

Community Entrepreneurship Collaboration and Village Leadership: The Key to Successful Village-Owned Enterprises Management in Malang

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ABSTRACT

Village leadership's perception of establishing a productive society, associated with the widespread formation of local potential-based economic institutions, has resulted in the development of a well-developed Village Owned Enterprise (BUMDES). The purpose of this study is to demonstrate how the management process of this institution can be used to assist SME actors in capitalizing on local potential and growing their businesses profitably. Aspects of the pioneering process, the characterization of organizational culture, and the role of various contributing institutions would be examined. The research approach was a qualitative case study of data mining via in-depth interviews and documentation studies; data validation was accomplished through triangulation of sources and techniques; and analysis was accomplished through the use of the six simultaneous stages of data mining, which include approach, excavation, deepening, matching, meaning, and presentation. The findings indicated that village leaders' involvement was critical to the operationalization success, through content training to increase awareness and technology, socialization, citizen interaction, intensive assistance to administrators, and mobilization of women's community empowerment. Through the intensity of interactions initiated by institutional top leaders, an entrepreneurial work culture accelerates the formation of productive interaction patterns.

Keywords: *Working culture, Village leader initiative, Village-owned enterprises management*

1. INTRODUCTION

Indonesia is an archipelago country with a sizable human resource base spread across 34 provinces. East Java Province has a sizable population, as evidenced by the Central Statistics Agency's 2017 estimate of 39,292,972 people in East Java. This figure has increased from 0.56 percent the previous year. The Indonesian government faces a challenge in terms of human resources. One of the issues that continues to be an impediment, particularly in the government of East Java Province, is unemployment. Large human resources do not guarantee an area's progress, as not all human resources are educated to the same level. The increasing level of competition, particularly in the economic sector, means that no individual can always rely on the government, particularly when it comes to job opportunities. We should prepare ourselves to be entrepreneurial forerunners. [10] state that in order to be an entrepreneur, we must have an entrepreneurial

mindset and entrepreneurial motivation, which is why entrepreneurship education and training are deemed critical.

The development of a rural entrepreneurial culture is one of the initiatives underway, beginning with university involvement in the expectation of motivating individuals to create jobs and possess an entrepreneurial mindset and values. The critical nature of entrepreneurship education in the modern era is, according to [7] research, the development of entrepreneurship resulted in the digital era; therefore, it is envisioned that each individual will recognize the importance of a creative economy and the importance of entrepreneurship in all other areas of education in an effort to instill an entrepreneurial spirit in each individual. One of the efforts made in entrepreneurship education is through practice in the form of creating and selling their own products. The expectation is that it will help each individual develop entrepreneurial

abilities and seize opportunities. However, this is not always the case; this is consistent with the findings of [11] research that students have entrepreneurial attitudes but are unable to capitalize on business opportunities that exist around them due to the constraints of the 2013 curriculum. This research is also supported by [12] findings that entrepreneurial attitudes and values are still considered impractical and have not been adequately formed as a result of a shortage of entrepreneurial information for students. Additionally, it was stated that entrepreneurship education continues to face challenges due to the difficulty of instilling entrepreneurial attitudes and the effects of diverse cultures on each individual. et al., [5]. Additionally, [13] research discovered a mismatch between expertise and entrepreneurial education and training, as well as a lack of facilities, making it difficult to instill entrepreneurial values in SMK (Vocational High School) students. This is also relevant to the trainings that are typically conducted within an organization, but do not take into account the capabilities and interests of human resources. As a result, entrepreneurial education is critical at all levels of education, both formal and informal. This opinion is backed up by the findings of [15], who discovered that when entrepreneurship training is tailored to the required abilities and accompanied by tutors who adhere to established standards, it improves community welfare and significantly reduces unemployment.

