

HR Perspective To Optimized Of Bumdes Financial Management

Editya Nurdiana

Faculty Of Economic And Business, Swadaya Gunung Jati University, Cirebon

*Corresponding Author

Email: editva.ugj@gmail.com

Abstract

The goal of this study is to examine HRM practices in the context of digital financial management for BUMDes. In order to facilitate labor, it is imperative that the need for digitization be met. BUMDes business owners may find it simpler to access structured data and information with digitalized financial reports. This study strategy combines a qualitative methodology with a literature review methodology. The references to the Village Government Law, pertinent scholarly publications, and books on village finance management are used as the data sources. use document analysis to analyze data. The study's conclusions are as follows: BUMdes managers need to be competent in internationalizing archive management; The creation of financial SOPs requires the integration of BUMDes managers. These managers gather accurate digital accounting reports and administrative records, enabling them to offer management accountability for the government's capital participation fund utilization.

Keywords: Human Resource Management Strategy; Financial Management; BUMDES And The Digitalization Era

INTRODUCTION

Technology and information have advanced rapidly in recent years, ushering in the digital era and moving away from analog and conventional forms. The process of converting different types of analog information into digital format for easier production, archiving, management, and redistribution to information consumers for a variety of uses and as a basis for decision-making is known as information digitization. One example of the digitization and transformation of information is the use of information systems in businesses, where data is managed with the use of computers and their hardware and software. used in a company. Information systems play a very important role in achieving the company's goals effectively (Miftah & Febri Sukmawati, 2020).

The presence of Digital Communication Technology today has made major innovations in the promotion of Information Technology (IT) products and services proven to be able to carry out marketing functions effectively and efficiently and has a wide range and is able to facilitate various content including narratives, illustrations, and cheap and interactive videos (Fitriansyah & Nuryakin, 2021). Management studies have recognized the transformation of digitalization, that is, "the technical process of converting analog signals into digital forms" as one of the most relevant phenomena shaping the evolution of the business world (Bergamaschi et al., 2021).

The results of Gilster et al's research (Fitriansyah & Nuryakin, 2021) include knowledge, understanding, skills, and abilities (skills) using finance and digital, as well as non-cognitive aspects in the form of motivation, trust, and activity. Agreeing with the results of Rita & Utomo's research in (Adella & Rio, 2021), By expanding the role of financial intermediaries, such as angel investors, venture capitalists, and creditors, who can help to promote small business growth and product market innovation, financial performance is a company's operational and investment activities.

Digitalization is one of the elements that can impact a company's worth. A shift from processes that no longer require a lot of human labor is represented by digital technology. The mass media sector, which is a part of communication, has developed naturally as a result of the

rapid development of digital technology, which is characterized by the presence of a variety of cutting-edge communication tools. With these tools, anyone can process, produce, send, and receive all forms of communication messages, anywhere at any time, as if they were unaware of the limitations of time and space (Purnama, 2022). However, it is more inclined toward an automated and sophisticated operation system with computers.

The field of human resource management is involved in the creation of methods that enable people to work together productively on a variety of organizational tasks in order to accomplish objectives. Human resource management's primary focus is on managing people to the fullest extent possible so that the firm can choose high-caliber human resources (Wildanu, 2019).

The village apparatus can then promote a more quantifiable planning, implementation, administration, and accountability mechanism in the process of managing village funds from the start to the finish after they are distributed to the Regional Government by the Central Government, based on the caliber of human resources. Riawan (Harahap et al., 2020) asserts that there is a substantial positive correlation between financial performance and the caliber of human resources (HR). If everyone in the community participates in the development process, it will successfully encompass all facets of a new existence.

There are other locations where BUMDes management is inefficient as well. Prior studies carried out by Manikam, 2020 revealed that the Village-Owned Enterprise program's implementation in Gunungkidul has not gone smoothly. This reality is demonstrated by the low participation rate of village communities and the Village-Owned Enterprises' programs, which have not operated as a whole and have not been able to meet the needs, interests, and potential of farmers—which was the primary reason for the creation of BUMDes—(Iryani et al., 2020).

