



Description of the development of village-owned enterprises in Pahae Jae sub-district, North Tapanuli district, North Sumatra Province

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The government of the Unitary State of the Republic of Indonesia, starting from the central government to the village government, continues to strive and is committed to improving the economic welfare of its people. One tangible manifestation is the encouragement of a village to establish a Village-Owned Enterprise (BUMDes), whose initial capital can be sourced from the Village Fund. In addition, the government has also issued legal regulations that will protect BUMDes operations, as well as the participation of the district government to conduct technical guidance through officials of the Village Community Empowerment Office. However, over time in the management of BUMDes, there are several research results that reveal that BUMDes have developed rapidly. However, on the contrary, there are also BUMDes that have been established but are no longer active. In addition, from the results of the BUMDes performance assessment, most of them are still in the basic, growing, and developing classifications. The purpose of this research was conducted to describe the business development of BUMDes in Pahae Jae Sub-district, North Tapanuli Regency, North Sumatra Province. The types of data used in this research are primary and secondary data. Primary data in the form of answers from Operational Executives. The primary data collection method is to submit questionnaires and questionnaires. While secondary data in the form of local government policies and data from the Central Bureau of Statistics of North Tapanuli Regency in 2022. The secondary data collection method is documentation. From the results of data analysis in this study, the following conclusions can be made; from the legal aspect, BUMDes is still not in the form of a Legal Entity, and the Operational Executive has not fully guided the BUMDes regulations. From the management aspect, the inhibiting factors are the lack of HR skills, the lack of inadequate work coordination. While from the accounting aspect that; have not made complete transaction records, and do not understand the preparation of SAK-EMKM-based financial statements. Overall, the performance of BUMDes in Pahae Jae Sub-district, mostly still in the Growing classification, but there is still a Basic classification, and cannot be classified.

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1. INTRODUCTION

Several central government policies and regulations have been made to facilitate and motivate the community to try to manage the economic potential that exists in rural areas. Some of these policies include providing Direct Cash Assistance (BLT), providing People's Business Credit (KUR) assistance, encouraging the proper management of Micro, Small and Medium Enterprises (MSMEs), and fostering awareness of village communities to establish Village-Owned Enterprises called BUMDes or Joint BUMDes. Then several existing regulations, the definition of BUMDes can be found. In Law Number 6 Year 2014 Article 1 point (6) which states that: Village-Owned Enterprises BUMDes / Joint, hereinafter referred to as BUMDes, are; business entities that are wholly or partially owned by the village through direct participation originating from separated village assets in order to manage assets, services, and other businesses for the greatest welfare of the village community. Meanwhile, according to Government Regulation of the Republic of Indonesia Number 11 of 2021 concerning BUMDes that; Village-Owned Enterprises hereinafter referred to as BUMDes are: a legal entity established by the village and / or together with villages to manage businesses, utilize assets, develop investment and productivity, provide services, and / or provide other types of businesses for the greatest welfare of the Village community. (Toman Sony Tambunan, 2021)

The development of BUMDes need support from the government through regulations, capital assistance and accompaniment. In addition, by carrying out good strategic planning for the development of BUMDes, in-depth observations and mapping of the local economic potential of villages, choosing business development, and expanding the network of cooperation partners and optimizing the role of cooperation partners and the community to jointly encourage the development of BUMDes products, strengthen markets and training for BUMDes managers on an ongoing basis (Arfah Sitti Rahmawati., 2021).

Basically, the establishment of BUMDes begins with the results of an agreement in a village consultative meeting held by the Village Consultative Body with the Village Government Apparatus (Toman Sony Tambunan, 2022). Then most of the establishment of BUMDes, that the initial capital comes from separated village funds. Thus the management and development of BUMDes businesses cannot be separated from compliance with the law as a legal entity, the ability of human resources to carry out management functions in managing business activities, and carrying out financial accountability in the form of preparing SAK-EMKM-based financial reports. Therefore, this research activity will emphasize on 3 (three) aspects, namely: Legal aspects, Management aspects, and Accounting aspects.

From the legal aspect that along with the government program in developing rural businesses through BUMDes, there are several book authors and research results that suggest there are BUMDes that have developed and succeeded in improving the community's economy. Clear legal regulations for BUMDes are needed. According to (Suparji, 2019) in his book: Guidelines for Governance of Village-Owned Enterprises (BUMDes) that; Village-Owned Enterprises are business entities that are wholly or partially owned by the Village through direct capital participation originating from separated village assets in order to manage assets, services, and other businesses for the greatest welfare of the village community.