Entrepreneurship education can take place in a variety of settings, including formal classroom settings and non-formal settings such as participation in organizations, training, and seminars that promote entrepreneurship education. According to [8], the appropriate entrepreneurship training coupled with the appropriate learning model will result in a synergy between knowledge and the real world encountered by the community, while group assignments can stimulate individuals to think and generate creative and innovative ideas that is deserving of commercialization. Thus, any resident, particularly in East Java, can begin receiving entrepreneurial education. Given the community's easy access to government and organizations that can consult on their business and others.

Village-Owned Enterprises (BUMDesa) is one of the government-established institutions tasked with the responsibility of creating jobs and enhancing the welfare of rural communities. With the Village Minister Regulation No. 4 of 2015, the existence of BUMDes in East Java is further strengthened. BUMDes is a government-sponsored institution tasked with optimizing village assets in order to generate benefits for rural communities and thus raise the standard of living in underdeveloped rural

communities. However, inviting residents to participate in BUMDes activities is not easy, as evidenced by the findings of [6], who found that residents' initiative in understanding and expressing opinions on BUMDes forums is still lacking, requiring the establishment of community institutions/organizations that support business BUMDesa. Along with the obstacles posed by a lack of community initiative in expressing their views, one factor affecting BUMDes is the local community's cultural values. [1] research indicates that cultural values have a positive and significant effect on entrepreneurial orientation and organizational performance. Along with influencing the public's perception of entrepreneurship and the organization, the community's cultural values can also serve as a point of differentiation for BUMDes from other organizations.

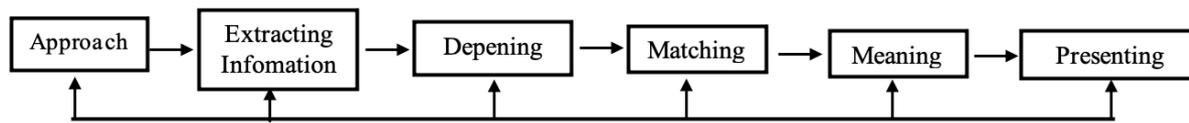
BUMDesa Maju Bersama was founded in 2015 in Malang Regency's Singosari District. Originally, this institution was comprised of associations of individual residents, such as community centres, women's cooperatives, and savings and loan associations. Then, after the village recognized that the community's potential required a channel for its activities, a BUMDes was established with the mission of marketing all community products, facilitating all community institutions, and enhancing the village's economy. Following that, village regulations and decrees establishing BUMDes were issued, followed by AD/ARTs establishing management and business fields. BUMDesa Maju Bersama operates a Sareko Mart store, a UPKD branch and a BNI 46 agent, a Waste Bank branch, a Saprotan branch, a Berseri branch, a Tirta Husada health branch, a Taman Dolan branch, a Pokdarwis branch, and a Pujasera Kembang Banyu branch.

Interestingly, this BUMDes has managed its organization effectively since its commencement; it is these management processes that are noteworthy. Enhancement of performance This institution continues to crawl in order to manage the village's various potentials; indeed, the village's newest Food Court is about to open. This study seeks to understand how the management model of this type of institution can thrive when the same institution cannot make a positive contribution to the surrounding community in many villages.

2. METHOD

This was a descriptive qualitative study; data were gathered through non-participant observation, in-depth interviews, and document review. The research was being conducted at BUMDes Maju Bersama in Malang Regency, East Java. As many as nine informants were gathered from primary sources, which included village officials, administrators, small and medium-sized businesses, and community leaders. Secondary stakeholders include institutional partners and non-commercial actors. The dimensions examined range from the conception of an idea to its formation, management, and ultimate success.

Figure 1. (6P) Data Analysis Process



The data analysis process was sequential, following the 6P of [13] stages of approach, excavation, deepening, matching, meaning, and presentation.