The acquisition of systematic and well-organized data can be facilitated for MSME firm owners through the use of digitalized accounting financial statements. If MSME firm owners are able to present and provide financial reports, there are various benefits for them. One of the benefits is that businesses are able to weigh their rights and obligations while also accounting for profits and estimating the amount of extra money that can be secured. These financial statements can assist MSME owners in making decisions about the development of their enterprises based on real, tangible circumstances (Ajengtiyas & Mashuri, 2020).

Digitalization of marketing with digital technology in the development of macro-scale business entities in rural areas formed under the name of Village Micro, Small and Medium Enterprises (BUMDes) by forming three basic ones, including; (a) institutional and business, BUMDes has the legality of legal entities in establishing business units based on village potential, through matching businesses with village potential in order to be able to become economic drivers in the village; (b) having access to finance, optimizing the economic activities of village communities through the availability of financial access in BUMDes; (c) digitalization, in addition to functioning as an Offtaker for the production of village communities, BUMDes also facilitates village communities to access the market through the market place platform developed through the online BUMDes ecosystem (Sanjaya et al., 2020).

In economics and business, there is the term life cycle. This concept divides the condition of a product or business entity into several cycles. This theory also applies to Independent BUMDes, where BUMDes go through several stages before reaching the stage of maturity. The problems that arise, many BUMDes have difficulty even surviving at each stage. Therefore, it is necessary to develop the competence of BUMDes managers as a key instrument in BUMDes itself, both internally and in collaboration with partners to prepare toward upgrade (Sanjaya et al., 2020).

The challenge of BUMDes is still low performance in economic development and can be seen from the many shortcomings in the implementation process and the business unit base that is not optimal. In addition, the problem of low community productivity with the lack of processed

products and businesses carried out makes the role of BUMDes not focus on the community. Another challenge is the threat of organizations that have their own characteristics in carrying out business activities (Ridwansyah et al., 2021).

BUMDes with digital amenities in the age of modern technology The four components of BUMDes—economic, ecological, social, and institutional—are seen from the viewpoint of stakeholders (Pujiana, et al., 2019). The BUMDes program's execution is closely linked to the community empowerment program, which seeks to increase community income through the creation of small companies in the community and promote people's economic growth and equal distribution of benefits (Pujiana, et al., 2019).

When discussing technology, a new issue that comes up is the incapacity of BUMDes managers to oversee contemporary BUMDes programs. Naturally, experts in the field of information technology are required to empower BUMDes management in the utilization of digital marketing technology; therefore, the government must also enhance the capacity of village officials to oversee BUMDes management. Given the foregoing context, the goal of this research is to identify and evaluate methods for enhancing the caliber of BUMDes' human resources in financial management, as well as the effects of digital fund management on these efforts.

RESEARCH METHODS

To conduct the research, a qualitative approach was employed, utilizing a method known as literature review research. This method is particularly useful in synthesizing existing knowledge on a given topic by thoroughly examining a wide range of relevant sources. In this case, the literature review involved the analysis of various village regulations, laws, and scientific articles from both domestic and international journals. By focusing on these diverse materials, the research aimed to capture a comprehensive understanding of the subject matter from multiple perspectives and contexts. The process of gathering information involved identifying authoritative sources, critically assessing the content, and organizing the findings to identify patterns, gaps, and trends.

The review process began with a thorough examination of national and local regulations that govern village management, specifically looking at legal frameworks that impact the operation of Village-Owned Enterprises (BUMDes). This was followed by a detailed analysis of scholarly articles, which provided insights into the effectiveness of different management strategies and digitalization efforts in rural economic development. The literature review also included studies from international journals to incorporate a global perspective and explore best practices that could be adapted to the local context.

The diagram below outlines the steps followed in the literature review process, which include the initial phase of collecting relevant legal and scholarly sources, followed by data analysis, comparison, and synthesis. Each step helped to build a clear and structured understanding of the challenges, opportunities, and potential solutions for improving financial management and digitalization within village-based enterprises. By employing this method, the research ensured a thorough and unbiased exploration of the topic, providing a solid foundation for further investigation and policy recommendations.

