



Measuring BUMDes Performance to Optimize Village Economic Growth

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ABSTRACT

A village with evenly distributed economic growth is an achievement in itself, as seen by the presence of BUMDes. This does not work easily, there are deficiencies and limitations so that the existence of BUMDes can make a positive contribution to a more independent village and grow its economy. The research objective is to measure the performance of BUMDes. The object of research is BUMDes Delta Mulia in the village of Panempan Pamekasan. The research method is in the form of quantitative descriptive using a combination of analysis Malcolm Baldrige and Du Pont System in producing BUMDes performance analysis. The results of the research show that the financial aspect resulted in a decrease in performance from 2018 to 2021. The average calculation shows a result of 28.38% where this figure is below the 30% standard, which means that the performance is not optimal. From the non-financial aspect, it generates 844 points out of a maximum total of 1000 points which means that BUMDes performance is in the Benchmark Leader criteria. From the results of this study, BUMDes can carry out performance evaluations, especially on financial aspects so that their performance is better and as good as performance on non-financial aspects

Keywords : Malcolm baldrige, Du pont system and BUMDes performance

INTRODUCTION

Being a village where the economy grows evenly is a separate achievement for the success of a village. This can be seen from the existence of an independent business entity owned by the village in the form of a Village Owned Enterprise (BUMDes). With the creation of increased welfare, it will have an impact on the village economy which continues to run until village development continues to grow. Of course this does not go easily because the potential of each village is different, there are shortcomings and limitations that are owned by the village so that the existence of these BUMDes will be a positive contribution to making a village more independent with all its shortcomings and can grow economically. These shortcomings and limitations are not a barrier, but make these BUMDes run more optimally by thinking about all the strategies that can be done according to the existing potential. This is the result that is different (unique) in each village in running the BUMDes. The success of a BUMDes in running its business entity can be seen from several dimensions including: 1. BUMDes becomes a village business entity; 2. BUMDes become the driving force of the village economy; and 3. BUMDes became a village economic system. With these dimensions, it can be translated into an indicator of the success of the BUMDes. The existence of Law article 87 paragraph 3 No. 6 of 2014 provides legal protection so that the position of the business entity is a strong position. Judging from the classification of advanced BUMDes, it must have an

impact on several sectors including: 1. Economic impact; 2. Social impact; and 3. Impact on village development. Where the impact will be felt if the role in running an independent business entity is fully surrendered to the business entity so that the results can meet the achievement targets by using various strategies in carrying it out.

With this background, the author wants to examine the extent to which the performance of BUMDes in a village has an economic impact on the village. It is necessary to conduct more in-depth research considering that the performance of BUMDes in providing an impact is still not optimal. This can be seen from several previous studies including : Anggraeni (2016); Dewi (2014); Darwita and Redana (2018); Sidik (2020); Maulidina, et al (2019); Erisyam, et al (2020) and Susilowati (2020) performance of BUMDes with various analyzes and their.

With the above background, the formulation of the problem in this research is how is the performance of BUMDes Pamekasan by using a combination of analysis from financial aspects (Du pont system analysis) and non-financial (Malcolm Baldrige analysis) in creating equity and optimizing village economic growth? The urgency of this research is feasible to see the performance of BUMDes in the field so that the impact given to the community is not optimal. The purpose of this study is to analyze the extent to which the performance of BUMDes in a village runs optimally by using a combination of analysis from financial aspects (Du pont system analysis) and non-financial (Malcolm Baldrige analysis) so that it has a significant impact on the community and the village, especially on economic sector in order to grow evenly

