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Management Competency in Improving Performance BUMDes Organization in Gorontalo Regency, Indonesia

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Abstract:

This research aims to test and empirically: Competency of BUMDes Management in Improving The Performance of BUMDes Organization in Gorontalo Regency. This research uses a descriptive quantitative approach. The subject of the study was the manager of BUMDes. Data collection was done using interviews, observations, questionnaires and documentation. The population in this study was 150 BUMDes administrators with a total sample of 33 respondents. The samples used in this study are random samples. Researchers in conducting research using questionnaires to capture research data. The analysis in this study used a simple regression analysis.

The results of the regression test showed that the significant value of t count is smaller than alpha and the t count test value is greater than the table t so that H0 is rejected and H1 is accepted or competence has a positive and significant influence on employee performance. For competency influence (X) is $0.000 < 0.05$ and t Count $4.655 > t$ table 1.696 . An R of 0.411 means there is a strong relationship. for a Square R Value of 0.771 indicates that 41.1% of competency variables contribute to influencing performance variables. Based on the data, it can be concluded that the hypothesis is proven to be correct and acceptable.

Keywords: Competency, organizational performance, BUMDes

1.Introduction

The establishment and management of Village Owned Enterprises (BUMDes) is the embodiment of productive economic management of villages conducted cooperatively, participatorily, emancipatively, transparency, accountable, and sustainable. Therefore, it takes serious efforts to make the management of the business entity can run effectively, efficiently, professionally and independently. To achieve the goal bumdes done by meeting the needs (productive and consumptive) community through the distribution of goods and services managed by the community and the Government. The fulfillment of this need is not burdensome for the community, considering bumdes will be the most dominant village business in the welfare of the community. This institution is also required to be able to provide services to non-members (outside the village) by placing prices and services that apply market standards. This means that there are institutional mechanisms or rules that are mutually agreed upon, so as not to cause economic distortions in the countryside due to businesses run by BUMDes.

One of the reasons bumdes performance does not run as expected is the administrator who does not have the skills and knowledge in managing BUMDes. Generally, BUMDes managers are only fixated in one business unit, they have no innovation in improving other business units based on the potential in the village. Therefore, the board must have good performance and competence. This is in line with the concept put forward by Wibowo (2014:271) mentions that competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the attitude of work demanded by the work.

One of the most important things to achieve success in a company's activities is not dependent on technology, planning, facilities and infrastructure but importantly the existence of quality human resources so as to produce good performance in accordance with the desired objectives of the company in line with the concept put forward according to Amitai Etzioni (Keban, 2008:227) organizational performance illustrates how far an organization realizes its end goal. Meanwhile, according to Bastian (Tangkilisan, 2005:175) the performance of the organization is an overview of the level of achievement of the implementation of tasks in an organization, in an effort to realize the goals, objectives, mission and vision of the organization.

One of the Village Owned Enterprises (BUMDes) precisely located in Gorontalo Regency which became the object of researchers in this study, has local characteristics, potentials and resources for the management of BUMDes engaged in the distribution of services. The management is carried out by the village government and the community in the village, through this village BUMDes can be held by referring to the village regulations based on the regulation of AD / ART BUMDes. BUMDes are expected to increase and move the wheels of the economy in the countryside in order to develop. Economic assets in the village must be fully managed by the villagers. BUMDes as a business entity, all or most of its capital is owned by the village through direct participation derived from the wealth of the village, therefore, the development of BUMDes is a form of strengthening of economic institutions in the village and is a tool of local economic utilization with

various types of potential in the village, more than that BUMDes become the backbone to prosper the surrounding community.

1.1. Problem Formulation

"How is the Influence of Management Competency in Improving the Performance of BUMDes Organization in Gorontalo Regency?"

1.2. Research Objectives

To find out If There Is an Influence of Management Competence in Improving the Performance of BUMDes Organization in Gorontalo Regency.

1.3. Urgency/Virtue of Research

This research activity becomes very important because according to the view of researchers, both through the research process and through the results of research, that with the existence of Village Owned Enterprises (BUMDes) can provide opportunities for business opportunities to the community in increasing income. In addition, BUMDes also provide opportunities for the village government and the community to manage the potential of the village in an effort to increase the Village's Original Income (PADes).

