



## Human Resources Identification in Ever Inactive Village-Owned Business Entities

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### Abstract

*This research to identify the condition of human resources in Village-Owned Business Entity (abbreviated as VOB in this research) that ever inactive in West Tanjungjabung Regency . The method used in this research is survey with descriptive analysis. The result showed from 27 VOB that were ever inactive in 2017, there are still 2 villages that haven't started to operate yet since they were built, due to passive administrators. Dominant businesses are service and trade. There was advantageous business unit in the VOB, it didn't prevent the VOB to stop operating. The knowledge of VOB management owned by respondents who are the village head and the head of VOB was categorized as deficient. The motivation of the village head was in average category while the head of VOB was persistence in the deficient level. The communication between respondents was categorized as adequate. Even though the head of village had average motivation, passable communication skill as the advisor, his knowledge was still minimum. The other obstacles for the village head was the head of VOB was also having minimum knowledge about managing VOB and also lack of motivation to run it.*

**Key words :** Human Resources, Everly inactive VOB, Knowledge, Motivation, Communication

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## INTRODUCTION

Economy growth in province level can be achieved if its districts have well-established economy activity. In order to reach it, there should be assistance from strong rural economy that is able to increase community's prosperity widely. Based on the mandate of Village Minister Regulation, the Development of Underdeveloped Regions and Transmigration No.04 2017 as the substitute of No.22 2016, it was mentioned that among four priority of village fund utilization, one of them is to build Village-Owned Business Entity (VOBE). The purpose of VOBE is to increase the ability of community in the village, their prosperity and economic independence in the village.

Economic progress in province level can be achieved if its regencies have fine economic activity supported by strong village economy that is able to increase citizen prosperity broadly. The purpose of VOBE is to increase the ability of the people in the village to be prosperous and economically independent. Village officials in West Tanjung Jabung have formed VOBE. Not every village that have VOBE owns business unit directly. They found it difficult to recruit people that are willing to manage VOBE and having entrepreneurship skill. While the ideal administrators of VOBE should have business experience, it caused established VOBE have not operated yet even when it already has administrators and business unit. From 82 VOBE in West Tanjung Jabung, 38 of them were inactive (PMD Agency, 2018). Today, those inactive VOBE have operated while also facing many challenge especially what related to their management. It means, the quality of human resources worked in the VOBE as many as 46.3 % should be known.

The successfulness of VOBE depends on its human resources. Based on the initial

survey towards VOBE in Sungai Rambai village, Senyerang sub-district, Tanjung Jabung reGENCY. One of the causative factor of inactive VOBE is its administrators. They have not have knowledge yet to do expansion and to explor the potential of their village. For example, their business unit is saving and loan service but when there is a payment jams, they cannot act quickly towards it. Another business unit is tent rental and party supplies, unfortunately the management system that they have implemented was not professional enough to make it more progressive. The administrators of VOBE mostly are Senior High School graduation. As being the administrators is only as a side job, they have not maximally motivated to manage it. The administrators and the head of village were still unable to be cooperative so that following a meeting as their routine is still rare to happen, causing communication problem between administrators.

Based on the research from (M. Rialdi Syaputra, Daulay, & Elwamendri, 2017), the management of Maju Jaya VOBE in Lubuk Beringin, Bungo Regency, Karya Dermawan VOBE in Dusun Dalam village in Kerinci Regency, Gerbang Nusantara VOBE in Daratan Kempas village, West Tanjung Jabung reGENCY, Jambi province generally were adequate. Even so, there were still some matters that need to be handled: (1) Those three VOBE had the quality of the human resources worked there as their biggest obstacle in which the preference is still them who have good management system and leadership. (2) The Head of Village and Village Representative Council are the main actors to activate VOBE together with the Head and Director of VOBE itself. (3) Local government needs to legalize a local regulation related to VOBE in the region.

Some VOBE in Jepara reGENCY have another obstacle which in some area, the variation of business unit is still limited. Not only the quality of administrators worked in

VOBE, the participation of citizen is also lowly due to their minimum knowledge about managing VOB (Agunggunanto & Darwanto, 2016).

One of the causes of VOB's low performance is its administrators' low performance too. The result analysis of the research showed that: 1) VOB takes part in recruiting labor; 2) VOB takes part in the enrollment of village original income; 3) Working experience, salary, working environment, and leadership style affect positively and significantly in motivating the VOB's administrators while age affect negatively 4) Working environment and motivation affect administrators' performance, in the other hand, education, working experience, salary, age and leadership style did not affect significantly. 5) Age, working experience, salary, working environment and leadership style did not directly affect administrators in VOB of Jemberana regency performance in working through working motivation (Ni Komang Ayu Sri Swandari, Setiawina, & Marhaeni, 2017).