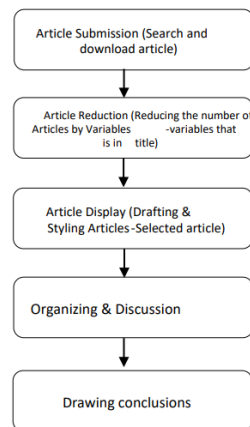


Figure 1. Steps to study literature (Marzali, 2016)

RESULT AND DISCUSSION

Strategy for Improving the Quality of Human Resources in Digitalization BUMDes Financial Management

Using a socialization approach that emphasizes the value of digital system use, BUMDes are implementing activities to help students grasp digitalization. The BUMDes managers' wishes are discussed in order to better inform future socialization efforts and enable them to make genuine contributions to the local village development process, as well as better governance and marketing. Since information and technology have a significant impact on how the world develops today, information technology is one of the crucial issues that needs to be given careful consideration. The direction and speed of human life have also changed significantly as a result of information and technological advancements (Zukhri et al., 2007).

In the current technological era, research (Ridwansyah et al., 2021) suggests strengthening BUMDes and maximizing the use of digital amenities. The four components of BUMDes—economic, ecological, social, and institutional—are seen from the viewpoint of stakeholders. The community empowerment program, which aspires to foster economic growth and fair welfare distribution through the establishment of local small businesses in order to raise people's income, is directly linked to the BUMDes program's execution.

The government's commitment to the sustainability of BUMDes, demonstrated by the funding provided in an attempt to develop BUMDes, is a prerequisite for the strategy of developing Human Resources in BUMDes. Through BUMDes, the government plays a critical role in empowering villages and reducing poverty. Apart from providing financial resources, the government also needs to offer auxiliary facilities for the administration of BUMDes. Every hamlet needs to be allowed the autonomy to govern its own land, business, and society. Law Number 6 of 2014 of the Republic of Indonesia pertaining to Villages. At the moment, villages have the power to govern their own land and establish independent economies. Using village assets as village potential is one of the various strategies for developing the village economy. The village's natural resources, such as land, ponds, springs, and other natural resources, are its original assets.

In order to improve human resources in financial management, BUMDes has implemented the following strategies: (a) educating village managers about digital financial management applications that they can use; (b) hiring and training BUMDes managers in financial management so that they can be effective and efficient with the use of funds; and (c) increasing the budget for future use. By improving the rural economy through joint socialization, local governments, and local communities can attract the private sector to collaborate. The

government has increased funding for facilities, equipment, and other resources that can support the operation of the BUMDes Digitalization program in order to accelerate the implementation of the program.

Development of human resources is crucial to the path of business growth. According to the Law of the Republic of Indonesia of 2014 about Villages, the idea of the establishment and establishment of BUMDes in the *desa* is completely exploited for the welfare of the village community. Therefore, as BUMDes plans and executes its operations solely for the benefit of village communities, it can be claimed that training human resources for BUMDes managers can enhance the welfare of village communities (Open, 2020).

Professional assistants assigned to support the village are another crucial component of the strategy to enhance human resources. This is particularly true for the Development of BUMDesa, which is governed by Government Regulation of the Republic of Indonesia Number 47 of 2015 concerning Amendments to Government Regulation Number 43 of 2014 concerning Implementation Regulations of Law Number 6 of 2014 concerning Villages. However, this process does not appear to be operating at its best. Since the professional assistants do not reside in the village they are escorting, it is evident from the informant data that the author has successfully gathered for this study that they are not actively working to aid the community.

As stated by Noe (Harini et al., 2015), a key component of corporate performance is human resources. The caliber of the company's human resources has a big impact on its back and forth. High-quality human resource work produces modern machinery or technology, robust capital, and effective marketing strategies. This demonstrates how crucial it is for a business or organization to raise the caliber of its human resources in order to have a competitive edge.

Implications of Digital Fund Management on Improving BUMDes Human Resources.