According to (Dirkareshza Rianda & Eka N.A.M Sihombing, 2021); there is disorientation in the implementation of BUMDes regulations and policies, such as: first, the incompatibility of village regulations with other laws and regulations. Second, the low community initiative in driving the village economy. Third, the vagueness of BUMDes position as a social and commercial institution. Fourth, policies that have not directed the professionalism of BUMDes. The solution in accelerating village welfare through BUMDes is to provide the flexibility of BUMDes in the form of legal entity as a bridge to be able to enlarge capital in the investment sector.

From a management aspect, several BUMDes that have been established have experienced difficulties and even failed to develop. This is due to the lack of skilled human resources to manage BUMDes businesses (Toman Sony Tambunan & Jusmer Sihotang, 2023). The management of BUMDes has also received attention from several researchers and academics. Research results have revealed the successes, as well as the obstacles (failures) in managing and developing BUMDes businesses. Most of these research results also relate to management aspects, thus revealing supporting and inhibiting factors in developing BUMDes businesses. In addition, it is known that many BUMDes have succeeded in improving the welfare of village communities, as well as increasing the source of Village Original Revenue (PADesa). However, on the other hand, there are several BUMDes that have been established but have failed to develop, and some are even no longer active. In the writing of (Muhammad H. H, 2022): Based on data at the end of 2021 from the Community and Nagari Empowerment Office of Agam Regency, West Sumatra, that out of 79 registered BUMNag (the term BUMDes), only 34 are active. Of the 34 that were active, only 22 BUMNag had complete financial reports at the end of 2021. Failure to become inactive is due to; asset management into economic potential is not going well, poor planning, lack of human resources in administration and preparation of financial reports.

Research by (Andini Nurul Lovi, 2020): Analysis of Factors Supporting the Success of Village- Owned Enterprises (BUMDes) Paris Manidri in Parit 1 Village, Bandar Laksamana District, Bengkalis Regency, can be concluded as follows: After conducting interviews with key informants, and the community, the factors supporting the success of BUMDes are as follows: Natural Resources and Environmental Aspects (Natural Capital); Economic/Financial Factors (Financial Capital); Human capital factors; Social capital factors; Government Support Factor; Other factors, such as: Leadership (Village Head), Supervision factor, Innovation factor, Manager mindset factor.

The results of (Prasety Dwi, 2020): Management of Village-Owned Enterprises (BUMDes) Bejo, to Improve the Community Economy, can be concluded: the management of BUMDes Bejo has stages of organization, financial transparency, and business unit work program planning consisting of; saung tani, trade, *online* transaction unit, tourism unit, multimedia unit, production unit, and financing unit. The existence of BUMDes Bejo has improved the community's economy. Factors that hinder the management of BUMDes Bejo are: Internal factors, namely limited capital, low quality of human resources, business unit barriers; External factors, namely business competition, and the conditions of the Covid 19 Pandemic.

That according to (Sofyani Hafiez., 2019), the factors that drive the performance of BUMDes were BUMDes employees' patriotism and passion, skills, training, level of education, experience, honesty (ethical behavior), having a sense of responsibility, sincerity, seriousness, caring for the environment and society, being resilient, cohesiveness of teamwork, transparent communication between BUMDes managers, never-give-up attitude in trying to achieve the performance targets, religiosity, work satisfaction, visionary (transformational) leadership style, and the presence of incentive mechanisms.

According to (Rantung Eva, 2015): Management of Village-Owned Enterprises (BUMDes) in Improving Village Development in Donggala Regency, Palu City, that: the establishment of BUMDes aims to explore and optimize the entrepreneurial potential of the village. Problems in the establishment of BUMDes are; lack of human resource capabilities in planning, product development, marketing, and financial recording in accordance with correct accounting standards. In terms of BUMDes managers, many are civil servants so that the managers are part-time (part-time) so that they do not focus optimally. In terms of business management and development, decision-making in BUMDes is basically done through deliberation and consensus, and meetings with all stakeholders. However, the village government is often more dominant in decision-making than the BUMDes management.

Then according to (Madjid Taufik, 2020) in his writing stated that: One of the important elements in business development is a variety of partnerships, namely through; aspects of capital, strengthening Human Resources, business partners, and so on. In addition, BUMDes must be able to adapt to the development of the digital world in order to penetrate the global market through the digital ecosystem.