Low performance of human resources will cause the VOB to be inactive. The performance itself related to the quality of knowledge, motivation and the communication between administrators of VOB.

The level of knowledge in cognitive domain has five levels: (1) Knowing, it means to memorize lesson learned before, including to recall specific information from the whole material or received stimulation. (2) Understanding, it means the ability to explain about familiar objects and able to interpret them correctly. (3) Applying, it is the ability to use what one has learned in a real situation and condition. (4) Analyzing, it is the ability to elaborate the material or object to a component. (5) Synthesizing, it is

the ability to locate or connect parts into the entirely new form. (Notoatmodjo, 2012).

In the context system, motivation contain three elements which are need, encouragement and incentives, these three interact and depend on each other. (1) Need, a need will appear when there is imbalancing in physiological, sociological and psychological in an individual; (2) Encouragement, also called as motive, it forms to fulfill the need so there will be a balance in physiological, sociological and psychological; (3) Incentives, it is everything than can fulfil the need of an individual (Suparyadi, 2015).

Communication has some prominent elements, which are: (1) Communication that involve people; (2) Communication means there is sharing or giving information and (sharing meaning); (3) Communication involves symbols which means it can be in the form of body language, voice, letters, numbers and many more.

Based on the matter explained above, the formulations of the problems are how is the condition of VOB that ever inactive in West Tanjung Jabung Regency, how are the knowledge, the motivation and the communication of administrators in VOB that ever inactive, and that is why an effort was needed to prevent a VOB to be inactive again.

## METHOD

This research is a descriptive research. The method used in this research is survey (Ulber, 2010). Population in this research are VOB that ever inactive based on decision letter legalized in 2017, which are 38 VOB. The samples are taken by using multistage sampling. The first step is to find which districts that have VOB that ever inactive.

**Table 1.** The numbers of VOBE that ever inactive based on decision letter legalized in 2017

No	Districts	VOBE
1	Bram Itam	6
2	Kuala Betara	9
3	Pangabuan	12
4	Senyerang	2
5	Merlung	2
6	Renah Mendalu	2
7	Tungkal Ulu	5
Total		38

Source: Village Community Empowerment Service (2018)

The second step is to choose VOBE by using random sampling, following Slopin formula with degree error provision as much as 10%, then the samples are taken by using purposive sampling technique.

$$n = \frac{N}{\sqrt{N \cdot d^2 + 1}}$$

$$n = \frac{38}{\sqrt{38 \cdot 0,1^2 + 1}} = 27 \text{ VOBE}$$

The third step is to choose respondents by using unbalanced random method in which the sample is pulled by separating the elements in the sample, also called as stratum. In this research, the strata consist of two, they are the head of village and the head of VOBE. In total, there are 54 respondents.

Operational variable used calculation and ordinal scale from the variable that was observed.

**Table 2.** Operationalization of Research Variables

Variable	Dimension	Indicator	Questionnaire number
Knowledge	Knowing	Having knowledge about business management	1,2,3,4,5,6
	Understanding	Understand what the leader and employee want	7,8,9
	Application	The ability to give lesson to the administrators	10,11,12,13
	Analyzing	The ability to analyse the business development	14,15,16
	Synthesizing	The ability to give example of something new and beneficial	17,18,19
Motivation	Need	Physiological, Sociological, Psychological	20,21,22,23,24
	Encouragement	Motive	25,26,27,28,29,30
	Incentives	The amount of salary	31,32,33
Communication	Involving people	Vertical communication	34,35,36,37,38
	Sharing information	Consistency of delivering information	39,40,41
	Using symbols	Using terms in delivering information	42,43

Primary data are obtained by using techniques such as; observation, open and close questionnaire, interview and documentation study. The validity test is done to test every question item in every variable. Validity coefficient is considered

significant. If the value of  $r$  counted is bigger than the  $r$  table at  $\alpha = 0,05$ . Variable is reliable when its cronbrach alpha  $> 0,60$ . Descriptive analysis uses Likert scale. Item of respond is arranged with maximum score is 5, and the minimum is 1.

**Table 3.** Descriptive Analysis Criteria

Variable	Score/Respond Category				
Knowledge	Not knowing	Less knowing	Knowing enough	Knowing well	Very knowing
	1	2	3	4	5
Motivation	Very low	Low	Pretty high	High	Very high
	1	2	3	4	5
Communication	Never	Rare	Pretty often	Often	Always
	1	2	3	4	5

The criteria of knowledge, motivation and communication Level are first, according to Arikunto (Wawan & Dewi, 2010), the knowledge of someone can be known and interpreted with qualitative scale, such as:

