

CHAPTER I

INTRODUCTION

1.1. Background

Village-Owned Enterprises (BUM Desa) are economic institutions that play a strategic role in the rotation of the village economy. BUM Desa is very influential on the village economy, especially on Village Original Income (PADes) which mostly comes from the net income of BUM Desa itself where this will affect village development (Krisna, 2018). The legal basis for the establishment of BUM Desa is the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 39 of 2010. BUM Desa are formed based on village community deliberation and ratified by Village Regulations, in each village only one BUM Desa unit can be established and its establishment must be based on the capabilities and potentials possessed by each. each village.

The establishment of Village Owned Enterprises (BUM Desa) is based on Law no. 32 of 2004, Law no. 23 of 2014 concerning Regional Government, Law no. 6 of 2014 concerning Villages and PP No. 72 of 2005 concerning Villages. In Law no. 32 of 2004 and Law no. 23 of 2014 concerning Regional Government in Article 213 paragraph (1) it is stated that villages can establish BUM Desa according to the needs and potential of the village. In article 1 No 4 of the Regulation of the Minister of Home Affairs Number 39 of 2010 concerning Village-Owned Enterprises, BUM Desa is defined as which reads: "Village-Owned Enterprises, called BUM Desa, are village businesses formed and established by the village government whose capital ownership and management is carried out by the village government and the community.

As one of the economic institutions operating in rural areas, BUM Desa must have differentiation from economic institutions in general, this is intended so that the existence and performance of BUM Desa are able to make a significant contribution to improving the welfare of villagers (Krisna, 2018). However, in the course of BUM Desa there are various problems in management such as communication, empowerment of local communities, managerial capacity,

infrastructure, and accountability of financial reports. BUM Desa operational activities often also face obstacles, such as problems in terms of capital, management systems that are not yet good and the quality of performance is still low.

According to Bastian in Hessel Nogi (2015) Organizational performance is a description of the work of an organization in achieving its goals which is influenced by the resources owned by the organization. In this study, to measure the performance of BUM Desa, researchers used indicators according to Agus Dwi Yanto in Yeni Nuraeni (2019) which included five indicators, namely Productivity, Service Quality, Responsiveness, Responsibility and Accountability.

The BUM Desa Gading Emas belonging to Teluk Pambang Village, located in Bantan District, Bengkalis Regency, Riau Province, became the research location. The management of BUM Desa in Teluk Pambang Village consists of 1 commissioner, namely the village head, 3 managers, 4 supervisors and 7 employees. BUM Desa Gading Emas recruits workers who are domiciled in the same population, namely in Teluk Pambang Village, Bantan District, Bengkalis Regency, Riau Province. The following are the business units of Gading Emas BUM Desa in Teluk Pambang Village, namely: UED-SP (Village Economic Enterprises-Savings and Loans), river tourism business units, and intermediary service business units (BRlink). The UED-SP business unit is an institution engaged in the savings and loan sector and is owned by the village community which is managed by the local village community. UED SP joined the BUM Desa Gading Emas in Teluk Pambang Village in 2019 and was chaired by Lukman. The purpose of UED SP is to encourage the economic activities of rural communities, increase the entrepreneurial creativity of members of low-income rural communities, encourage informal sector businesses to apply labor for rural communities, and prevent rural communities from being influenced by moneylenders with high interest rates that harm the community. And the river tourism business unit is a business that runs a speedboat rental business to serve the needs of the surrounding community and at the same time to earn village

income. Founded in 2018, and currently led by Nanang Budiarto. The Intermediary Service Business Unit (BRILink) is an intermediary institution that serves banking transactions for the public or sells services to residents and community business actors. Example: electricity payment services, transfers and others.

Based on the above background, the author will conduct a research entitled “Analysis Performance of Village Owned Enterprises (BUM Desa) Gading Emas Teluk Pambang Village”.

1.2. Formulation of the problem

Based on the background above, the authors formulate the problems that arise are :

1. How is the performance of Village Owned Enterprises (BUM Desa) Gading Emas in Teluk Pambang Village?
2. What are the barriers that in dealing with village-owned enterprises (BUM Desa) Gading Emas in Teluk Pambang Village?
3. What are the efforts to overcome the obstacles faced by the Village Owned Enterprises (BUM Desa) Gading Emas in Teluk Pambang Village?

1.3. Purpose of the Study

Based on the problems above, the purpose of the study entitled “Analysis Performance of Village Owned Enterprises (BUM Desa) Gading Emas Teluk Pambang Village” are as follows :

1. To find out the performance of Village Owned Enterprises (BUM Desa) Gading Emas in Teluk Pambang Village
2. To find out what are the obstacles faced by the Village Owned Enterprise (BUM Desa) Gading Emas in Teluk Pambang Village
3. To find a solution to the obstacles faced by the Village Owned Enterprise (BUM Desa) Gading Emas in Teluk Pambang Village

1.4. Significance of the Study

The benefits to be achieved in the study entitled “Analysis Performance of Village Owned Enterprises (BUM Desa) Gading Emas Teluk Pambang Village” are as follows :

1. For BUM Desa

The results of this study are expected to be an evaluation material for BUM Desa management to improve their performance.

2. For Writers

This research can be used as material for experience, knowledge, and as a guide for completing the Final Project which is one of the requirements for completing Diploma IV in the International Business Administration study program, Department of Business Administration. It is hoped that this final research can be used as a means to increase the development of creativity in conducting research and author innovation.

3. For Bengkalis State Polytechnic

For the Bengkalis State Polytechnic, it is hoped that it can be a reference for other research in the future.

1.5. Scope and Limitation of the Problem

Based on the background that has been described previously, the author makes a problem definition so that the scope of this research is clear. The limitation of the problem made is that this research will analyze the performance of the BUM Desa Gading Emas in Teluk Pambang Village.

1.6. Writing System

The systematics of research writing carried out for research on analysis performance of BUM Desa Gading Emas in Teluk Pambang Village are as follows:

CHAPTER I : INTRODUCTION

This is an introductory chapter that describes the title, research background, problem formulation, research objectives, research

benefits, scope and limitations of the problem and research systematics.

CHAPTER II : LITERATURE REVIEW

Propose a theoretical basis and theoretical base which will be used in both its study completion see theory a ra general or special consisting of previous research and theoretical basis.

CHAPTER III : METHODS AND ACCOMPLISHMENT PROCESS

This chapter describes the research implementation method, which consists of the location, time and object of research, types and sources of data, data collection techniques, data analysis methods, types of research, as well as research schedules and budgets.

CHAPTER IV : RESULTS AND DISCUSSION

In this chapter the author will describe the discussion of the results of research analysis that has been carried out by interviews, observations, and other sources.

CHAPTER V : CONCLUSIONS AND SUGGESTIONS

In this chapter the author will describe the conclusions and obtained from the discussion and suggestions that will be submitted by the author.