The management of BUMDes Niagara was elitist in that the village head and BUMDes manager played a major role in the development of BUMDes. Furthermore, the constraint analysis shows that the low quality of human resources is the most dominant problem. On the other hand, the factor of village potential and the commitment of the village head are the supporting factors that are most decisive. The above conditions converge on the need for the involvement of other parties, especially the government in providing guidance and assistance to Niagara BUMDes (Sari Agni Grandita Permata, 2021).

From the accounting aspect, that the results of the study have revealed that some BUMDes have not prepared financial reports in accordance with SAK ETAP or SAK-EMKM. The results of research by (Gunanda Riki, 2020) conducted at BUMDES Al-Kautsar are; "there are several problems including; the financial statements presented by BUMDES Al-kautsar are incomplete based on PSAK ETAP, then there is an amount of asset inventory that does not match the recording, and BUMDES Al-Kautsar does not include their tax payments".

The results of (Pallufi Fella, 2020) show that; "BUMDes Agung Mandiri stated that there was no accounting system used to compile BUMDes Agung Mandiri's financial statements, so that during its establishment, BUMDes Agung Mandiri had never reported financial results for each period per year."

(Samudra Joko, 2020) suggests that: Village-Owned Enterprises (BUMDes) Muara Uwai Sejahtera, Muara Uwai Village does not prepare a cash flow statement, equity report, notes to financial statements. Village-Owned Enterprises (BUMDes) Muara Uwai Sejahtera, Muara Uwai Village also does not present how much the value of the allowance for bad debts is on the balance sheet. Thus the application of accounting at the Muara Uwai Sejahtera Village-Owned Enterprise (BUMDes), Muara Uwai Village is not in full accordance with generally accepted accounting principles.

In an effort to improve business management, it is necessary to assess the performance of BUMDes. Research by (Setyoko Paulus Israwan & Kurniasih Denok, 2023) on Local-Based BUMDes Management in Pasirama Kidul Village, Pekuncen District, the development of BUMDes according to Central Java Governor Regulation number 18 of 2018 article 31 paragraph 4 that; the classification of BUMDes development is carried out using parameter aspects: Institutional; Rules; Business; Administration, reporting, and accountability; Capital and assets; BUMDes impact on society. (Aeni Nurul, 2020) conducted research on the description of BUMDes performance in Pati Regency, suggesting: The development of BUMDes has not been optimal as evidenced by most BUMDes being in the basic criteria. Savings and loans are the most widely run business units, while only a few BUMDes have businesses based on village potential; Obstacles in the development of BUMDes are found in all dimensions of performance measurement, namely; limited capital and assets, disorderly administration and reporting, the existence of BUMDes has not had an impact on village communities, unstable institutions, suboptimal business management and development, BUMDes legality that is not yet strong; The root causes of the non-optimal development of BUMDes are the limited capacity of BUMDes managers, the influence of political constellations that occur in the village, the low support of the village government, and the selection of businesses that are not based on village potential.

This is the case in North Tapanuli Regency, where the Regent is very committed to providing support for rural business development through community empowerment programs. In order to support the North Tapanuli regent program in 2019, which calls for BUMDes to open business units, one of which is as an LPG retailer. Thus the implementing

agent of the Samudra Indah Cooperative has agreed to make an assignment agreement to its base to serve the cooperation with BUMDes as a retailer. Then in November 2020. The North Tapanuli Regency Government also provided support for the development of BUMDes through a policy of implementing technical guidance for the administrators of three BUMDes in Pahae Jae, namely villages; Pardomuan Nainggolan, Sigurung Gurung, and Silangkitang. The purpose of the technical guidance is to prevent mismanagement, and to be able to carry out financial accountability of Village-Owned Enterprises. Pahae Jae sub-district as part of North Tapanuli Regency consists of 12 villages, and 1 kelurahan.

Objectives This research is: To analyze and describe the implementation of business development at Village-Owned Enterprises in Pahae Jae District, North Tapanuli Regency for the period 2020 to 2023; To analyze and describe the supporting and inhibiting factors in business development at Village-Owned Enterprises in Pahae Jae District, North Tapanuli Regency for the period 2020 to 2023; To describe performance measurement as a basis for classifying Village-Owned Enterprises in Pahae Jae District, North Tapanuli Regency for the period 2020 to 2023.