- Good : 76% - 100%
- Enough : 56% - 75%
- Less : > 56%

Second, motivation variable was tested with descriptive test by categorizing motivation into high, average and low based on distribution test of score normality percentage as follow: a) High, if the score that respondent obtained is  $(X) > \text{mean} + 1$  Deviation Standard. b) Average, if the score that respondent obtained is  $\text{mean} - 1$  Deviation Standard  $\leq X \leq \text{mean} + 1$  Deviation Standard. c) Low, if the score that respondent obtained is  $(X) < \text{mean} - 1$  Deviation Standard. (Sujarweni, 2015)

Then : High, if  $X > 61,48 + 1 (13,14)$   
 $X > 74,62$

Average, if  $61,48 - 1 (13,14) \leq X \leq 61,48 + 1 (13,14)$   
 $48,34 \leq X \leq 74,62$   
 Low, if  $X < 61,48 - 1 (13,14)$   
 $X < 48,34$

Based on the calculation above, the criteria of motivation is categorized into:

- High : >75 % - 100%
- Average : 48 % - 75%
- Low : < 48 %

**RESULTS AND DISCUSSION**

The data of ages that were obtained from 27 respondents show that the heads of VOBE whose ages are between 31-40 years old are 11 respondents or 40.7%, continued with 9 respondents (33.3%) whose ages are between 41-50 years old. 6 of them are between 21-30 years old or 22.2% of the total respondents. There is only 1 respondent whose age is between 51-60 or 3.7%. For the head of the village, from overall 27 respondents, they are dominated with them whose ages are between 41-50 years old, which are as many as 17 respondents or 63% in

percentage. In the second position is the respondents whose ages are between 51-60 years old, which is eight respondents or 29.6%. There is only one respondent whose age is between 31-40 years old and 61-70 years old (3.7%).

The age of 41-50 years old for the head of village and 31-40 years old for the head of VOBE are actually proportional to hold mandate in succession of VOBE. The age for the head of village is older than the age of the head of VOBE. This condition will make the position of the head of village as *ex.officio* whose role as the advisor and the controller of the VOBE management implementation, to be able to maintain the head of VOBE.

Based on education level, 88.9 % of the head of village are high school graduation, or in number, 24 respondents. In the other hand, there are only one respondent who are in each of these education level; university student (still studying), diploma (in the same level as associate degree in some country abroad) and bachelor degree (3.7%).

Education is one of the way to increase someone's knowledge. Dominantly, respondents of this research are high school graduation. Actually, this level of education can be considered as average. Education will give someone an insight especially in business field, but it is not the only indicator of someone's level of knowledge. Education that has been through by every individual must be not similar, resulting their way of thinking to be different between each other too. This will affect the way they interact in the process to develop the VOBE.

Based on their jobs, 63 % or as many as 17 heads of VOBE are working as farmer. Only 3 respondents or 11.1 % who are working as merchant. 2 respondents (7.4%) are entrepreneur. There is only 1 respondent for each of these occupation; paramedic, junior high school contracted teacher, fisherman

and university student (3.7 %). This condition describes that only small amount of the head of VOBE who have experience in business which is only as much as 22,2 % of them working as the trader, entrepreneur and multilevel marketing. Meanwhile, business experience can be applied directly in VOBE. But due to lack of experience in business, they must learn first or at least working while also learning. Most of the head of VOBE are farmers whose competency is better in the production process. Since people who manage VOBE have their own main job, they tend to treat VOBE only as a part-time business.

Then a validation test is performed. Validity test is used to evaluate whether the sizes used are already match with what they supposed to be meant. The approach used to evaluate instruments validity is to compare the value of  $r$  counted and  $r$  table with the degree of freedom ( $df$ ) =  $n-2$ , where in this case,  $n$  is the amount of sample which is 54. In this research, for each construct with the value of ( $n$ ) = 54. Then the value of  $df$  is  $54-2=52$ . Significance test is used by using  $\alpha = 0,05$  and the test is done one sided. Because the hypothesis shows particular way, which is positive, then the value of  $r$  table obtained is 0,279. Next, to evaluate whether each indicator is valid or not, the value of  $r$  table is compared with the value of  $r$  counted. If the value of  $r$  counted is bigger than the  $r$  table then those indicators are stated as valid.

In knowledge indicator, there are 19 questions. The validity of all the items had been tested. They are valid because the value of  $r$  counted is bigger than  $r$  table. The question number 18 has the lowest validity level, which is 0.405. The highest validity level is owned by the question number 5, which is 0.839.

For motivation indicator, there are 14 question items. After validity test, it was known that there is one question with the value of  $r$  counted is lower than  $r$  table, which is the question number 9, with the value of its  $r$  counted is 0.102. Due to this reason, this

question was not included in the questionnaire to collect the data. The lowest validity level is in the question number 14, with  $r$  counted, 0.351. The highest one is in the question number 4, with the value of  $r$  counted reaching 0.814.

