

Enhancing Bumdes Performance Through Entrepreneurial Communication: An Action Research Approach

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Abstract

The significance of villages position in national growth provides them with a fascinating subject of discussion. Badan Usaha Milik Desa (Bumdes) are operationalized under the Rural Act, increasing village autonomy. Unfortunately, a lot of Bumdes remain stranded because of management issue to business quality to financial resources. In order to assist Bumdes develop more effectively, this study uses an action-research approach to investigate Bumdes with active engagement as a research subject. By applying the seven steps of the soft-system technique to Bumdes experiencing issues with business performance, researchers took an active part in the study. As it was put into practice, it became clear that the realization of close communication between the Bumdes director and village head was just as important to the transformation's success as entrepreneurial endeavors. Positive interactions between the two parties are essential for Bumdes' development into an organization that makes greater contributions to the village.

Keyword: Action-Research; Bumdes; Communication; Entrepreneurial; Village.

Introduction

Every strategic discussion on Indonesia's economic development should include an argument about villages as an appealing communication

issue (Bake et al., 2021; Malik et al., 2022). The presence of Indonesia's 83,931 villages has made a substantial contribution to raising the country's regional economic growth and development index score (BPS, 2021; Kusmulyono et al., 2024; Wasudewa & Iskandar, 2023). This is attainable due to the village fund program, which delivers 72 trillion rupiah annually to all Indonesian communities that meet the criteria (Kemendesa, 2019; Yuwono, 2022) .

In 2014, the Rural Act (*Undang-undang Desa*) was passed, which led to the village's revitalization and the establishment of the Badan Usaha Milik Desa (Bumdes), a village socioeconomic organization (Alfiansyah, 2021; UU Desa, 2014). Bumdes is a village-approved entity formed through village consensus and has the authority to more effectively manage social and economic activities in the village (Kemendesa, 2019; Kusumastuti, 2016; UU Desa, 2014). As of June 2024, there were 65,941 Bumdes in Indonesia, 18,850 of whom had their own legal organization (Khaerunnisa, 2024).

However, not all the established Bumdes have been running properly (Kusmulyono et al., 2024). Bumdes and village government encounters numerous issues, including unaccountable management (Ahaya & Perbawaningsih, 2023), managerial incompetence (Ubaidillah & Cahayuni, 2022), corruption (Saputra, 2024), failure to adapt to evolving businesses (Raharjo et al., 2022; Raharjo & Kusmulyono, 2021), financial difficulties (Hanny et al., 2020; Khaerunnisa, 2024), insufficient support (Puri & Khoirunurrofik, 2021; Srirejeki et al., 2020), misalignment with village potential (Suryanto, 2018), and discord between the village government and Bumdes management (Kusmulyono et al., 2023). Apart from that issue, The Financial and Development Supervisory Agency (*Badan Pengawasan Keuangan dan Pembangunan - BPKP*) of the Republic of Indonesia reported that 24.2 percent of Bumdes are inactive (Khaerunnisa, 2024). Most of these inactive Bumdes are suspected of having problems that are not only technical in nature such as capital or business ideas, but also a strong commitment from the village government and Bumdes management (Khaerunnisa, 2024).

Previous studies related to village leadership have shown that a leader in a village must have assertive behavior to encourage multi-stakeholder

collaboration and capitalize on social capital (Kusmulyono et al., 2024). Assertiveness is an individual's capability to speak out for their interests and beliefs when they differ from others without aggressing others (Ames, 2009). In addition to being concerned about preserving their own rights, assertive leaders often acknowledge that others have rights. The ability to be assertive is essential for leaders in organizations because it facilitates effective and positive communication and the development of fruitful working relationships. Building effective communication skills is the first step in implementing this boldness into practice (Filipeanu & Cananău, 2015).

Inactive Bumdes' commitment challenges, as shown in BPKP data, indicate that poor communication skills result in minimal assertiveness, hindering the ability to establish effective collaboration. This is counterproductive because the village needs a local leader who has good leadership and communication skills. Community empowerment through sustainable development is maintained by the idea that it is a continuous process requiring consistent communication between those implementing programs and the community (Indahsari & Dwihantoro, 2023). The empowerment process cannot achieve its goals without the support of a participatory communication process (Indahsari & Dwihantoro, 2023).

This analysis leads to the research gap that is the basis of this study. So far, the premise present is that Bumdes underperformance is due to operational business problems. The prevalence of this situation implies that Bumdes' success stems not only from effective business management, but also from the strong communication among village organisational leaders. The notion of communication is vital for Bumdes' efforts to transform for the setting up of a friendly connection between the village head and the Bumdes head, which is fundamental to the collective's success. Insufficient interaction between both sides often leads to premature failure of many Bumdes before they have a substantial impact (Syafriзал et al., 2018). This communication is significant because it relates to the relationship between the village government and Bumdes and is classified as organizational communication. The goal of this communication is to facilitate the exchange of ideas, convey concepts, motivate processes, and provide direction (Saputra, 2024; Sari & Basit, 2018; Syafriзал et al., 2018).

Effective organizational communication can increase productivity, create synergy, motivate employees, and promote behavioral changes in order to accomplish organizational objectives (Indahsari & Dwihantoro, 2023; Saputra, 2024; Sari & Basit, 2018). Throughout the context in the village environment, a culture of politeness, friendliness and deliberation is highly valued (Kusumastuti, 2016). The accomplishment of village empowerment through Bumdes and its entrepreneurial activity is dependent on the support of participatory communication (Indahsari & Dwihantoro, 2023; Yudarwati & Gregory, 2022).