The success of a BUMDes is certainly inseparable from the existence of several supporting factors (Toman Sony Tambunan, 2021). The results of research have suggested supporting factors in BUMDes business development, which can be stated below. Research by (Husni A. Ikkal & Waridin, 2021), the results of this study indicate that the variables of youth participation, human capital, social capital, financial capital, and the role of government simultaneously have a significant effect on the development of BUMDes in Barru Regency. In addition, partially the role of government has a significant positive effect on the development of BUMDes in Barru Regency, while the variables of youth participation, human capital, social capital, and financial capital do not significantly affect the development of BUMDes in Barru Regency. Research by (Apillia Ade Rani, 2021) in the form of a literature review suggests the success factors of BUMDes, namely; "communication, accounting information systems, human resources, leadership styles, work environment, salary, competence, organizational performance, commitment, organizational culture, training, job satisfaction influence, and GCG".

The Putukrejo Village Government has a fairly good readiness in forming BUMDes. It is proven by the development of business units that are very helpful in empowering local rural communities. In addition, BUMDes "Barokah" also seeks to empower the community based on creative economy by establishing the tourist attraction, Sumber Sira Market, which is used to manage the products of the community creativity (Wahyu Agung Minto., 2019).

BUMDes business failure can occur as a result of the Operational Executive not being able to overcome inhibiting factors in managing the business. Several research results have revealed several factors that become obstacles to the management and development of BUMDes businesses. The results of these studies can be stated below. (Fransiska Owa da Santo Maria & Yustinus Pedo, 2021) conducted research on BUMDes in Kokbau Regency, East Nusa Tenggara, that; "obstacles to the formation and development of BUMDes, namely: Human resources of village communities who do not understand the importance of establishing and developing BUMDes as an organization that can develop the economy of rural communities".

Research results from (Saputra Fidentius Didakus Darma, 2021) also suggested: BUMDes Dile is not running due to several factors, namely the capacity of human resources that are not optimal in managing because there are still internal problems that have not been resolved. The internal problem is that the management decree has not been made, so the management has lost legitimacy from the community. Reporting on the implementation of programs that have not been made from 2018 until now. And the implementation of improving the skills of the management through DIKLAT which is not

effective and efficient. All of these findings then affect the performance of BUMDes Dile which has decreased in quality from year to year.

On the other hand, (Apillia Ade Rani, 2021) also suggests that the failure factors that affect BUMDes performance vary, namely; "innovation, education, age, and work experience." In connection with the research of the Community Empowerment Service regarding the management of local-based BUMDes in Pasirama Kidul Village, Pekuncen District, the development of BUMDes according to Central Java Governor Regulation number 18 of 2018 article 31 paragraph 4 that; the classification of BUMDes development is carried out using parameter aspects; Institutional Governance; Rules; Business; Administration, reporting, and accountability; Capital and assets; BUMDes impact on the community (Dinas Pemberdayaan Masyarakat Desa, 2021). Then each aspect of the parameter has a questionnaire statement of choice by making a conterng mark which is adjusted to the real conditions in a BUMDes, and the selected questionnaire answer is given a score of 1 to 4. Score 1 if the management aspect in the BUMDes is very lacking, and score 4 if the BUMDes management is very good.

Based on the answers from the questionnaire for each parameter, then multiplied by the weight of the assessment of each aspect as follows: Institutional governance, weighted at 20%; Rules, weighted at 10%; Business, weighted 25%; Administration, reporting and accountability, weighted at 10%; Capital and assets, weighted at 15%; Impact of BUMDes on the community, weighted at 20%.

Then the total value of the results of each aspect or parameter assessed is summed up, then it can be seen that the BUMDes performance is included in one of 4 (four) classifications, namely; Basic, Growing, Developing, and Advanced. The total score interval for each classification is as follows: Basic Calcification, if the total score is 45 – 49; Growing Calculation, if the total score is 50-74; Developing classification, if the total score is 75 – 85; Advanced classification, if the total score is 86 – 100.

A framework is needed as a guideline for data collection, data analysis, and discussion of research results. The framework will combine the discussion of the results of data analysis with relevant theoretical concepts in an effort to solve research problems.

2. RESEARCH METHOD

This research was conducted at the Pahae Jae Sub-district office, North Tapanuli Regency, North Sumatra Province attended by Operational Executives from 9 (nine) BUMDes. This research is descriptive qualitative, which will analyze and explain; understanding in BUMDes business development, supporting and inhibiting factors, and BUMDes classification in the period 2020 to 2023. Population is the whole of the object that can be studied, while the sample is part of the population that will be used as the object under study, in accordance with the objectives, and the requirements that must be met.