In addition, 10 questions for communication indicator had also been tested. All questions are valid because of  $r$  counted is higher than  $r$  table. The lowest validity level is owned by the question

number 9 which is 0.318 whereas the highest one is the question number 2 in 0.908.

The result of reliability test towards three research constructs shows that they are reliable showed by the value of Cronbach Alpha is above the benchmark figure which is in 0,60. Therefore, the sizes of knowledge, motivation and communication constructs can be used forward. Reliability tests can be described as follows.

**Table 4.** The Result of Reliability Calculation of Knowledge, Motivation and Communication variables

Variable	The Amount of Indicator	The value of Cronbach Alpha ( $\alpha$ )	Output	Information
Knowledge	18	0,885	> 0,60	Reliable
Motivation	13	0,874	> 0,60	Reliable
Communication	10	0,866	> 0,60	Reliable

Source: Calculation by using SPSS

Recapitulation of business units of VOBE that ever inactive in West Tanjungabung Regency. VOBE is hoped to open business units that meet community's need, so the advantage both socially and economically for the community can be achieved.

The business unit in VOBE should be began in the first village, Suak Labu, there are three kinds of business unit which are Concrete mixer machine rental, saving & loan, and building supply shop. From these three business unit, only the building supply shop that earns profit, while the other two have not given any profit yet. But even so, three of them survive. The second and third village, Sungai Gebar Barat and Sungai Dungun have no business unit existed there yet.

Based on interview result in Sungai Gebar Barat village, the reason behind inexistence of the business unit is due to the elected head of VOBE in 2017 is inactive. After being informed about the process of VOBE management, he refused to manage the VOBE. The effort to invite and guide from the village

apparatus has been done but still it is unable to activate one who supposed to lead. In the beginning of 2019, the election is held again and the process of establishing the business unit is still in the preparation step. In Sungai Dungun village, it was decided that they were going to build boat rental to transport palm oil harvest, but there was disagreement between the head of village and the head of VOBE related to the place to order the boat. Because of this problem, their plan has been postponed until today.

The fourth village, Tanjung Pasir, has promising business unit, which is BRI Link and traditional market. Tent rental, in the other hand, have not given any profit yet, but all of them are still operated. The reason of why tent rental is not beneficial is due to its high operational cost and also the community who prefer to use the traditional tent.

The fifth village, Sungai Gebar, has four business units which are aisle rental, concrete mixer machine rental, saving & loan and building supply shop. The advantaging units

among those four are the last two mentioned before. The concrete mixer machine rental does not give profit because the moment to use it is very rare. Village does not have many projects to be done also the community. The aisle rental is drowning in the market due to the other existence of aisle rental with more variation.

The sixth village, Sungai Dualap, has trellis welding station, internet tower, badminton hall, and sound system rental. From these four units, internet tower and badminton hall are the two that give profit. Sound system rental has not given profit because it is new. Meanwhile, the minimum order and the high operational cost make the trellis welding station should be closed.

The seventh village, Dataran Pinang, only has tent rental as its business unit and has not given any profit yet. Next, Gemuruh village, it has advantageous grocery store and a tent rental that has not given any profit yet. High operational cost, no warehouse, and minimum order are the reason behind it.

The ninth village, Badang Sepakat, has grocery store, gas base, and farm shop. The grocery store collapsed and was closed due the stuffs that have not sold until their expiry date. The loss in total reached more than 12 million rupiahs. Only the gas base that gives profit. It arrange 3kg subsidized gas distribution in the village, so the prize can be managed and there is no gas dearth. The farm shop has not given profit yet.

The tenth village, Batang Tembesu has three advantageous business units, which are coal hauling fleet management services, fish cultivation and poultry farm. Saving & loan has not given any profit yet.

The eleventh village, Pantai Gading, has capital loans, coconut trade, concrete mixer machine rental, and tent rental. Coconut trade is the only one that stop operating. Capital loan is managed well and give profit. The

other two business units have not given any profit yet.

Twelfth village, Tanjung Senjulang, has boat rental, village farm, clean water, tent rental, and building supply shop. The advantageous unit is clean water. The rests have not given any profit yet. Even the village farm stop operating.

The thirteenth village, Jati Emas, has BRI link, equity capital of the grocery store and concrete mixer machine rental. The one that already give profit is concrete mixer machine rental. The next, Semau village, has tent rental and water gallon that has not given any profit yet and coconut trade stop operating.

Fifteenth, Sungai Baung village, has tent rental but still not earn profit from it. Sixteenth, Parit Sidang village, there are traditional market stall rental and boat rental. The one that profitable is the boat rental since it is very useful to deliver the harvest.

