by the PMD Office to the BUMDes management.

From the results of the tabulation of respondents' answers, it is known that each question given to the respondent has an average positive answer to the coaching variable, but there are still question items that have a negative value given by the respondent. Question X.4 regarding the indicators of the coaches is "Does the coaches routinely evaluate and monitor BUMDes". From the questionnaires distributed, there were still respondents who expressed their disagreement with this matter, where there were 5 respondents (8.77%) who disagreed. This means that evaluation and monitoring in terms of fostering BUMDes in the North Labuhanbatu Regency Government is still not optimal so that many BUMDes feel that their progress has not been monitored.



Because in this study, coaching has a positive and significant impact on the development of BUMDes, it is necessary to make efforts to maintain and improve the development of existing BUMDes in North Labuhanbatu Regency, because the better the development of existing BUMDes can increase the level of development of existing BUMDes both in self development. management or business unit development and income generation. On the other hand, the lack of good guidance carried out in the North Labuhanbatu Regency Government Environment can reduce the level of development of BUMDes which will ultimately reduce work results and income.

#### **4.3. The Role of Assistance in the Development of Bumdes in North Labuhanbatu Regency**

The results of the study indicate that mentoring has a significant positive effect on the development of BUMDes in North Labuhanbatu Regency. The better the implementation of assistance received by the BUMDes management, the better the development of BUMDes. This is evidenced by the tcount value of discipline 2.464 which is greater than ttable of 1.672 with a significance value of 0.029 which is smaller than 0.05 or 5%. This means that the development of Village-Owned Enterprises in North Labuhanbatu Regency is also influenced by the level of assistance provided by the Community and Village Empowerment Service to the BUMDes management.

From the results of the tabulation of respondents' answers, it is known that each question given to the respondent has an average positive answer to the mentoring variable, but there are still question items that have a negative value given by the respondent. Question X.4 regarding indicators of strengthening is "Are regular meetings held in mentoring". There are still many respondents who stated that they did not agree with this matter, where there were still 20 respondents (35.08%).

In this study, it was found that mentoring had a positive and significant effect on the development of village-owned enterprises. Therefore, the North Labuhanbatu Regency Government through the Community and Village Empowerment Service pays more attention to the pattern of assistance provided to BUMDes management, both financial assistance and non-financial assistance. Financial statements are basically a source of information for investors as one of the basic considerations in making capital market investment decisions and also as a means of management responsibility for the resources entrusted to them (Prayoga and Afrizal 2021) Where assistance will increase the satisfaction that exists within a manager, and vice versa if the assistance received by the BUMDes management has not been able to meet the needs and is not in line with expectations, it can reduce the development of BUMDes which will ultimately reduce the work results and income of BUMDes.

#### **4.4. The Role of Training, Guidance and Assistance in the Development of Bumdes in North Labuhanbatu Regency**

The results of the study indicate that the training, coaching and mentoring carried out by the PMD Service simultaneously (together) have a positive and significant effect on the development of Village-Owned Enterprises in North Labuhanbatu Regency. This is evident in the Fcount value of 5,829 which is greater than Ftable 2.77 with a significance value of 0.000 less than 0.05 or 5%. So the null hypothesis is rejected, which means that there is an effect of training, coaching and mentoring simultaneously on the development of Village-Owned Enterprises in the North Labuhanbatu Regency Government. Where the large influence of the variables of training, coaching and mentoring on the development of village-owned enterprises in North Labuhanbatu Regency is 37.1% while the remaining 62.9% can be explained by other variables not examined in this study.

The development of BUMDes which is a form of business itself that is carried out so that it can become better and can reach one point or peak of success. In addition, for the management of village-owned enterprises, development is also an improvement in the attitudes, skills and abilities that have been obtained in carrying out daily tasks. The positive attitude shown in working and managing a business unit will provide an overview of the level of development of a business unit. Managers who have received training, coaching and mentoring will contribute to optimal performance in increasing the income and development of village-owned enterprises.

Seeing the importance of this, it is necessary to make efforts to increase the development of BUMDes in the North Labuhanbatu Regency Government. Because in this study it was concluded that training had a positive and significant effect on the development of BUMDes, coaching had a positive and significant effect on the development of BUMDes and mentoring had a positive and significant effect on the development of BUMDes. So the North Labuhanbatu Regency Government needs to make efforts to improve training, coaching and mentoring, because these variables have been proven to have an effect on the development of Village Owned Enterprises in the North Labuhanbatu Regency Government Environment.

## V. Conclusion

- 1) The results of the partial test of the training variable obtained the value of  $t_{count} (3,586) > t_{table} (1,672)$  so that  $H_{o1}$  was rejected and  $H_{a1}$  was accepted. The acceptance of  $H_{a1}$  means that the training has a positive and significant effect on the development of Village Owned Enterprises in North Labuhanbatu Regency.
- 2) The results of partial testing of the coaching variable obtained the value of  $t_{count} (3,340) > t_{table} (1,672)$  so that  $H_{o2}$  was rejected and  $H_{a2}$  was accepted. With the acceptance of  $H_{a2}$ , it means that coaching has a positive and significant impact on the development of Village Owned Enterprises in North Labuhanbatu Regency.
- 3) The results of the partial test of the mentoring variable obtained the value of  $t_{count} (2,464) > t_{table} (1,672)$  so that  $H_{o3}$  was rejected and  $H_{a3}$  was accepted. The acceptance of  $H_{a3}$  means that assistance has a positive and significant impact on the development of Village Owned Enterprises in North Labuhanbatu Regency.
- 4) Based on the results of simultaneous testing of training, coaching and mentoring variables on the development of village-owned enterprises in North Labuhanbatu Regency, the  $F_{count}$  value (5,829) is greater than  $F_{table} (2,77)$  so that  $H_{o4}$  is rejected and  $H_{a4}$  is accepted, which means simultaneously there is an effect which is significant from the independent variable (training, coaching and mentoring) to the dependent variable (BUMDes development).
- 5) The influence of leadership, work environment and compensation variables on employee job satisfaction in North Labuhanbatu Regency is 37.1%, while the remaining 62.9% can be explained by other variables not examined in this study.

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