BUMDes

According to PERMENDAGRI No. 39 of 2010 BUMDes is a village business formed/established by the village government where capital ownership and management is carried out by the village government and the community. According to Article 87 paragraph 3 of Law No. 6 of 2014 concerning the formation of BUMDes based on village regulations, this makes the village able to form an independent business entity that can be a solution to improve the welfare of its people. BUMDes is a village business institution that is managed by the community and village government in an effort to strengthen the village economy and is formed based on the needs and potential of the village. BUMDes was established based on the needs and potential of the village which is an initiative of the village community. This means that the business that will be realized is excavated from the desire and desire to create progress in the village community (Ridlwani, 2015). The existence of BUMDes is also strengthened by Law no. 6 of 2014 articles 87-90, among other things, states that the establishment of BUMDes is agreed upon through village deliberations and is managed in a spirit of kinship and mutual cooperation (Prasetyo, 2016). The objectives of the BUMDes itself are based on the Guide to Establishment and Management of Village Owned Enterprises (PPP BUMDes) (2007) including: 1. Service-Profit-Sustainability; 2. Accountability-Development of Village Assets; 3. Improving the Living Standards of Management-Commissioner-Community; and 4. BUMDes compliance with laws and regulations

Malcolm Baldrige

Criteria Malcolm Baldrige built on a set of values and core concepts that are closely related to one another (Flynn and Saladin, 2001). Core values and concepts are embedded in the beliefs and behaviors that exist in high-performing organizations. These core values and concepts are the foundation for integrating key business requirements into a results-oriented framework and then serve as the basis for acting or receiving feedback. come back. Of the eleven values and core concepts then summarized into seven criteria (Leadership; Strategic planning; Customer focus; Measurement, Analysis and Knowledge Management; Workforce Focus;

Work Operations Focus; and Results) known as the Baldrige Criteria for Performance Excellence. The advantage of the Baldrige is its ability to provide a comprehensive and integrated assessment. Quality measurement using the Baldrige provides an advantage because it allows companies to conduct self-assessments (Gaspersz and Fontana, 2011). The following are the seven criteria described in a framework.

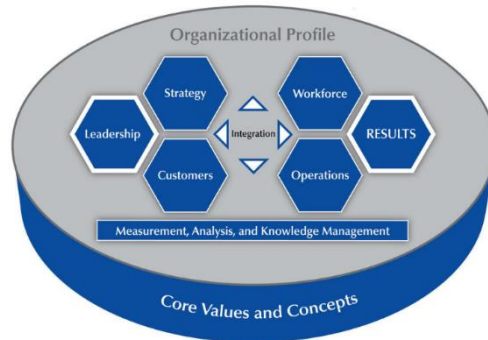


Image 1. Baldrige excellence framework

Besides having complete criteria and in accordance with international standards, Malcolm Baldrige also has dependencies between one criterion and another (Meyer and Collier, 2001).

Du pont system

Du pont system is a method used to assess the operational effectiveness of the company, because in this analysis includes elements of sales, assets that are used and the profit generated by the company (Lianto, 2013). The du pont system which is a tool to provide information on the factors causing the company's performance to fluctuate by looking at the relationship between profits, assets and investments used for the company's return on capital (Tarmizi and Marlim, 2016).

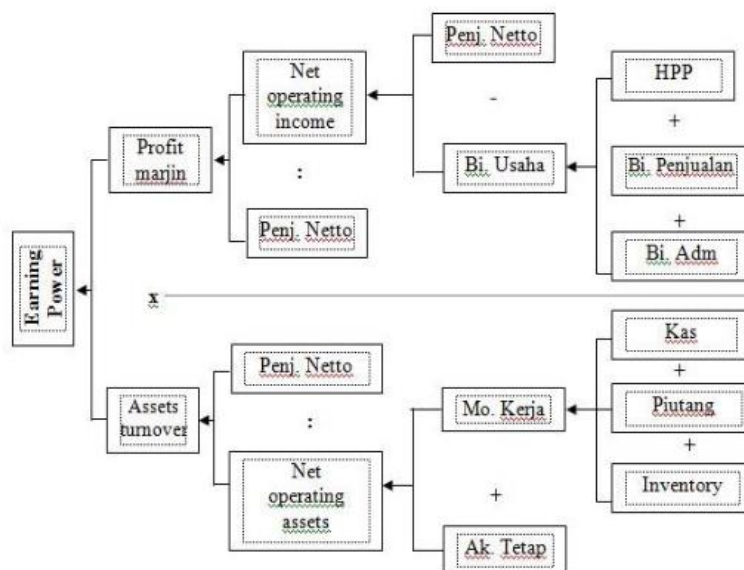


Image 2. Du pont system framework

Measurements using the du Pont system are more detailed because the rate of return on equity is based on net profit margin, asset turnover and equity multiplier. Through this analysis the company can obtain information about performance fluctuating finances (Djaja and Maulana, 2020). Financial statement analysis using du pont is a simpler method but includes comprehensive financial statements which include balance sheets and income statements. However, this analysis still has drawbacks, namely to obtain more detailed data, it is necessary to use other methods to obtain it (Maruta, 2018).