The seventeenth village is Pampang. It has diesel power plant but stop operating due to its machines are broken, advantageous tent rental and saving & loan business that has not given profit yet. Next, Mekar Jati village, it has gas base, badminton hall, boat rental and farm shop. The gas base and badminton hall are very advantageous but the rest units have not given any profit yet. The next, Pasar Senen village, it has farm shop. It has that gives profit.

Twenty, Karya Maju village has tent rental, artesian well and coconut husk as the substitute of soil. The profitable unit is the last one mentioned before.

The twenty first village, Parit Pudir, has artesian well, tent rental and ambulance as its business units. None of them has given the profit to the village. Parit Bilal village, has tent rental only and still get no profit from it. The next village, Sungai Jering, has farm shop and saving & loan business. The farm shop has not given profit yet and the other business stop operating due to bad credit.

The twenty fourth village, Suak Samin, has tent rental and clean water business. Both have not given any profit at all. Renah Mendaluh village has tent rental too and ambulance. The advantageous one is the tent rental. Next, Merlung village, has water refilling depot, but not advantageous yet because it is just opened. The last village, Sungai Rambai, has saving & loan business but it has not given any profit yet.

Generally the dominant business unit is service and trade. From 27 villages, 14 of them have tent rental as their business unit. Based on the field observation, the profit from this stagnant business used up for tent maintenance and repository cost. This business was actually made based on community request because usually they have to cut areca nut and coconut tree to make a tent. However, due to its seasonal used, it is very hard to get big profit. In the other word, this business is advantageous socially for the community but still unable to keep the profit for the business growth. The social advantage is its inexpensive cost make the community to be able to rent the tent and get the stock of farm supply. Furthermore, the concrete mixer machine rental is usually used for village development projects, but it was very rare the community rent it. In a year, concrete mixer machine might only be rented for two months.

Whereas a VOB actually should not only give social advantage but also be able to contribute to village original income so that the economic growth in the village can increase. For the saving & loan business unit, the problem is bad credit. The limited ability of the administrator to collect the debt became the obstacle in this business unit. For the bank service such BRI Link, the

community who did transaction by using it was still limited. The trade business also had its own problem. The equity capital in the grocery store owned by community also experiencing difficulty because the velocity of money there was slow, resulting capital return to be slow too. The farm shop also experienced cash flow due to the payment of farm supply was done after the harvest. Grocery stores have to compete with the other existing store. The promotion is considered as slow in traditional market stall rental business. 5 semi-permanent stalls were already built but only one that has been rented.

The other business unit even stop operating. The administrators were unable to operate the business while the capital has already been issued. For example, in the village farm business, the field as the location of the farm was already cleaned but three months later, there was no planting activities.

Less knowledge of the administrator in finishing bad credit or the other obstacle in trade business, slow performance, choosing the wrong type of business, makes them problems to get VOB to be successful.

Even though there were problems, there are still any successful business unit. For example, in Batang Tembesu village. It was obvious that the business type it had is different with the other village, which are coal hauling fleet management services, fish cultivation and poultry farm. The administrators have good knowledge about those business and the produced products are what the community needs. It kinds of business unit are more complicated than the other village.

**Table 5.** Obstacles Faced by the Administrators of VOBE

No	Explanation	Yes	No
1	The ability to use Microsoft excel	3 (11,1 %)	24 (88,9 %)
2	Difficulty in making fine and on-time financial report	11 (40,7 %)	6 (59,3 %)
3	Administrator division of tasks based on the owned skill	3 (11,1 %)	24 (88,9 %)
4	The administrator of VOBE find it difficult to recruit employee for business unit	22 (81,5%)	5 (18,5%)

Source: Respondent (Data were processed, 2019)

Table 5 describes that only three administrators of VOBE that are able to operate Microsoft excel well while in making financial report, this ability is very important. Usually, VOBE administrators were helped by village apparatus to arrange the report. Furthermore, the administrator of VOBE also find difficulty in making financial report based on accountancy elements. The existence of financial report is prominent to see the growth of the business and to measure its eligibility. The financial report also can show the financial responsibility of the VOBE. The difficulty to find skillful VOBE administrators to manage its business units also become the obstacle, because it ends up by someone who has lack of knowledge to manage the VOBE. There is an obstacle too in the job desk allocation. Because most of administrators are placed not based on their skill which is 24 people or 88.9 %. Only 3 administrator (11.1%) who get job desk based on their skill. It is also difficult to find people who wants to join

VOBE in the village. The reason is the income they will get from VOBE may be smaller than what they earn from the job they already have. In one of the village, Sungai Jering, based on the statement from the head of village, they find difficulty to recruit members of VOBE. The community said that they do not want to get in trouble if joining VOBE, for example in a saving and loan business unit, because of its unclear financial report, it is difficult to track down how much money that have been spent and its bad credit. The income gotten is only enough to support the business to keep running. There is even a business unit that its income is not able to cover its operational cost. It means that the purpose of VOBE to increase village income haven't achieved entirely.