In this study, the sample selection method is *purposive judgment sampling*, which is based on consideration of the presence of the Operational Executive of each BUMDes in Pahae Jae District to fill out questionnaires and questionnaires. The number of villages and sub-districts, both BUMDes names and BUMDes business types in Pahae Jae Sub-district, as population and samples can be stated as in Table 1.

Table 1. Name of village of BUMDes, and type of business in Pahae Jae sub-district year 2023

Village name	Name of BUMDes (population)	Type of business from sample
Tordolok Nauli	Sian Hita Tu Hita	Savings and Loans, Fertilizers, Plant Medicines.
Suka Maju	Maju Bersama	Fertilizers, Plant Medicines, LPG Gas Sellers, Slaughter Chickens.
Siopat Bahal	Dalihan Natolu	Musical Instrument Rental.

Sigurung Gurung	Satahi	Savings and Loan.
Pardomuan Nainggolan	Pardomuan	Savings and Loan.
Sitolu Ompu	Bersatu	Savings and Loan, Trading, LPG Gas Seller.
Faithful	Setia Maju	LPG Gas Seller.
Silangkitang	Silangkitang	Tents, and Chair Rentals.
Nahornop Marsada	Marsada	Agriculture, fisheries, Services.
Parsaoran Samosir	Samosir	Not Examined (not sampled)
Parsaoran Nainggolan	Parsaoran Tunas	Not Examined (not sampled)
Pardamean Nainggolan	Pardamean	Not Examined (not sampled)

Source: Pahae Jae sub-district office (2023)

The data used in this research consists of primary data, and secondary data. Primary data is data that is directly obtained from the BUMDes Operational Executive. The primary data is regarding; understanding of business management owned by BUMDes, supporting and inhibiting factors faced for the development of their BUMDes business, which includes aspects; legal, management, and accounting. In addition, a performance measurement questionnaire based on 6 (six) parameters to determine the classification of the BUMDes.

The data collection method is through structured interviews and filling out a questionnaire that is answered in the form of choices. In addition to primary data, this research also uses secondary data in the form of information related to legal, management, and accounting aspects, such as regulations or policies made by regents, sub-district heads, and village heads related to BUMDes business management including technical guidance related to financial reporting. The secondary data collection method is a literature study, in the form of copying back BPS data of North Tapanuli Regency in 2022, and North Tapanuli Regent policies related to BUMDes management uploaded in the *google* application. In this study, qualitative and quantitative descriptive data analysis techniques were used.

The data analysis steps were carried out as follows: Tabulating data from the results of respondents' answers to questions during interviews, and filling out questionnaires, by Operational Executives; Analyze the data and relate it to relevant theories; legal, management, accounting aspects, in managing and developing BUMDes businesses; Draw conclusions in the form of a description of; understanding of BUMDes business development, supporting and inhibiting factors faced by Operational Managers to develop their BUMDes business; and Analyzing the quantified performance questionnaire data from 6 (six) parameters, so that the classification of each BUMDes can be determined. Thus the objectives of this research can be achieved.

In connection with the main variables in this study in the form of; BUMDes business development, supporting and inhibiting factors in developing businesses, and classification of BUMDes performance. The results of this research will describe the results of data analysis and compare theories and phenomena from previous research results. Thus this research is a replication of previous research. The framework for thinking in this study is shown in Figure 1.