Village Economic

Rural economic growth is often considered slow compared to urban economic development. To improve this, two approaches are needed, namely: 1. Community needs in making changes and preventing unwanted things and 2. Political will and the ability of the village government and the community in implementing the development plans that have been prepared (Bacherin, 2010).

One effort that can be done is to encourage the movement of the village economy through village entrepreneurship, where village entrepreneurship is a strategy in the development and growth of welfare (Ansari, et al, 2013). This village entrepreneurship can be accommodated in BUMDes developed by the government and village communities (Prabowo, 2014).

RESEARCH METHODS

Based on the formulation and objectives of this study, this type of research is descriptive research. The approach used is to use a combination of quantitative research. This research was carried out at BUMDes in the Pamekasan district with an advanced classification. This was chosen considering the number of BUMDes in Pamekasan district as many as 114 BUMDes spread over 13 sub-districts with various classifications. The selection of BUMDes with this advanced classification is not without reason, this is based on the title of the study which is an analysis of the performance of BUMDes which has had an economic impact on the village. The following is data on the number of BUMDes in Pamekasan district with various classifications, including :

Table 1. Classification of BUMDes

Classification	
Advanced	5
Develop	44
Beginner	65
Total	114

Source : BPD Kab. Pamekasan

The data for BUMDes with advanced classification which is the object of this study are as follows :

Table 2. BUMDes Advanced Classification

No	Name	Village
1	Sinar mas	Tobungan, Galis
2	Dasawarsa corporation	Waru barat, Waru
3	Sejahtera abadi	Kertagena tengah, Kadur
4	Delta mulia	Panempan, Pamekasan
5	Shagharah	Bunder, Pademawu

Source : desa_center.com

The object in this study is BUMDes Delta Mulia which is located in Panempan Pamekasan village. The analysis used in this study is to determine the performance of BUMDes which is the object of research using Du Pont system analysis financial aspects) and Malcolm Baldrige analysis (non-financial aspects) so that it has a significant impact on the community and their villages, especially in the economic sector so that they can grow evenly

RESULTS AND DISCUSSIONS

RESULTS

Du pont system analysis

Within the framework of the calculation of the Du Pont system, there are several stages of calculation that ultimately produce the value of the Du Pont system itself. The following below are several stages of calculation using several ratios in it, here are the results of the calculation :

Table 3. Net Operating Income

Tahun	Net sales	Business cost	Net operating income
2018	Rp 62.950.955	Rp 21.260.191	Rp 41.690.764
2019	Rp 357.278.751	Rp 239.493.469	Rp 117.785.282
2020	Rp 405.572.246	Rp 320.971.884	Rp 84.600.362
2021	Rp 494.986.611	Rp 400.209.753	Rp 94.776.858

Source : processed data

In the first stage, the calculation of net operating income with the aim of knowing how much income is obtained from the company's operations. From the results of the above calculations, the results show that there is a significant increase from 2018 to 2019, although in 2020 it experienced a decline but in 2021 it increased again so that it can be concluded that the results of the calculation of net operating income are good in time series analysis from 2018 to 2021

Table 4. Net Operating Assets

Years	Working capital	Fixed assets	Net operating assets
2018	Rp 57.334.764	Rp 24.356.000	Rp 81.690.764
2019	Rp 87.567.992	Rp 245.330.654	Rp 332.898.646
2020	Rp 267.939.196	Rp 264.204.412	Rp 532.143.608
2021	Rp 388.003.260	Rp 458.321.100	Rp 846.324.360

Source : processed data

In the second stage, the calculation of net operating assets which aims to find out how much company assets are used for company operations to earn income. From the results of the calculations above, the results show that there is a significant increase from 2018 to 2021 so it can be concluded that the results of the calculation of net operating assets are good in terms of time series analysis from 2018 to 2021