Considering that BUMDes are also a vital component of the village economy, using information technology can help managers of BUMDes conduct marketing more skillfully and appropriately, which can enhance the professionalism of BUMDes performance downstream and increase the potential of the village to increase the prosperity of the local community (Rafael et al., 2018). According to the study's findings (Tini & Yuliastina, 2021), BUMDes administrators are capable of creating daily cash books, balance sheets, profit and loss statements, and capital change reports. They also possess an understanding of accounting and bookkeeping and the BUMDes administration system. So that it can encourage the realization of village independence, increase village original income, open up job opportunities at the village level, overcome unemployment and poverty which in turn leads to the achievement of community welfare in the potential of business units that are already running.

The government's move to renew itself as we approach the new normal period is the digitization of BUMDes. A significant improvement to the Village Fund Allocation scheme in both its primary and secondary scope is the digitalization of BUMDes. The government's long-term goal is to digitize BUMDes as quickly as possible; to date, 28,000 BUMDes have made the transition to the digital sphere. The Ministry of Rural Development and Tourism has made a number of digital applications available for free usage by all BUMDes in an effort to speed up the digitalization process. The government also facilitates discussions, communication, and knowledge transformation about Digitalization starting from theory, practice, to simulation (Pratiwi & Novianty, 2020). The implications of digital financial management have a huge effect on organizing financial administration and good management. Financial management will be measurable and automatically facilitate the performance of BUMDes organizations. Financial management becomes integrated theory, practice, to simulation (Pratiwi & Novianty, 2020). The implications of digital financial management have a huge effect on organizing financial administration and good management. Financial management will be measurable and automatically facilitate the performance of BUMDes organizations. Financial management becomes integrated.

Better income is one of the objectives of community empowerment in financial management, according to Mardikanto (Fadlillah & Kushandajani, 2019). Improving the environment and income are the two fundamental goals of empowerment. It is anticipated that increased income will be able to improve the environment because low or no income frequently causes harm to the community. Additionally, increased business will likely improve living conditions for all families and communities. Improvements to village institutions mandated by village regulations will also likely improve the village life, as they are shaped by laws and regulations.

Discussion

Developing the capability of HRM in the digital age requires constant updating to boost understanding and assist the village government's operations in simplifying the management of the village budget. According to Article 1 of Lampung Regional Government Regulation Number 31 of 2016, the term "implementation of village finance" refers to all activities involving the planning, organizing, carrying out, publicizing, and managing village bookkeeping. The management of Village revenues and other assets, as well as the exercise of public authority, must be handled by the Village Government with greater liberty (Aji et al., 2020). Village Law No. 6 of 2014 provides that the State Revenue and Expenditure Budget (APBN) of the federal government will allocate funding to each village, amounting to about 1.4 billion annually. This is stated in paragraph (1) of article 72 about the village's revenue source in letter d. Moreover, in the same article's paragraph 4 According to the statement, "The village funds as mentioned in paragraph (1) d are allocated to the Regional Revenue and Expenditure Budget at least 10% (one tenth) of the remaining fund received by the Regency/City following the deduction of the Special Allocation Fund. Given the enormous village income, development in the village ought to be able to smoothly meet the needs of both the community and the village (Mega, Daud Liando, 2017).

The success of village financial management will decide whether or not the village fund goals are met, according to Munati (Maya Yusnita & Reko Dwi Salfutra, 2021). Poor financial management performance can make it challenging to evaluate how money is being used. This can be demonstrated by inconsistent and standard documentation and reporting. More significantly, the ability of village officials to manage the funds they have will determine the degree of efficacy and efficiency of village financial administration. The work or accomplishments of village authorities in carrying out all tasks, including planning, implementation, reporting, and village financial responsibility, result in the performance of the village's financial management. The performance metrics for village financial management are as follows: (a) economy; (b) effectiveness; (c) efficiency; and (d) sufficient reporting (Budiati et al., 2020).