Knowledge variable was measured through five dimension which are; knowing, understanding, application, analyzing and synthesizing.

**Table 6.** Recapitulation of Respondents Knowledge Variable

Knowledge Variable	The head of village		The head of VOBE	
	Percentage	Category	Percentage	Category
Knowing	50%	Less	43%	Less
Understanding	52%	Less	44%	Less
Application	44%	Less	42%	Less
Analyzing	56%	Enough	40%	Less
Synthesizing	47%	Less	45%	Less
The average of knowledge variable	50%	Less	43%	Less

Source: Respondent (data were processed, 2019)

Table 6 showed that in average, the knowledge of the village head and the head of VOBE was in not good category. The percentage of village head knowledge was higher than the head of VOBE. It means that the knowledge owned by the village head as the advisor was not yet able to be transferred to the head of VOBE. But if it was seen from each dimension, in the analysis dimension, the village head ability was in pretty good category.

The knowledge from knowing dimension in the VOBE management, started from making business plan, knowing the duty of administrator, knowing the creative ideas to develop VOBE, knowing how to make standard operational procedure (SOP) so the business can operate orderly, knowing kinds of business type that is suitable with village potency, was in not good category. For example, the standard operational procedure (SOP) of tent rental was to avoid community who is asking for discount and late payment without forfeit. The saving & loan business also did not have clear SOP about collateral. The knowledge about these matters was actually should be in the good category to reach progressive VOBE. But in functioning as supervisor, the head of village actually have done pretty good job, and it is common because they get used to supervise various village activities that the fund came from government. It is different with the limited knowledge of the head of VOBE because they have not get used to maintain business unit which its source of fund is from the government.

For unwell understanding about what the leader and the employee wants, the right way to overcome this problem will lead to the performance of VOBE production unit. The head of village actually has to give advice properly to the administrator if there is any problem happened but due to their lack of

understanding, it was very difficult to find the right solution, causing the problem to be hadled slowly. VOBE became stagnant and even unable to grow and finally stop operating. This case happened in Badang Sepakat village, the grocery store that was managed by the VOBE stop operating and it act slowly to minimize loss. In similar, the saving & loan business in Sungai Jering village did not have proper step to finish bad credit.

Avaragely, the respondents' knowledge in applicating what they know in controlling the implementation of VOBE is categorized as less. Viewing this from their ability in monitoring the growth of VOBE, the head of village has better knowledge which is 50 % compare to the head of VOBE which is only 45%. Even so, since the role of the village head is only as ex.officio, the head of vobe have bigger portion of role in monitoring VOBE's growth but due to their lack of knowledge, the controlling activity towards business unit was not scheduled very well. This is in line with their lack of understanding in the dimension of steps to be taken when problems among VOBE administrators arise, resulting their applicating knowledge also not satisfying.

Ideally, VOBE administrators report the growth of its business units through financial reports once in a month. But the reality, based on the field observation, showed that there are still many administrators of VOBE who are not able to make a report well and ontime. Also the head of village who have not known very well yet about the financial report.

The knowledge of the head of village from the analysis dimension is categorized as pretty good while the head of VOBE is in less good category. The analysis towards business unit is done to figure out the worthiness of a business so that it can run well and allocated fund is not in vain. Respondents' lack of knowledge in analyzing business unit can be seen from the variety of business unit run by

their VOBE. Most of those business units are homogeneous. Meanwhile, if the analysis was done before, a business unit might grow well in a village but it might not so in another village. For example, BRI link, tent rental or other rental businesses. The concrete mixer machine rental will only work when there are projects related to the village development. It is very rare that the community in the village will rent it. As the result, the machine might only be used for two months in a year. It also

happen to the trellis workshop in Sungai Dualap village, due to not doing analysis first, the business unit only survive for six months. They got many orders, but since the price of materials is high due to it costs much for the materials to reach the village, the production cost then increase. The business is unable to compete with other trellis workshop.

Motivation variable is measured through three dimensions which are need, encouragement, and incentives dimension.

**Table 7.** Recapitulation of Respondents Motivation Variable

Motivation variable	The village head		The head of VOBE	
	Percentage	Category	Percentage	Category
Need	51%	Average	46%	Low
Encouragement	53%	Average	49%	Average
Incentives	40%	Low	40%	Average
Motivation variable in average	48%	Average	45%	Low

Source: Respondent (Data were processed, 2019)

Table 7 explained that in average, the motivation of the village head was in average category while the head of VOBE was in low category. Administration activity of the VOBE was still done in the village office. This is one of the factors of why VOBE is helped by the village apparatus in arranging financial report or writing letters for socialization or meeting events. There are only view VOBE that have their own office equipment such as laptop and printer.