Table 5. Profit Margin and Assets Turnover

Years	Profit margin	Asset turnover
2018	66,23%	0,771 kali
2019	32,97%	1,073 kali
2020	20,86%	0,762 kali
2021	19,15%	0,585 kali

Source : processed data

In the third stage, which is the stage where to follow up from the first and second stages which will generate profit margins and asset turnover. Where the profit margin aims to find out how much income is obtained from the sale, while the asset turnover aims to measure the company's ability to generate sales from its assets. From the results of the calculations above, for profit margins , the results show a significant decrease from 2018 to 2021 so it can be concluded that the results of the calculation of profit margins are poor in time series analysis from 2018 to 2021, while for asset turnover , the results show an increase in from 2018 to 2019 but experienced a significant decline from 2019 to 2021 so it can be concluded that the results of the calculation of asset turnover are bad in terms of time series analysis 2019 to from 2021

Table 6. Earning Power

Years	Earning power	Standar 30%
2018	51,03%	Good performance
2019	35,38%	Good performance
2020	15,90%	Poor performance
2021	11,20%	Poor performance

Source : processed data

In the last stage, where at this stage is an overview of the du pont system itself by calculating earning power which aims to find out how much profit the company earns by using the company's assets in its business operations. From the results of the above calculations, the results show that there is a significant decrease from 2018 to 2021 so it can be concluded that the results of the calculation of earning power are bad in terms of time series analysis from 2018 to 2021. By the standard that has been set, which is 30%, the company's performance for 2018 and 2019 were good while for 2020 and 2021 the performance was poor

Malclom baldrige analysis

Within the framework of the calculation of the Du Pont system, there are several stages of calculation that ultimately produce the value of the Du Pont system itself. The following below are :

Table 7. Malcolm Baldrige

Categories and Items	Maximum Points	Score	Point Item	Point Categories
Leadership (120 points)				102,83
Senior leadership	70	85%	59,50	
Governance and social responsibility	50	87%	43,33	
Strategic planning (85 points)				63,00
Strategy development	40	90%	36,00	
Strategy implementation/elaboration	45	60%	27,00	
Focus on customer and market (85 points)				80,75
Customer voice	45	95%	42,75	
Customer engagement	40	95%	38,00	
Knowledge measurement, analysis and management (90 points)				76,50
Measurement, analysis and improvement of organizational performance	45	90%	40,50	
Management of data, information, knowledge and information technology	45	80%	36,00	
Workforce focus (85 points)				68,00
Labor environment	40	80%	32,00	
Labor involvement	45	80%	36,00	
Focus on operations (85 points)				68,00
Working system	45	80%	36,00	
Working process	40	80%	32,00	
Business results (450 points)				385,00
Products and processes produce products	120	80%	96,00	
Customer focused performance results	90	90%	81,00	
Performance results focus on workforce	80	80%	64,00	
Leadership and governance performance results	80	90%	72,00	
Financial and market performance results	80	90%	72,00	
Total (Benchmark Leader - Excellent)	1000			844,08

Source : processed data

In the above calculation, the results obtained at each stage so as to provide a complete and complete picture of performance from leadership to business results. The points obtained from the calculation results of Malcolm Baldrige above, produce a score of 844.08 out of 1000 points. The result of point 844.08 gives an excellent criteria Benchmark Leader where this shows the performance of BUMDes to be a role model / good example for other BUMDes.

DISCUSSIONS

In discussing the results of this study, it was carried out using 2 (two) analytical tools which were analysis in the financial aspect using the Du Pont system analysis and analysis in the non-financial aspect using Malcolm Baldrige analysis. This is done to evaluate the performance of BUMDes from 2 (two) aspects at once so that it can optimize the performance of BUMDes itself which has an impact on village economic growth.

This makes a combination of complementary combinations because the analytical tools used measure different aspects so that the results obtained can evaluate each other so as to produce a complete and complete performance. The discussion carried out in this study is in the form of analyzing the results of the calculations of the two analytical tools in this study so that it can be known thoroughly about the performance of the BUMDes.