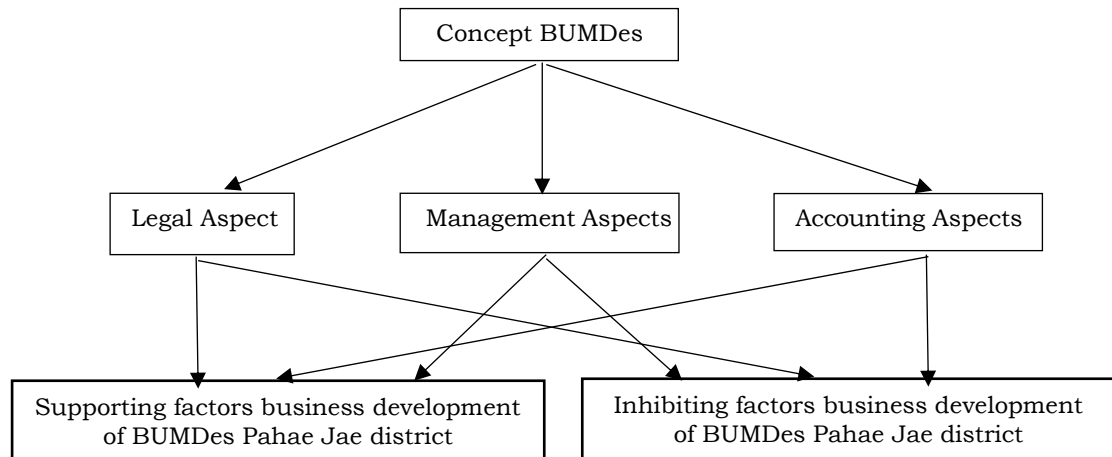


Figure 1. Thinking framework

3. RESULTS AND DISCUSSIONS

In managing BUMDes to ensure business sustainability, the Operational Executive must understand the efforts that can be made for business development. Several things that need to be understood for the implementation of BUMDes business development can be analyzed from a legal aspect, management aspect, and accounting aspect. To be able to analyze the data, a questionnaire was first submitted to BUMDes Operational Managers in Pahae Jae Sub-district as described below.

Legal Aspects

Compliance with the law is a very important thing for the Operational Executive of a BUMDes to fulfill. Compliance with laws related to BUMDes management is increasingly necessary because BUMDes is supposed to be a company in the form of a legal entity since the beginning of 2022. This is in accordance with the mandate of Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises (Peraturan Pemerintah Nomor Republik Indonesia Nomor 11 Tahun 2021 Tentang Badan Usaha Milik Desa). Likewise, it must also pay attention to Law Number 6 of 2014 concerning Villages (Undang-Undang Republik Indonesia Nomor 6 Tahun 2014 Tentang Desa), and Law Number 4 of 2015 concerning the Establishment, Management, Management, and Dissolution of Village-Owned Enterprises, because BUMDes obtain capital participation from the Village Fund. Other legal aspects that need to be fulfilled are that each BUMDes must have Articles of Association (AD) and Bylaws (ART) as guidelines in carrying out BUMDes operations. Furthermore, BUMDes must be able to plan and develop BUMDes activity programs that are determined through the results of a Village Consultative Meeting led by the Village Consultative Body (Peraturan Menteri Desa Republik Indonesia Nomor 4 Tahun 2015 Tentang Pendirian, Pengurusan, Pengelolaan, Dan Pembubaran Badan Usaha Milik Desa). In terms of appointment and dismissal of BUMDes operational executors, it must be based on the rules contained in the BUMDes Articles of Association. Based on the respondent's answer data from 8 (eight) questions, data analysis can be carried out as in Table 2.

Table 2. Data analysis of BUMDes business development from the legal aspect in Pahae Jae sub-district, North Tapanuli regency

Name of BUMDes	Number in Figures					Number in Percentage					
	Answer	Yes	Not Know	Not	No Answer	Total	Yes	Not Know	Not	No Answer	Total
Sian Hita Tu Hita		15	7	14	4	40	37,5	17,5	35	10	100
Moving Forward Together		15	6	19	0	40	37,5	15	47,5	0	100
Dalihan Natolu		14	5	9	4	32	43,75	15,63	28,12	12,5	100
Satahi		8	4	4	0	16	50	25	25	0	100
Pardomuan		3	8	0	5	16	18,75	50	0	31,25	100
Unite		2	1	4	1	8	25	12,5	50	31,25	100
Setia Maju		2	0	6	0	8	25	0	75	0	100
Silangkitang		2	4	2	0	8	25	50	25	0	100
Marsada		4	3	1	0	8	50	37,5	12,5	0	100
Total		65	38	59	14	176	36,93	21,59	33,52	7,95	100

