

# POTENTIAL EFFECT OF VILLAGE, USE OF INFORMATION TECHNOLOGY, AND SOCIAL ENTERPRISE TOWARDS BUMDes BUSINESS DEVELOPMENT IN JEMBER DISTRICT

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# ABSTRACT

This study aims to Potential Effect Of Village, Use Of Information Technology, And Social Enterprise Towards BUMDes Business Development In Jember District. The population in this study were BUMDes who used Potential Effect Of Village, Use Of Information Technology, And Social Enterprise around 227 BUMDes. By using the opinion of Roscoe in Sekaran, The recommended number for multivariate analysis is a multiple of 10 (ten times or more) of the number of variables desired in the study. So the number of samples: 4 variables x 10 = 40 samples. This study uses multiple linear regression analysis by using IBM SPSS V 21 Statistics. The results of this study indicate that Potential Effect Of Village, use information technology and Social Enterprise Towards BUMDes Business Development.

**Keywords:** Potential Effect Of Village, Use Information Technology, And Social Enterprise Towards BUMDes Business Development

# **1. INTRODUCTION**

Rural areas have an important role in nation building. Indonesia can develop its potential through villages. In relation to urban communities, villages are able to contribute to food, energy, environment, and productive labor that migrates to cities. The village is the driving force of the city (Muryanti, 2018). This great potential, which can be developed, is due to the large number of villages in Indonesia.

Based on the above reality, the birth of Village-Owned Enterprises or abbreviated BUMDes is the embodiment of the mandate of Law Number 6 of 2014 concerning Villages in Article 87 which states that BUMDes are formed on the basis of the spirit of kinship and mutual cooperation to utilize all economic potential, economic institutions, and potential resources. natural resources and human resources in order to improve the welfare of rural communities. So that the existence of BUMDes in the midst of village communities can run businesses in the economy and public services which in their activities are not only profit-oriented, but oriented to support the improvement of the welfare of rural communities.

BUMDes was born as a new approach in an effort to improve the village economy based on the needs and potential of the village. In a sense, the business that will be realized is something that is extracted from the desire and desire to create the progress of the village community. By accommodating the economic activities of the community or by establishing an economic institution that is managed professionally but still relies on the potential of the existing village, the community's efforts will be more effective and productive. In the future, BUMDes will function as a pillar of the nation's independence and also become an institution that accommodates economic activities that improve the welfare of the community in the village.

Village-Owned Enterprises (BUMDes) are important innovations and deserve appreciation in the midst of conditions for a long time the village has always been abandoned (Sahdan, 2007). There is hope that with the breakthrough of the BUMDes business model, economic growth can be more even, no longer concentrated in cities. BUMDes is oriented to mobilize and accelerate the village economy. The resources owned by the village are managed by the villagers themselves to increase the village's original income, so that the village can be more independent. The way BUMDES works is by accommodating the economic activities of the community in an institutional form or business entity that is managed professionally, but still relies on the original potential of the village (Zulkarnaen, 2016) (Trisnawati & Indrajaya, 2017).

In the business sector, for example, the existence of information and communication technology has provided important benefits and progress for business actors or entities. Information technology is a set of tools that can assist humans in changing, creating, storing, communicating or disseminating information and performing tasks related to information processing. The development of information technology is currently growing rapidly along with the discovery and development of science in the field of information and communication technology. Technology is developing very rapidly at this time causing business and sales strategies as the spearhead of all businesses to increasingly lead to the mastery and use of technology. It is undeniable, the role of technology becomes very dominant for the development of the company. From starting to increase sales, transactions, company performance, to reasons for efficiency and effectiveness. Any business, requires sales in order to survive.

One of these phenomena can be seen from the number of business actors/business entities that conduct business activities online. However, there are still many business actors/business entities that have not utilized Information Technology and business results to the fullest. Most of them are still conventional. While the presence of technology has become something that is inseparable in entrepreneurship, it is certain that entrepreneurs who do not integrate technology will experience difficulties in the competition that is currently happening. In addition to good adaptability, entrepreneurial success is also influenced by the ability to manage business results well, the awareness of entrepreneurs in these two things and the role of the government in increasing understanding of entrepreneurship, especially the government's attention to further improve the ability of small and medium entrepreneurs to compete competitively.

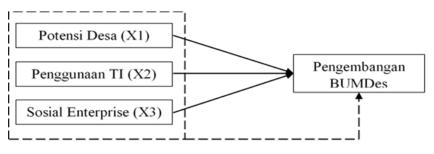
Basically, entrepreneurship is an activity that seeks profit from any business carried out independently. Many factors make someone become an entrepreneur, among others, because of the lack of employment opportunities, wanting to get a lot of profit and sometimes because they don't want to be tied down so they are able to freely develop what they want. Efforts to improve living standards make entrepreneurship an option. However, not everyone is capable of entrepreneurship or even able to develop the business independently because they do not have qualified abilities.