The results of this study are expected to be one of the strategies in increasing people's income to overcome poverty problems through the management of Village Owned Enterprises (BUMDes) by providing business opportunities to the village community.

1.4. Target/Outside Research

The results of this study will be published in journals or proceedings that can be used to increase understanding of the management and improvement of the organization of Village Owned Enterprises (BUMDes).

2. Study Library

2.1. Performance Concept

2.1.1. Understanding Organizational Performance

Good organizational performance is the goal of all companies. The performance of the organization is an overview of the work of the organization in achieving its goals which of course will be driven by the resources owned by the organization. The resources in question can be physical such as human and nonphysical resources such as regulations, information, and policies, so as to better understand the factors that can affect an organization's performance. The concept of organizational performance also illustrates that every public organization provides services to the community and can be measured its performance by using existing performance indicators to see if the organization has performed its duties well and to know its goals have been achieved or not.

Performance of the organization by Bastian (2001:329) as an overview of the achievement of the implementation of tasks in an organization in an effort to realize the goals, objectives, mission and vision of the organization. Sedarmayanti (2017: 285) Organizational Performance is the achievement of results at the level / unit of organizational analysis. Performance at the organization level is related to organizational objectives, organizational design, and organization management. According to Amitai Etzioni (Keban, 2008:227) the performance of the organization illustrates how far an organization realizes its end goal. Meanwhile, according to Bastian (Tangkilsan, 2005:175) the performance of the organization is an overview of the level of achievement of the implementation of tasks in an organization, in an effort to realize the goals, objectives, mission and vision of the organization. According to Nasucha in (Sinambela,2012:186), organizational performance is defined as the overall effectiveness of the organization to meet the set needs of each relevant group through systemic efforts and continuously improve the organization's ability to achieve its needs effectively.

From some of the explanations above, researchers can conclude the performance of the organization is the ability of the organization to carry out each task - the task given to the organization to achieve the goals, objectives, missions and vision of organizing that has been determined. The organization's performance not only focuses on achieving results or objectives, but also emphasizes on the implementation process and resources to achieve its goals.

2.2. Factors That Affect Organizational Performance

Organizational performance is generally influenced by a variety of factors both internal and external to the organization. Experts reveal the factors that affect the performance of the organization are very diverse and different. Lusthaus, et.al, (2002:9) presents the factors that affect the performance of the organization as follows: *"that organizational performance is influenced by three main factors that can be described by its elements. These three factors are: (a) external environment; (b) organizational motivation; and (c) organizational capacity"*. From the description it can be understood that there are three factors that affect the performance of the organization, namely; *external environment, organizational motivation, organizational capacity*. The three factors that affect an organization's performance can be illustrated as figure 2.2 below:

Looking at some expert views on the factors that affect the performance of the organization as described above researchers can conclude that there are a variety of factors that can influence. Factors that dominate the performance of

the organization are internal and external factors of the organization. On internal factors; equipment, facilities and technology as the dominant factor influencing the organization. The quality of human resources is also influential, as well as the culture of the organization and the effectiveness of leadership in the organization contributes to the performance of the organization. While on external factors; government policies, economic sectors in the form of people's income levels, as well as social are external factors that affect the performance of the organization.

2.3. Business Performance of Village Owned Enterprises

Performance is related to the spirit of managers and employees in carrying out their functions properly and properly. If managers and employees consider the need for commitment wholeheartedly (*engage*) in carrying out their functions, then the performance will also improve as well as will have an impact on improving the performance of the company. The success of a company with a wide variety of performance depends on the performance of all members of the company itself. It is the individual human element that plays an important role and determines the success of the company's organization. In connection with the statement Moehariono (2014:98) suggests that in an organization there are three types of performance that can improve business performance, namely:

- Operational performance, this performance is related to the effectiveness of the use of every resource used by the company such as capital, raw materials, technology, and others. The extent to which the use of these resources to the maximum to achieve profit or achieve the vision and mission of the company.
- Administrative performance, this performance is related to the administrative performance of the company's organization. This includes the administrative structure that governs the relationship of authority and the responsibilities of the person occupying the position. In addition, it relates to the performance of interunit work information flow mechanisms in enterprise organization.
- Strategic performance, this performance is related to the company's performance evaluated the accuracy of the company in choosing its environment and the company's adaptability, especially in the company's strategy in carrying out its vision and mission.