Source: BUMDes in Pahae Jae Sub-district, processed data

From the contents of Table 2, according to the answers to 8 (eight) questions related to legal aspects in the form of understanding of the rules, the completeness of the autran in each BUMDes, it can be evaluated as follows: First, In BUMDes Sian Hita Tu Hita, regarding understanding of the rules, that the Operational Implementers who answered; Yes are 37.5%, Don't Know 17.5%, and No 35%, and did not provide an answer 10%. Second, In BUMDes Maju Bersama, regarding understanding of the rules, that the Operational Implementers who answered; Yes are 37.5%, Don't Know 15%, and No 47.5%, and did not provide an answer 0%. Third, In BUMDes Dalihan Natolu, regarding understanding of the rules, that the Operational Implementers who answered; Yes are 43.75%, Don't Know 15.625%, and No 28.125%, and did not give an answer 12.5%. Fourth, In BUMDes Satahi, regarding understanding of the rules, that the Operational Implementers who answered; Yes are 50%, Don't Know 25%, and No 25%, and did not provide an answer 0%. Fifth, On the question of understanding the rules, the Operational Implementers who answered; Yes were 18.75%, Don't know 50%, and No 0%, and did not give an answer 31.25%. Sixth, In BUMDes Bersatu regarding understanding of the rules, that the Operational Implementers who answered; Yes are 25%, Don't Know 12.5%, and No 50%, and did not provide an answer 12.5%. Seventh, At BUMDes Setia Maju regarding understanding of the rules, that the Operational Implementers who answered; Yes are 25%, Don't Know 0%, and No 75%, and did not provide an answer 0%. Eighth, At BUMDes Silangkitang, regarding understanding of the rules, that the Operational Implementers who answered; Yes are 25%, Don't Know 50%, and No 25%, and did not give an answer 0%. Ninth, In BUMDes Marsada, regarding understanding of the rules, that the Operational Implementers who answered; Yes are 50%, Don't Know 37.5%, and No 12.5%, and did not provide an answer 0%.

Supporting and Inhibiting Factors for BUMDes Business Development in Pahae Jae Sub district.

In addition to understanding the aspects of BUMDes business development, it is also necessary to know the factors that can support and hinder BUMDes business development. As the results of previous research have suggested, there are supporting and

inhibiting factors that can be viewed in terms of legal aspects, management aspects, and accounting aspects. Based on respondents' answers to the questionnaires provided, data on supporting factors can be analyzed in Table 3.

Table 3. Supporting factors for BUMDes business development in Pahae Jae sub-district

Name of BUMDes	Supporting Factors		
	Legal Aspects	Management Aspects	Accounting Aspects
Sian Hita Tu Hita	- Need Notarized Deed - Can Establish BUMDes - Have a Certificate Legal Entity	- Technical assistance. - Supervision of the village head - Complete Management - Easy to obtain capital	-Need training on Financial report preparation. - There is financial bookkeeping, even if it's just.
Moving Forward Together	LPJ of BUMDes Management	- Loan repayment on time. - Community purchases goods from BUMDes - Has Members	
Dalihan Natolu Satahi	Money Lending Agreement Made	- Documents available	- There is bookkeeping.
Pardomuan Unite			- There is bookkeeping even if it is just
Setia Maju		- There is training for Operational Implementers	
Silangkitang Marsada		- There is training for Operational Implementers	

Source: BUMDes in Pahae Jae Sub-district, processed data.

Discussion of the Implementation Aspects of BUMDes Business Development in Pahae Jae Sub-district.

After analyzing the data, a discussion of the research results can be made as follows: First, Based on the answers of the Operational Executives in Table 2 regarding the legal aspect that, of the 8 (eight) BUMDes in Pahae Jae Sub-district, most still understand the importance of the rule of law in developing BUMDes businesses, but still score 65 or 36.93%. While those who did not know were 59 or 33.52%. Then those who answered did not know 38 or 21.59%, did not even answer 14 or 7, 95%. Overall, the importance of understanding the law still needs to be improved in BUMDes in Pahae Jae sub-district, because those who answered "YES" were still 36.93%. Second, based on the answers of the Operational Executives in Table 3 regarding the management aspect that, of the 20 (twenty) BUMDes in Pahae Jae Sub-district, most still do not understand the application of management functions in BUMDes business development, namely a value of 187 or 42.50%. While those who did not know were 75 or 17.05%. Then those who did not answer 29 or 6.59%. Overall, the importance of understanding the ability to apply business management still needs to be improved in BUMDes in Pahae Jae sub-district, because those who answered "YES" were still 149 or 33.86%. Third, based on the answers of the Operational Executives in Table 4 regarding the accounting aspect that, of the 12 (twelve) BUMDes in Pahae Jae Sub-district, most still do not understand accounting in BUMDes business development, namely a value of 155 or 58.71%. While those who do not know are 43 or 16.29%. Then those who did not answer 19 or 7.20%. Overall, the

importance of understanding accounting still needs to be improved in BUMDes in Pahae Jae sub-district, because those who answered "YES" were still 47 or 17.80%.

Discussion of Supporting and Hindering Factors for BUMDes Business Development in Pahae Jae Sub-district.