As a human being who is born with a natural nature, he cannot live without other people and has a social spirit, which makes one of these factors an idea arises where to make a business which can have a social impact. So that the business is not only pursuing profit but also being more sensitive to the surroundings and having a social role and synergizing between profits, humans, and the existing environment. From here emerged the concept of social enterprise which combines business factors with social factors. According to (Hulgard, 2010) which explains the notion of social entrepreneurship in which social entrepreneurship can be defined as "the creation of social value produced in collaboration with people and organizations from civil society who are involved in social innovation which usually implies economic activity.

From the above understanding, it can be concluded that the business concept that is formed has a social impact and indirectly plays a role in alleviating the problems of poverty and unemployment and has an important role in solving social and economic problems. This is in accordance with the aims and objectives of the establishment of BUMDes itself.

Research related to the influence of village potential, the use of information technology and social entrepreneurship on the development of BUMDes has been carried out by many previous researchers, such as the research conducted by Yofais Ahgio Khosyi (2018) with the title Analysis of the Implementation of Social Enterprise Programs in BUMDes Nglanggeran, Sumarti's research (2010) with the title The Existence of Village-Owned Enterprises (Bumdes) in Developing Competitive Village Communities Business and Economy in the Era of the Asean Economic Community and Hendry Meilana Trenggono's research (2009) with the title Analysis of the Potential and Barriers of MSMEs in Depok.

Based on several research statements above, the hypothesis and conceptual framework in this study are as follows.



**Figure 1 Thinking Framework** 

The research hypothesis is structured as follows:

- 1. Village Potential, Use of Information Technology and Social Enterpression partially influence the development of BUMDes Business in Jember Regency.
- 2. Village Potential, Use of Information Technology and Social Enterpression have a simultaneous effect on the development of BUMDes Business in Jember Regency.

#### 2. RESEARCH METHODS

This research was conducted in Jember Regency. for 1 to 3 months, namely March - May 2020, the data used as the main data is the result of a questionnaire from 40 BUMDes managers in Jember Regency.

This research is a type of quantitative research. Quantitative research is a research method in the form of numbers and analysis using statistics, especially regarding what has been researched, Sugiyono (2012). The total population in this study was 227 BUMDes in Jember Regency. The sample in this study was 40 respondents who were determined based on the technique of determining the number of samples using the opinion of Roscoe in Sekaran (2003:253) stating that the appropriate sample size was in the range of 30-500. The recommended number for multivariate analysis is a multiple of 10 (ten times or more) of the number of variables desired in the study. So the number of samples: 4 variables x 10 = 40 samples.

#### 2.1 Test Data Validity

The validity test in this study used item analysis, which correlated the score of each item with the total score which was the sum of each item's score. Validity test is used to measure whether or not a questionnaire is valid. By comparing r count and r table. The statement item is said to be valid if the value of r count > r table. Based on the results of the validity test that has been carried out, it shows that all indicators on the variables of leadership style, motivation, salary, performance performance incentives, have an r-count value greater than the r-table value (0.187). In addition, the significance value of all variables has a significance value of less than 0.05. So this result can be concluded that all indicators in this study proved valid.

## 2.2 Data Reliability Test

Reliability test is a tool to measure a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if a person's answer to the statement is consistent from time to time. This study uses the Cronbach' Alpha technique to measure reliability. Cronbach' Alpha is a benchmark or benchmark used to interpret the correlation between the scale created and all existing variable scales. A construct or variable is declared reliable if it gives Cronbach' Alpha value > 0.6. The results of the data reliability test can be seen in table 2 below.

Variabel	Cronbach'Alpha	Keterangan	
Village Potential (X1)	0,867	Reliabel	
Use of Information Technology (X2)	0,735	Reliabel	
Sosial Enterprise (X3)	0,765	Reliabel	
the development of BUMDes Business (Y)	0,789	Reliabel	

Based on table 2 above, it shows that the research variable of village potential is said to be reliable because the value of Cronbach's Alpha > 0.6 is 0.867. variable of Use of Information Technology is said to be reliable because the value of Cronbach's Alpha > 0.6 which is equal to 0.765. and the BUMDes Business Development variable is said to be reliable because the Cronbach's Alpha value is > 0.6, which is 0.789.

#### **2.3 Data Normality Test**

The normality test aims to determine whether the data obtained are normally distributed or not. Data that is normally distributed can minimize the occurrence of bias. The normality test of the data was carried out by the Kolmogrov-Sminov test (Ghozali, 2001:83). The criteria for the normality test are If the significant value is > 0.05 then the research data is normally distributed. The results of the data normality test can be seen in the following table:

Table 3 Results of the normality test of the data One-Sample Kolmogorov-Smirnov Test

		Unstandardiz ed Residual
Ν		40
Normal Parameters	a,b Mean	,0000000
	Std. Deviation	,52688078
Most Extreme	Absolute	,124
Differences	Positive	,124
	Negative	-,057
Kolmogorov-Smirnov Z	,803	
Asymp. Sig. (2-tailed)		,539

a. Test distribution is Normal.

b. Calculated from data.