The above opinion can be interpreted that in order to achieve good performance every business entity must be able to effectively utilize the company's resources both capital, raw materials and technology used in business operations. In addition, each unit or part of the company's organization must carry out its duties in accordance with the rules and in accordance with the field of duty for which it is responsible. As well as the cleverness of the company's organization in choosing the strategies used and the ability to adapt to the corporate environment.

2.4. Competency of Village Owned Enterprises Management (Bumdes)

Literally, Competence comes from the word competence which means proficiency, ability and authority quoted by Edy Sutrisno (2009:202) in Sandy (2013:18). Etymologically, competence is defined as a dimension of skill behavior or excellence of a leader or staff who has skills, knowledge, and good behavior. According to Wibowo (2014:271) competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the attitude of work required by the work. Thus, competence shows skills or knowledge characterized by professionalism in a particular field as something important, as a superior field.

Competence as a person's ability to produce at a satisfactory level in the workplace, including the ability of a person to transfer and apply those skills and knowledge in new situations and increase the agreed benefits. Competencies also demonstrate the characteristics of the knowledge and skills possessed or required by each individual who enables them to perform their duties and responsibilities effectively and improve the quality standards of professionalism in their work.

2.5. Competency Indicators

There are several competency indicators, according to Wibowo (2014:283), among them:

2.5.1. Beliefs and Values

People's beliefs about themselves as well as those of others will greatly influence behavior. If people believe that they are creative and innovative, they will not try to think about new or different ways of doing things. Therefore, everyone should think positively both about himself and towards others and show the characteristics of people who are thinking ahead.

2.5.2. Skills

Skills play a role in most competencies. Public speaking is a skill that can be learned, practiced and improved. In addition, the trainings that have been participated will also increase the ability to.

2.5.3. Experience

The expertise of many competencies requires the experience of organizing people, communication in front of a group, solving problems and so on. Experience can be developed based on the length of working time in the company or organization.

2.5.4. Personality Characteristics

People respond and interact with their strengths and surrounding environment.

2.5.4.1. Motivation

Motivation is a factor in competence by giving encouragement, appreciation to the work of subordinates, giving recognition and individual attention from superiors can have a positive influence on the motivation of a subordinate.

2.5.4.2. Intellectual ability

Skills in cooperation and ability to communicate can improve in terms of competence.

2.5.4.3. Organizational Culture

Organizational culture includes a work environment that can affect the competence of human resources.

Based on the description above, it can be seen that competency indicators are beliefs and values, skills, experiences, personality characteristics, motivations, emotional issues, intellectual abilities and organizational culture. Competencies owned by the board will support performance. The better the competence of the board, the performance will also improve. Furthermore, Spencer and Spencer in Wibowo (2014:272) states that competence is the basic basis of people's characteristics and indicates how to behave or think, equalize situations, and support for a long period of time.

According to David Mc. Clelland, a Professor from Harvard University, quoted by Sedarmayanti (2011:126) suggests that competence is a fundamental characteristic that a person has that directly affects performance, or can predict excellent performance. In other words, competence is what outstanding performers do more often in more situations, with better results, than what policy raters do.

Based on the above understanding, it can be concluded that competence is a characteristic inherent in a person that causes a person to be able to support success in various tasks and work situations.

3. Research Methods

The data collection techniques used in this study are Observation, Questionnaire as the main tool in the collection of research data, Interviews, Documentation, Data obtained in the field is analyzed descriptively quantitatively. Quantitative descriptive analysis

4. Results of Research and Discussion

4.1. BUMDes Gorontalo Regency Overview

BUMDes in Gorontalo Regency was established in 2016. The form of BUMdes management in each village is managed by the community. BUMDes management is engaged in various business fields. One of the most dominant factors is the management of BUMDes who lack competence towards achieving goals, as a result of which it inhibits the creativity and motivation of the village community in managing and running the economic machine in the countryside, in addition to the lack of initiative BUMDes management to develop and manage the business it is seen that the business in the run is very limited that is more dominant in the business of saving loans.