The availability of facilities also affect the production continuity and working procedure in VOBE. For example, if a tent rental is not supported with the availability of transportation, everytime someone in the village wants to rent the tent, the administrator should rent transportation to bring the stuffs. The unavailable warehouse also make them have to rent one and pay for it every month. If they have minimum order, soon they will be run out of money due to it is being used to pay the warehouse rent that reach 150.000 rupiahs every month. The appreciation from the leader was also less.

Whereas the availability of infrastructure and reward was what the administrator needs. Even so, the head of village and the head of VOBE were still doing their duty. The head of village surely want the VOBE in his village to grow.

Motivation from the encouragement dimension is in the average category. The level of motivation of the head of VOBE is 49% and it is lower compare to the head of village that reach 53%. Actually, it is the head of VOBE's motivation that should be higher in the dimension of encouragement. Because it is them who act as the direct executor and have to be able to encourage the other administrators or them who manage the business unit. Encouragement dimension was very needed because it relates tightly to the performance of administrators of VOBE in working, discipline, and create the conducive working environment. But in this dimension, the respondents were in average category. There were some respondents who mentioned that they were not capable to motivate the administrator even they are in different

opinion. While the head of village as the advisor and the head of VOBE as the executor surely have to give encouragement to the other administrators or the executor of business unit so that the business can be more developed.

Motivation from incentive dimension based on honorarium agreement is included as low. Based on received salary, it is surprisingly the lowest motivation among respondents. All this time, low productivity level is showed through income earned by VOBE. It did not

give significant income to both administrators of VOBE and the head of village. There are even some of the head of village who never took their salary from the VOBE. In addition, in some village, both VOBE administrator and the head of village have not got their monthly salary due to no income from its business unit.

Communication variable was measured through three dimension, which are; involving people, sharing information, and using symbol.

**Table 8** Recapitulation of Respondents Communication Variable

Communication Variable	The head of village		The head of VOBE	
	Percentage	Category	Percentage	Category
Involving people	50%	Enough	46%	Enough
Sharing information	53%	Enough	41%	Enough
Using symbol	34%	Less	36%	Enough
Total average of communication	50%	Enough	39%	Enough

*Source:* Respondent (Data was processed, 2019)

The table 8 showed that in average, respondents' communication ability was in pretty good category. The heads of villages have done their role as advisor in managing VOBE even though not as maximum as possible, so have the heads of VOBE. But the percentage of the village head was higher which was 50%, compare to the head of VOBE which was only 39%.

The head of village have done their role as the advisor in managing VOBE, even though the intencity is categorized as enough. Communication in the form of asking the development of VOBE is categorized as enough. There is still a communication between administrators who often argue, but it is not considered as a good communication. This case is in line with the meeting activity that is not yet scheduled well, while the key of a good communication is in the well-scheduled meeting. At the meeting, everything can be discussed started from obstacles faced by VOBE administrator such as what related

to management, cooperation, administrator themselves, production, including working evaluation of each administrator of VOBE.

The head of village and representative of VOBE administrators are ever invited to visit Ponggok village by the regional government. But what was gotten from that visitation have not completely shared or transferred into ideas that will be useful for VOBE development. What was done by the head of village and the head of VOBE was actually good enough to encourage communication between the administrators of VOBE. Sharing information dimension was not in the good category yet due to the less knowledge. But the communication process was pretty good.

From the interview result, communication mostly happened directly and condusively so the using of symbols like nodding and hand move to represent the conversation rarely happened. The result in this research is similar with the condition of VOBE in the gold mining area in West

Sumbawa. Budgeting, human resources, and limited cooperation with private parties become the obstacles in developing VOBE (Ali, Sutarna, Abdullah, Kamaluddin, & Mas'ad, 2019)

It is hoped that VOBE in these 27 villages can grow better so that they can give impact both economically and socially, like Ijen Lesatri, with its business in tourism sector, is able to elevate the community through their local food selling and owning homestay (Setyobakti, 2017). One of the strategy that can be done in developing Mitra Sejahtera VOBE that has three business units which are mountain soil management, farm shop and grass tack, is to become the distributor or supplier for the farm shop with high TAS (Total Attractive Score) value (Sulaksana & Nuryanti, 2019).

The purpose of VOBE establishment is to increase economy growth in the village, its income, and the village's potency management based on community needs so that it can be the main source for the equal economy growth in the village.