In the calculation, for the financial aspect, poor results were obtained in time series analysis , while based on the standards, it also showed poor performance results in the last 2 (two) years in 2020 and 2021. Where the performance in the financial aspect is illustrated in the graph below :

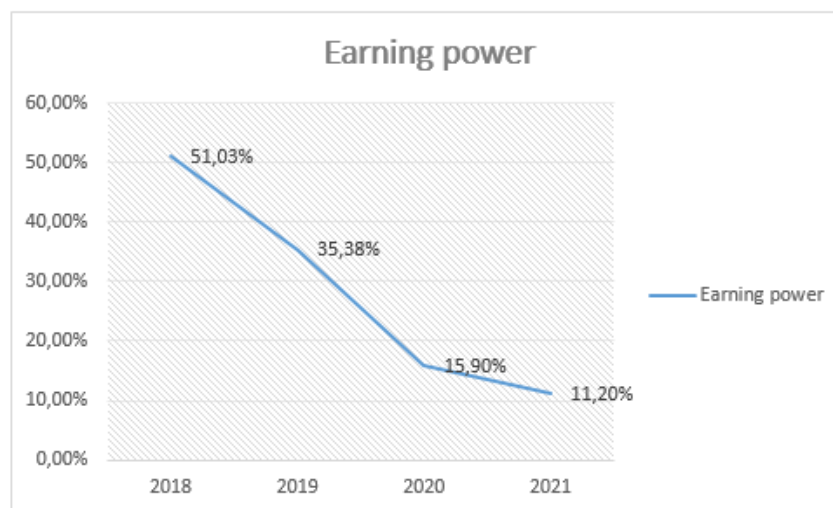


Image 3. Earning power

These results show a significant continuous decline from 2018 to 2021 caused by several things including: 1. The increase in sales from 2018 to 2021 was followed by an increase in operating costs, thus this shows that BUMDes have not been able to perform cost efficiency; 2. Income from sales made by BUMDes has not been maximized; 3. The use of assets owned by BUMDes has not been maximized in generating income, thus this shows that BUMDes has not been able to perform effectively in obtaining income either from maximizing sales or from maximizing its assets.

In the calculation, for non-financial aspects obtained from the results of the analysis showed excellent criteria Benchmark Leader with a score of 844.08 points. The following are indicators of the Malcolm Baldrige :

Table 8. Rating indicators

Skor	Criteria	Information
876-1000	World Leader	Excellent
776-875	Benchmark Leader	
676-775	Industry Leader	
576-675	Emerging Industry Leader	Average
476-575	Good Performance	
476-575	Early Improvement	
276-375	Early Result	Poor
0 -275	Early Development	

Source : processed data

These results indicate that the performance of BUMDes from a non-financial aspect makes the performance of BUMDes a role model/examples for other BUMDes and this is a natural thing considering that this BUMDes has undergone significant changes from various aspects such as business development, human resource management, use of technology and so on

CONCLUSION

From the results of the research and discussion above, the researchers can conclude several points including :

1. The calculation results on the financial aspect show poor results, both in time series analysis and in terms of performance standards. This can be seen from the results of the calculation of earning power which continues to decline from 2018 to 2021 and based on the standard, which is 30%, then in the last 2 (two) years, namely in 2020 and 2021, the results are below the predetermined standard
2. The results of the analysis on the financial aspect show that BUMDes has not been able to implement effectiveness in terms of obtaining maximum income both from sales and from managing assets it has and has not been able to perform efficiency on the costs incurred.
3. The calculation results on non-financial aspects show excellent criteria Benchmark Leader so that BUMDes is in a position that makes it a role model for other BUMDes from the leadership aspect to its business processes
4. The results of the analysis on non-financial aspects show that this BUMDes has undergone significant changes from various aspects such as its business development, human resource management, use of technology and so on, thus making this BUMDes in a position as a role model for other BUMDes
5. From the results This difference in financial and non-financial aspects, makes BUMDes have to improve performance on the financial aspect that has poor performance and maintain performance on non-financial aspects that have shown performance that is in the Benchmark Leader

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