3. RESULT AND DISCUSSION

3.1 The role of parties with an entrepreneurial mindset

According to research, the success of BUMDes management begins with the Village Head's policies guiding its management. The selection of the appropriate management and commitment is critical to the organization's success; effective communication between the two parties has resulted in community support, particularly from business activists in the village concerned. The outcome of the two parties' collaboration in real-world activities is in the form of organizing training and socialization related to entrepreneurial management content, which is followed by the management's participation in exhibitions, competitions, and expos, which then disseminates the experience to the public. This activity is deemed meaningful because the information is presented by individuals with greater experience in the subject being taught. Management receives training in the form of training debriefings tailored to the unit being taught. Since the planning began, collaboration between all parties involved has increased public interest in participating, as well as good cooperation between administrators via peer tutors, which has proven to be beneficial for the success and performance evaluation of business units. While efforts to educate the community about entrepreneurship include the following:

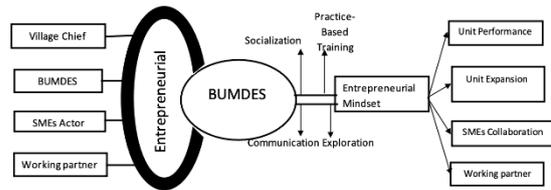


Figure 2. The Role of Parties with an Entrepreneurial Mindset

Additionally, the research findings indicate that all administrators and village residents understand the value of entrepreneurship as a means of fostering multi-stakeholder cooperation. On the other hand, the inspiration of establishing an institutional forum aimed

at integrating all community activities and enhancing community efforts to manage the village's economic potential has grown previously; with the presence of village leadership figures and several individuals willing to sacrifice their time and resources, this institution can thrive. Thus, it is consistent with the views of numerous organizational and entrepreneurial experts that if individuals are brave enough to take risks in the business and social activities they pioneer, they will develop, as well as [2], who stated that business activities will be successful if decision makers are courageous with their calculations.

The results of the data analysis also indicate that the training provided to management is relevant to the field of the supported business unit, such as stock taking, bookkeeping, arrangement/display, introduction of business instruments, warehousing, waste sorting, waste processing, and establishment of waste bank organizations. Training was provided to the community on waste recycling, decopage, ecobridge, knitting, and beading. According to [11] research, entrepreneurship education is education that applies principles and methodologies to the internalization of values in its students through an integrated curriculum that incorporates community developments and the use of models and methods; strategies for learning that are directly related to the learning objectives themselves. The training's content must also focus on enhancing participants' ability to apply science and technology to their business plans [8].

The purpose of empowerment is to transform BUMDes into a platform for the growth of productive community activities. Additionally, it is conducted extensively through community activity groups such as PKK (Family Welfare Program), tahlilan (communal prayer), social gatherings, and community

consultations. This is one of the strategies used to educate students about entrepreneurship. This is relevant to the research of [10], who assert that the community's apathy may be a result of a lack of understanding of their own knowledge and abilities for utilizing the potential of their surroundings.

3.2 Establishing Organizational Culture

The findings indicated that organizational culture is formed through personal determination, setting an example, consistent social interaction, implementing training, and peer tutoring. The social interaction content focuses on increasing awareness of the community's value and on the importance of entrepreneurship in collectively improving the quality of life, rather than on individual self-importance. This characterization by management begins with each member who decided to join the community; an awareness of the value of collaboration and the development of an entrepreneurial spirit serves as the foundation for developing an organizational culture that he refers to as a productive community. The principle of awareness from the start for each member appears to be consistent with [14] assertion that entrepreneurial values must be built and understood from the start by the entire community in order to create self-sufficient villages and successful BUMDes.

This result also demonstrates that developing organizational culture in BUMDes begins with developing values, specifically how management and members share a commitment to developing themselves and the organizations they support. According to Rockeach in [11], there are two concepts of value: value as ideas an individual owns and value as ideas associated with objects. Community cultural values will flourish if one segment of the community already possesses values that can be supplemented with collaborative values taught by the organization.