Source: Processed by researcher

#### 2.4 Multiple Linear Regression Analysis

The data analysis method uses multiple linear regression to analyze the effect of Village Potential (X1), Use of Information Technology (X2) and Social Enterpression (X3) on BUMDes Business Development (Y). Linear regression analysis is a process of systematically estimating what is most likely to happen in the future based on past and present information so that errors can be minimized. One of the uses of regression in this study is to predict the dependent variable (Y) if the independent variable (X) is known (Kuncoro Riduwan 2007: 83). The data was processed using the IBM SPSS Version 21 software.

Hypothesis testing was carried out using t-test for partial testing and F-test to simultaneously test hypotheses and coefficient of determination analysis was carried out to determine the extent to which the research model was able to answer research questions.

The results of multiple linear regression analysis in this study can be seen in table 4 below:

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Table 4 Results	of multiple	linear regression	analysis
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Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized	t	Sig.		
				Coefficients				
		В	Std. Error	Beta				
	(Constant)	2.164	1.497		1.445	.154		
1	Potensi Desa	.731	.184	.458	3.978	.000		
	Penggunaan TI	.254	.099	.263	2.611	.012		
	Sosial Enterprise	.244	.074	.410	3.317	.002		

a. Dependent Variable: Pengembangan Usaha BUMDes (Y)

Source: Processed by researcher

ANOVA <sup>a</sup>						
Mode	el	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5,391	4	1,078	1,519	,009 <sup>b</sup>
	Residual	38,342	36	,710		
	Total	43,733	40			
o Demondant Variables y						

a. Dependent Variable: y

b. Predictors: (Constant), x3, x2, x1

Source: Processed by researcher

Based on the results of the multiple linear regression analysis above, it shows that the Village Potential variable has a significant effect on BUMDes Business Development; The variable of Information Technology Use has no significant effect on BUMDes Business Development; and Social Enterpression variables have a significant effect on BUMDes Business Development. And simultaneously Village Potential (X1), Use of Information Technology (X2) and Social Enterpression (X3) have a significant effect on BUMDes Business Development (Y).

### 2.5 Coefficient of Determination

According to Ghozali (2011: 87) the coefficient of determination (R2) is used to determine the percentage contribution of the simultaneous influence of the independent variables on the dependent variable. The results of R2 can be seen in Table 5 below:

Model Summary						
Model	R	R Square	Adjusted R	Std. Error of the Estimate		
			Square			
1	.785ª	.616	.581	1.416		

a. Predictors: (Constant), Potensi Desa, Penggunaan TI, Sociao Enterprise

Source: Processed by researcher

From the calculations in Table 5 above, it shows that the coefficient of determination (adjuted R2) obtained is 0.616. This means that BUMDes Business Development (Y) contributes 61.6% by Village Potential (X1), Use of Information Technology (X2) and Social Enterpression (X3), while the remaining 38.4% is influenced by other variables that are not included. in this research model.

## **3. DISCUSSION**

- 1. The Influence of Village Potential on BUMDes Business Development in Jember Regency.
- Based on the results of hypothesis testing, it is stated that village potential has a significant effect on BUMDes Business Development. This means that the greater the potential of the existing village, the faster the development of the BUMDes business. Based on the findings in the field, most respondents said that the greater the potential of the existing village, the faster the BUMDes Business Development, therefore several BUMDes stated that the large number of village potentials in addition to accelerating the BUNDes business also increased the village's original income. The results of this study are in line with Eli Safrida's research (2019) with the title Efforts to Maximize Village Potential Through the Establishment of Village Owned Enterprises (Bumdes) in Dolok Sagala Village.
- 2. The Influence of the Use of Information Technology on BUMDes Business Development in Jember Regency. Based on the results of hypothesis testing, it is stated that the use of information technology has no significant effect on BUMDes Business Development. This means that the greater the use of existing information technology, it will slow down the development of the BUMDes business. Based on the findings in the field, most respondents said that the more use of existing information technology, the slower the BUMDes Business Development, therefore some BUMDes respondents stated that the use of information technology in addition to slowing the BUNDes business. The results of this study are not in line with the research of Nadya Utari Gunawan (2020) with the title The Effect of Information Technology and Business Results on the Development of Small and Medium Enterprises Business in the Fresh Market of Protecting Makassar City
- 3. Effect of Social Enterpression on BUMDes Business Development in Jember Regency.
- Based on the results of hypothesis testing, it is stated that Social Enterpression has a significant effect on BUMDes Business Development. This means that the greater the value of Social Enterpression, it will accelerate the development of BUMDes Business. Based on the findings in the field, most of the respondents said that the greater the value of existing Social Enterpression, the faster the development of BUMDes business, therefore several BUMDes stated that the number of Social Enterprises in addition to accelerating the BUNDes business also increased social values in the village community. The results of this study are in line with Muryanti Muryanti's research (2020) with the title Towards Social Entrepreneurship/Social Enterpression in the Village through Village-Owned Enterprises

#### 4. CONCLUSION

Based on the results of research and discussion on the Effect of Village Potential, Use of Information Technology and Social Enterpression, a significant effect on BUMDes Business Development (Y), some conclusions are:

- 1. Village Potential Variables have a significant effect on BUMDes Business Development
- 2. The Variable Use of Information Technology has no significant effect on BUMDes Business Development
- 3. Social Enterpression has a significant effect on BUMDes Business Development

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