Village Government participation funds using Village Funds given to BUMDes in 18 sub-districts in Gorontalo district showed the amount reached approximately 25 billion rupiah. The granting or participation of the funds was carried out gradually from 2015 to 2018. The amount of initial capital investment funds has increased significantly since 2015. The percentage increase in the amount of investment funds each year although it tends to increase decreased from the previous year which is around an average of 327.45%, the highest decrease occurred in 2017. However, the amount of funds disbursed is getting bigger to reach 14.67 billion rupiah in 2018.

4.2. Profile of Management of Village Owned Enterprises

In total, the management of the organization of 191 BUMDes in Gorontalo district spread across 18 sub-districts amounted to 560 personnel. In the implementation of this study, researchers determined three sub-districts as samples, namely Tabongo Subdistrict, and Dungaliyo Subdistrict with 11 bumdes active with the number of managers as many as 33 personnel. Profile of administrators in three sub-districts as described in Table 1 and 5.2 below:

No.	Age	Amount	Percentage
1.	25-30 Years	25 People	75,75%
2.	31-35 Years	8 People	24,24%
	Total	33 People	100%

Table 1: BUMDes Admin Profile by Age

Source: Processed Data 2020

Based on the profile of respondents based on age, it can be seen that bumdes administrators in 11 villages aged 25-30 years as many as 25 people or 75.75% and those aged 31-35 years as many as 8 people. it can be explained that the average age of BUMDes administrators in the 11 villages is still in productive age and able to work.

Furthermore, to obtain an overview of the competence of bumdes management needs to be seen the profile of education owned as in Table 2 below:

No.	Education	Amount	Percentage
1.	Junior High School (SMP)	0%	0%
2.	High School (SMA)	31 People	93,93%
3.	Scholars	2 People	6,6%
	Total	33 People	100%

Table 2: Profil Pengurus BUMDes Bersarkan Tingkat Pendidikan
Source: Processed Data 2020

Based on the profile table of respondents based on the above education, BUMdes board educated last junior high school did not exist, last high school education as many as 31 people or by 93.93% and the last education S1 as much as 2 people or by 6.6%. It can be explained that the average manager of BUMDes is educated last high school, more dominant high school education because to manage BUMDes has no requirement to be educated S1. The remaining 2 S1 educated people served as chairman of BUMDes.

4.3. Description of Research Results

4.3.1. Normality Test

One-Sample Kolmogorov-Smirnov Test			
		Competence	Performance
N		33	33
Normal Parameters ^{a,b}	Mean	51,6970	39,1212
	Std. Deviation	7,62596	4,37148
Most Extreme Differences	Absolute	,122	,152
	Positive	,122	,152
	Negative	-,108	-,081
Kolmogorov-Smirnov Z		,702	,872
Asymp. Sig. (2-tailed)		,708	,432

Table 3: Normality Test
a. Test Distribution Is Normal
b. Calculated from Data

Based on Table 3 normality test known sample as many as 33 people who are BUMdes administrators on competency variables have a value of K-S of 0.702 and performance variable of 0.872. Each variable has a sig value of 2 tailed greater than 0.05 where the competency variable is 0.708 and the performance variable is 0.432 meaning that data from both variables has been distributed normally.

4.3.2. Simple Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	20,114	4,126		4,874	,000
	Competence	368	,079	,641	4.655	,000

Table 4: Simple Regression Analysis
a. Dependent Variable: Performance

From Table 4 above is known constant value of 20,114 and value b (trust) of 0.368 so that the equation

$$\hat{Y} = a + bX$$

$$\hat{Y} = 20.114 + 0.368$$

Based on the regression equation above can be explained:

- Constants of 20,114 means the value of competency variable constants of 20,114 in other words when there is no influence of competence on performance variables, the unit value per point of compensation variable is 20,114.
- Value b (trus) coefficient of 0.368 means that every addition of 1% trus value then the value of competence 0.658 which is positive value and the influence of free variables of competence and performance is positive.

4.3.3. Hypothesis Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	20,114	4,126		4,874	,000
	Competence	,368	,079	,641	4,655	,000

Table 5: t-test Test

a. Dependent Variable: Performance

From Table 5 hypothesis test above known significant value of $0.000 < 0.05$ can be explained there is a significant influence of competence on performance or in other words T-count $4,655 > T\text{-table } 1696$ means there is an influence of competency variables on the performance of BUMdes management gorontalo district.