Based on the results of data analysis in Table 3, the supporting factors in the development of BUMDes in Pahae Jae Sub-district are the support of the village government in providing initial capital. In addition, the local government has provided technical guidance that can improve the ability to manage BUMDes properly, especially in financial management and accountability. In terms of accounting, the training on financial report preparation is very supportive, however not all BUMDes treasurers have received training. Only 3 (three) BUMDes have received training, namely BUMDes Pardomuan, BUMDes Satahi, BUMDes Silangkitang.

It can be seen that the inhibiting factors for BUMDes development in Pahae Jae Sub-district are still more dominant. From the legal aspect as an obstacle, namely that the BUMDes does not yet have the status of a Legal Entity (still in the process of being proposed). In addition, BUMDes already has Articles of Association, but the Operational Executive has not fully guided the Articles of Association. They have not even fully understood the contents of Government Regulation Number 11 of 2021 concerning BUMDes/Joint BUMDes (Peraturan Pemerintah Nomor Republik Indonesia Nomor 11 Tahun 2021 Tentang Badan Usaha Milik Desa).

From the management aspect, the more dominant inhibiting factor is the skills of human resources, because most of the educational backgrounds are still graduates of the General High School (SMU). In addition, there is an inability to design a *business (business plan)* that is in accordance with the economic potential of the village, for example, prioritizing choosing a savings and loan business that causes bad credit, renting musical instruments, tents and chairs that do not have tenants every day. Based on the topography of the villages in Pahae Jae Sub-district, which is still dominated by agricultural land and plantations, the business of medicine and fertilizer should be better pursued. It is also necessary to improve marketing management by creating partnerships with entrepreneurs who are willing to buy agricultural and plantation products both manually and digitally.

From an accounting aspect, this is also an inhibiting factor, as most BUMDes in Pahae Jae Sub-district have not received technical guidance, although there is an assistance officer from Pahae Jae Sub-district. However, because the seriousness to make complete bookkeeping records is still low, financial reports that are in accordance with SAK-EMKM cannot be prepared. As a result, the village community lacks support for the BUMDes, as they consider the financial accountability to be unclear. In addition, the community has not felt the impact of BUMDes on improving the welfare of the village community, and has not been able to contribute to becoming a source of Village Original Revenue, even the initial capital funds provided by the village government have not been returned. This is due to bad credit, so the BUMDes has not been able to prepare financial reports.

Discussion of Performance Measurement for Classifying BUMDes in Pahae Jae Sub-district. Based on the results of data analysis, regarding the measurement of BUMDes performance from 6 (six) aspects or parameters, that of the 9 (nine) BUMDes in Pahae Jae Sub-district, there is 1 (one) BUMDes classified as Basic, and 6 (six) BUMDes classified as Growing. There are even 2 (two) BUMDes that cannot be classified because the Total Performance Score is still less than 45 even though some have received technical guidance. Respondents' answers in the *checklist* column are mostly still on numbers 1 and 2, namely the parameters of Rules, BUMDes Business, and Capital and assets. Whereas the weight of the assessment score is mostly on the BUMDes Business parameter, namely 25%, then Capital and assets 15%. Thus the results of this study are in line with the

results of previous research, especially (Aeni Nurul, 2020), on the Performance Overview of Village-Owned Enterprises (BUMDes) in PatiRegency, Central Java Province.

4. CONCLUSION

Based on the results and discussion, the research objectives as mentioned in this research can be explained: First, the implementation of business development in Village-Owned Enterprises in Pahae Jae District, North Tapanali Regency for the period 2020 to 2023 has not been able to run well, which is the case. It can be seen from its operational implementation that it still experiences many obstacles. Second, the supporting factor in business development in Village-Owned Enterprises in Pahae Jae District, North Tapanuli Regency for the period 2020 to 2023 is that BUMDes managers must understand management, legal and accounting aspects. The inhibiting factors for Village-Owned Enterprises in Pahae Jae District, North Tapanuli Regency are that there are still BUMDes that are not yet legal entities, a lack of human resource competence from BUMDes managers, and there are still BUMDes that do not understand the preparation of financial reports. Third, performance measurement as a basis for classifying Village-Owned Enterprises in Pahae Jae District, North Tapanali Regency for the period 2020 to 2023, based on measuring 6 (six) parameters, most of which are still classified as growing, basic, some even cannot be classified yet. To support the progress and development of BUMDes in Pahae Jae District, North Tapanuli Regency, BUMDes managers must increase their competence in managing BUMDes well; have a business legal entity; and have skills in management. Regional governments also have an important role in supporting the development of BUMDes through various policies that can improve BUMDes performance effectively and efficiently

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