The community's potential supporters, and this is the critical capital, generally have strong cultural values, most notably good neighborliness. Additionally, empowerment is always carried out through the involvement of women and intense attention, which results in residents being extremely enthusiastic and open to submitting suggestions and criticisms from the community. This finding is consistent with Jiwa and [1] findings that cultural values have a significant positive effect on entrepreneurial orientation and can also serve as a point of differentiation.

Administrators and the community are instilled with values such as cooperation, creativity, innovation, honesty, the ability to accomplish the field in which they work, responsibility, tenacity, the ability to see opportunities, and independence. The field findings corroborate [3] findings that the primary

values necessary for developing an entrepreneurial spirit are independence, creativity, risk taking, action orientation, leadership, hard work, honesty, discipline, innovation, responsibility, and cooperation. Additionally, other findings indicate that commitment to achieving common goals is critical for the development of a conducive culture within this economic institution and this was accomplished successfully because the organization was led by an accommodating and creative leader.

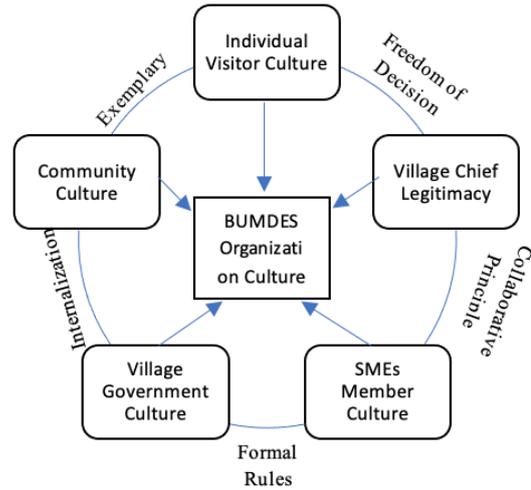


Figure 3. BUMDes Organization Culture

This confirms [13] assertion that developing a business organizational culture must begin with the management team who embodies one of the primary values, particularly regarding maintaining good relations with everyone; this view is consistent with observations made in the field regarding how management conducts monthly meeting activities and disseminate acquired knowledge. Additionally, culture is defined by the presence of village leaders who serve as role models for resolving issues in BUMDes by accepting criticism and suggestions directly or through social media. Cooperation among citizens is also one of the characteristics and values that contribute to the maintenance of good neighborly relations. Values are indeed required for mass cultivation if the village community is to develop, and as Srihatmoko & Harsono (2017) believe: every value, particularly business and entrepreneurial culture, is formed from the individual, then the family, and finally the community. The findings in the field illustrate a personal picture of people who are enthusiastic and feel positive when training and social development are conducted to the community regarding all BUMDes programs. Meanwhile, the family demonstrates support for efforts to instill entrepreneurial values, as evidenced by the number of families that have joined and become members of the waste bank and

experienced the benefits, specifically the money generated from trash collection every two weeks, which will be distributed during Ramadan fasting. This habit is inextricably linked to the culture that has been established, specifically belief and trust. [9] identifies this as one of the factors that contribute to success, along with ability and willingness, determination and hard work, and opportunity and opportunity. The culture that has developed is increasingly defined by real activities that are frequently carried out in accordance with a predetermined schedule of activities and by residents' active participation, as it is discovered that whenever a new business unit opens, it always involves residents who are expected to benefit from the business. The culture that has been established has also shaped public trust in the institution, ensuring that the formed business units always receive genuine community support.

4. CONCLUSIONS

Rural communities can progress through community-based business activities; in terms of institutional development, BUMDes is a forum that holds promise if managed properly. This institution is a collaboration between the village government, specifically the village, and individuals who have both a social and business vision. The village's highest leadership, who have an entrepreneurial mindset, collaborating with the BUMDes management, who also have an entrepreneurial mindset, is critical to its success. The organizational culture that is developed becomes the primary factor in determining the success of the newly formed business unit. This culture can be developed through exemplary, ongoing socialization and training on the subject of community business targeting community groups, as well as the introduction of supporting technology.

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