5.3.4. Coefficient of Determination Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,641 ^a	,411	,392	3,40756

Table 6: Coefficient of Determination Test

a. Predictors: (Constant), Competence

b. Dependent Variable: Performance

Based on Table 6 the test of the coefficient of determination above can be seen the value of R of 0.641 means there is a strong influence. A square R value of 0.411 or 41.1% of competency variables can contribute to influencing bumdes management performance variables. The remaining 0.589 or 58.9% became other factors that may affect performance, factors such as compensation, training, organizational culture and others not studied in this study.

4.4. Discussion

The establishment and management of Village Owned Enterprises (BUMDes) is the embodiment of productive economic management of villages conducted cooperatively, participatorily, emancipatively, transparency, accountable, and sustainable. Therefore, it takes serious efforts to make the management of the business entity can run effectively, efficiently, professionally and independently. To achieve the goal bumdes done by meeting the needs (productive and consumptive) community through the distribution of goods and services managed by the community and the Government. The fulfillment of this need is not burdensome for the community, considering bumdes will be the most dominant village business in the welfare of the community. This institution is also required to be able to provide services to non-members (outside the village) by placing prices and services that apply market standards. This means that there are institutional mechanisms or rules that are mutually agreed upon, so as not to cause economic distortions in the countryside due to businesses run by BUMDes.

One of the reasons bumdes performance does not run as expected is the administrator who does not have the skills and knowledge in managing BUMDes. Generally, bumdes managers are only fixated in one business unit, they have no innovation in improving other business units based on the potential in the village. Therefore, the board must have good performance and competence. This is in line with the concept put forward by Wibowo (2014:271) mentions that competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the attitude of work demanded by the work.

Based on the hypothesis test of significant value greater than alpha can be explained there is a significant influence of competence on performance or in other words T-count $> T\text{-table}$ means there is an influence of competency variables on the performance of BUMdes management gorontalo.

From the test results coefficient of determination of the value of R square competency variable can contribute to affect the performance variable of BUMdes management. As for other factors that may affect performance, factors in the form of compensation, training, organizational culture and others that were not studied in this study.

Based on the results of this study competency in BUMDes Gorontalo district has been good, through the dissemination of questionnaires to the management of BUMDes Gorontalo district can answer statements on competency variables. Based on the results of the answers BUMdes management can provide the latest innovations to develop BUMDes, each manager is able to express opinions and suggestions to develop BUMDes, have work experience in managing BUMDes so that the work of BUMDes will be easier to do because it has experience, the manager works more professionally for the development of BUMDes and the motivation of the chairman of BUMDes always encourages the board and bumdes members to work more vigorously so that the work provided by bumdes administrators become good can be said that the management of BUMDes Gorontalo district is competent.

According to Etzioni (Keban, 2008:227) organizational performance illustrates how far an organization realizes its end goal. Meanwhile, according to Bastian (Tangkilisan, 2005:175) the performance of the organization is an overview of the level of achievement of the implementation of tasks in an organization, in an effort to realize the goals, objectives, mission and vision of the organization.

Based on the results of the dissemination of questionnaires to the management of BUMDes Gorontalo regency representing two sub-districts consisting of 11 villages produced an answer that the performance given by the board has been good, this can be explained from the ability of BUMDes management to achieve the target of work that has been determined such as the running of small businesses in the form of cake sales and other businesses, the work of the management can also be seen from the ability of the management to run BUMDes and develop businesses that have been running such as saving loans, good work is given by the management of BUMDes Gorontalo regency also because they have a great sense of responsibility to run BUMDes, cooperation and initiatives bumdes management can also impact by the work.

5. Conclusions and Suggestions

5.1. Conclusion

Based on the results of the study, there can be concluded that there is a positive and significant influence of competence on the performance of BUMDes management in Gorontalo Regency.

5.2. Suggestions

- Referring to the performance in the improvement of the low interest, influence and initiative and awareness of bumdes management and the community in the effort to save borrowing, it is recommended that it can carry out activities in the form of socialization about the importance of self-reliance for entrepreneurship.
- Referring to the finances of BUMDes, BUMDes managers should be able to see and prioritize more useful efforts and be able to refund so that village funds are not wasted.
- To the next researcher in order to expand the object of research in other districts to see competencies can affect performance elsewhere.
- Can use other performance indicators that are different from the indicators in this study.

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