According to Article 1 of Gunungkidul Regent Regulation Number 49 of 2015, village financial management is the comprehensive activity that encompasses the planning, execution, administration, reporting, and responsibility of village funds (Rahmawati, 2019). According to Article 2 of Gunungkidul Regent Regulation Number 49 of 2015, the following guidelines guide the management of village finances: Transparency is an openness principle that enables the public to know and have access to as much information as feasible (a) regarding village finances; (b) accountable, meaning that all financial uses for carrying out activities can be verified both physically and administratively in compliance with legal requirements; (c) participatory, meaning that community members must be included in the stages of planning, carrying out, and assessing village finances; (d) orderly, meaning that village finances are handled in a timely and appropriate manner, backed by verifiable administrative documentation; and (e) budget discipline, meaning that all financial uses must align with the activities and budget ceilings specified in the Implementation Document of the Regional Budget (DPA)/Cost Budget Plan (RAB).

The definition of governance innovation according to Chhotray and Stoker (Ramadhanny et al., 2018) is a process of change towards better governance by involving many actors in a community organization. This governance innovation includes four main elements, namely: rule innovation, collectivity innovation; innovation in decision-making and innovation elements.

CONCLUSION

Improving human resources in financial management is essential for ensuring the long-term sustainability and success of BUMDes (Badan Usaha Milik Desa or Village-Owned Enterprises). To achieve this, it is crucial to implement strategies that enhance both the capacity and professionalism of BUMDes managers in handling financial matters. This can be done in a sustainable manner by integrating digital technologies that support transparency, efficiency, and accountability in financial operations. The first step in this process is (a) improving the professionalism of BUMDes human resources in financial management. This involves enhancing their understanding of financial principles, regulations, and best practices, while also developing their technical expertise in digital financial tools and systems. By investing in the continuous development of these skills, BUMDes managers will be better equipped to make informed financial decisions that contribute to the growth and stability of the village economy.

Furthermore, (b) recruitment and training programs for BUMDes managers are crucial to ensure that they are well-prepared to manage financial operations effectively. These programs should focus not only on financial literacy but also on the strategic use of digital applications that can optimize the management of funds. For instance, introducing software and platforms for budgeting, accounting, and reporting can help managers streamline their financial processes, reducing the risk of errors and improving the accuracy of financial statements. Additionally, the training should emphasize the importance of governance, transparency, and accountability, which are key to fostering trust within the community and ensuring the effective use of village resources.

In addition, (c) increasing the budget allocation for BUMDes operations is vital for supporting the digital transformation and long-term growth of these enterprises. To ensure that the digitalization process is implemented effectively, the government must provide adequate funding to improve facilities, upgrade infrastructure, and introduce digital tools that will enhance the overall performance of BUMDes. This investment in infrastructure will enable BUMDes to modernize their financial management practices and adapt to the evolving needs of the community. It is essential that these digital solutions are accessible, user-friendly, and scalable, so that they can be easily adopted by BUMDes across different regions, regardless of size or resources.

The benefits of digitizing financial management in BUMDes are manifold. First, it will lead to more efficient and accurate financial reporting, which is essential for ensuring that funds are being used effectively. Digital platforms can also provide real-time data that allows managers to make quick, informed decisions. Furthermore, by digitizing financial operations, BUMDes will experience greater transparency, which will foster trust among stakeholders and prevent mismanagement or corruption. This will also make it easier for the government to monitor the allocation and usage of village funds, ensuring that they are being spent in accordance with the intended purposes.

In the broader context, the digitalization of financial management in BUMDes will help build stronger and more sustainable village economies. As BUMDes become more efficient in managing their finances, they will be better positioned to invest in community development projects, improve local infrastructure, and support small businesses. Moreover, digital tools can

help BUMDes track their performance, measure outcomes, and identify areas for improvement, enabling them to continually refine their operations and ensure long-term success.

In conclusion, the digitization of BUMDes financial management is a critical step in advancing the Village Fund Allocation (Dana Desa) program. By enhancing the skills of BUMDes managers, providing the necessary training, and increasing budget allocations for digital infrastructure, the government can help ensure that BUMDes operate more efficiently, transparently, and sustainably. The shift toward digital financial management not only improves the effectiveness of BUMDes but also contributes to the overall development of rural communities, empowering them to thrive in an increasingly digital world.

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