To reach succesful VOBE, a strong base is needed. Especially for the village that build VOBE from the very beginning. VOBE as the village economic institution is an important part of the village development process. But it is also known there are still some weak spots of it before supporting and strengthen village economy. Some efforts that can be done to increase the knowledge of VOBE administrators are: 1) VOBE administrators learn business feasibility analysis. The purspurpose is to know which business unit that is worth to keep and which one that should not be continued. 2) The knowledge to finish bad credit. 3) Imitating process in the model of business between villages make the accumulation and market segmentation to be limited, so it is mandatory to give knowledge about identifying village potency. 4) Related agency facilitates the successful VOBE

administrators to visit unsuccessful one in the area of West Tanjung Jabung reGENCY because it already have VOBE that has already earned hundreds million rupiahs as its profit. The purpose is to share experience so that the administrators' knowledge increase. 5) Business Electronic Practice.

Increasing the knowledge of VOBE administrators that related to management function started from planning, organizing, activating, supervising, through accompaniment from many stakeholder. 1) VOBE cooperates with vocational training institute, universities and private companies in the form of accompaniment and not limited in giving training only. 2) Knowledge enhancement about market segmentation. 3) Accounting traning should be done periodically. 4) To emerge the enterpreneurhip passion of VOBE administrators by establishing "West Tanjung Jabung VOBE creativity clinic based Technology". 5) Enhancement and Development of cooperation network between VOBE. 6) Computer training for the VOBE administrators who haven't have computering knowledge yet to face industry challenge 4.0 through skill for future digital marketing.

Motivation cannot be separated from human's need. Only fulfilled needs that can motivate human's behaviour. Based on the data, today, the motivation of the head of village and the head of VOBE is still in the avarage category. Some efforts that can be done are : 1) It was necessary to find out what the human resources in the VOBE need by asking directly the head of village and the head of VOBE or by giving questionnaire related to the motivation enhancement effort, by cooperating with the village companion. 2) Human resources in VOBE do not only need motivation training but also payment increase. To increase the motivation of all human resources in VOBE through giving appreciation and bonus. 3) Appreciation and

bonus should be given to excel VOBE every year. One of the form of the appreciation is to consistently hold the selection of outstanding VOBE administrator in district and regency level. The champion then get special bonus. 4) Initiate VOBE ranking and give donation both material and non-material to top 20 VOBE.

Interaction in the form of intensive and effective communication between administrators will be able to create positive action in developing the business unit in VOBE. Due to that reason, to increase the communication and activities in VOBE, it needs: 1) Increasing the trust between administrator, so that the information given will be accurate and trusted. 2) Increasing the skill of listening through communication practices. 3) Holding effective communication practice to make conducive communication atmosphere that support creativity. 4) Applying communication strategy started from strengthen hope, conviction, carefulness and ability to forgive (Riswandi, 2013). 5) The use of BUMDes as one of the instruments of village development is highly dependent on the institutional arrangement either by the village government. The practical suggestions are a clear pattern of relations between the board of BUMDes and the Village Government and advancement of professionalism in the management of BUMDes (Ariutama, I Gede Agus, Saputra, Acwin Hendra, Sukmono, 2014).

## CONCLUSION

The conditions of VOBE that ever inactive are: 1) From 27 VOBE that ever inactive in 2017, there are still 2 villages that have not started any business yet since the VOBE there established, due to inactive administrator and the administrator changing process was lately arranged. 2) Dominant

business type was service and trade. From 27 villages, 14 villages open the tent rental business. But due to its seasonal used, it is very difficult in get profit. In the other word, this business is advantageous socially for the community but is still unable to be profitable for the business. Saving & loan business had bad credit as a problem. The limited ability of the administrator to collect the debt made this business stucked. Grocery store had to compete with other existing store, resulting capital return to be slow. Farm shop faced slow cash flow due to the payment was done after the harvest. Some business unit even stop operating. In the opposite, there are successful business such as coal fleet management services, poultry farm, fish cultivation and coconut fiber processing as soil alternative. 3) VOBE administrator had difficulty in making financial report based on accounting elements and in recruiting skillful employee.

In average, the knowledge of the head of village and the head of VOBE in managing VOBE was categorized as not good. 1) Knowledge from the dimension of knowing was categorized as not good. 2) Knowledge from the dimension of understanding was categorized as not good. 3) Knowledge from the dimension of application was categorized as not good. 4) Knowledge from the dimension of analysis, the head of village was in pretty good category while the head of VOBE was in not good category. 5) Knowledge from the dimension of synthesis was in not good category.

In average, the head of village motivation was in average while the head of VOBE was in low category. 1) Motivation from the dimension of need, the village head was in average while the head of VOBE was in low category. 2) Motivation from the dimension of encouragement was in average level. 3) The

attitude in incentive dimension was categorized as low.

In average, the communication between the village head and the head of VOBE was categorized as pretty good. 1) Communication from the dimension of involving people was categorized as pretty good. 2) Communication from the dimension of sharing information was categorized as pretty good. 3) Communication from the dimension of using symbols of the village head was in less category while the head of VOBE was in average.

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