Referring to the existing gap, the problem statement of this study is how the role of communication provides significant benefits to the transformation of underperforming Bumdes in the village. Therefore, the purpose of this study is to explore the role of communication in providing benefits to efforts to improve underperforming Bumdes in the village. In order to achieve the research objectives, the action research approach was chosen because, so far, this methodology has not been widely used to explore Bumdes while making positive changes to underperforming Bumdes. This research will be conducted in an underperforming Bumdes that is currently experiencing a problematic circumstance, having operational and communication problems between the village head and the Bumdes director. The contribution of this study is expected to be a reference in developing Bumdes' performance that comes from strengthening the Bumdes organization itself through the development of effective communication interactions.

Research Method

This study begins with a qualitative approach based on action research. This study was selected because researchers and researchers are more qualitatively oriented and need to develop a product that is substantially relevant and culturally sensitive. There is a complex understanding, rich concepts, and multiple meanings and interpretations about the Bumdes itself. Therefore, this research starts with simple steps to understand the various meanings of Bumdes, which are socially constructed in the community. The type of action research adapted in this study is the soft-system methodology (SSM). The main use of SSM is to analyze complex

conditions (complex systems) where different points of view on the definition of problems in soft problems or problems related to organizational and human behavior that are not deterministic (Checkland & Winter, 2006).

The context of the research object is Bumdes' underperformance, which is defined as experiencing a problematic situation. Problematic is operationalized as a situation in which problems occur involving interactions between humans and differences in perspective that disrupt the running of the organization. On that basis, the sampling model chosen was judgmental sampling, that is, the researcher selected Bumdes samples based on established criteria. The determined criteria are Bumdes that have official legality from the village government, have been running their organization for at least 1 year, have administrators, and are experiencing performance problems. To select 1 Bumdes to be intervened on, the researcher conducted interviews with the relevant village head and received input from the village facilitator. The research design is provided in **Figure 1**.

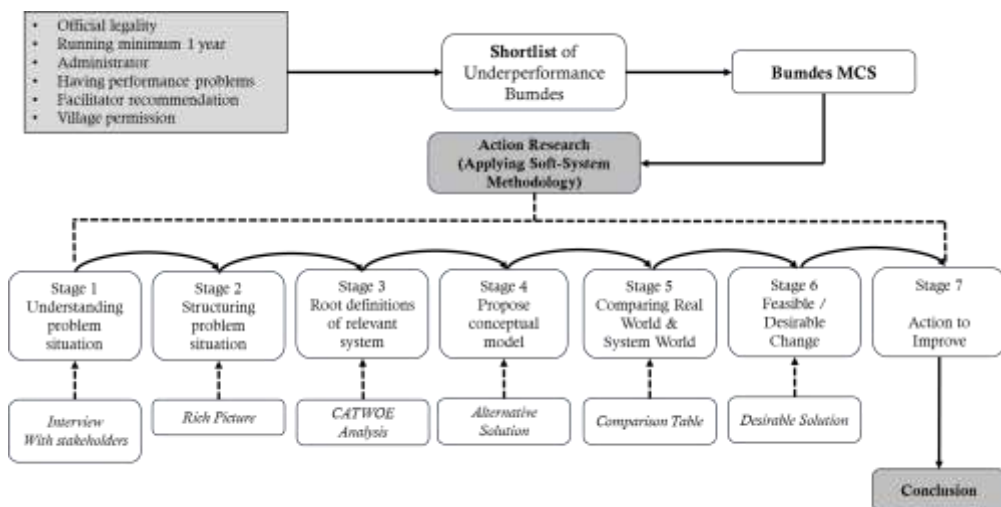


Figure 1. Research Design

The action research approach is research in action, not research about action. Referring to the research question, this study will use action research as the first phase of the research. Action research is an emergent

and iterative process of inquiry designed to develop solutions to real organizational problems through a participative and collaborative approach (Coghlan & Brannick, 2005; Saunders et al., 2016). Action research always involves two goals: solving problems and contributing to science (Coghlan & Brannick, 2005). On that basis, researchers attempt to position themselves as part of the research collaboration by acting as advisors in the final stage of the research after successfully analyzing the problematic situation that occurs. The role of this advisor aims to ensure that the findings produced can be implemented immediately and not only become research findings, but also become real actions. The objective of employing SSM is to acquire a greater awareness of the issue, propose a more human-centered solution, and encourage managerial transformation (Nattassha et al., 2020).

The SSM implementation process comprises seven stages (phases) (Table 1). Each stage has its own role and function, and adapts specific analysis to help produce output for the next stage. In the context of SSM, the process of analyzing data occurs at each stage. In more detail, an explanation of the SSM stages is presented in the following table:

Table 1. Explanation for SSM Stages

Stage	Name	Context	Input	Technique & Analysis	Output
1	What is the problem situation?	Situation in Bumdes	Problems	The process of gathering information and facts through official reports, observations, interviews, and secondary data.	A collection of problems provided narratively.
2	Structure the problem situation	Situation in Bumdes	Collection of problems	Construct a rich picture to create a visual representation for	A visual illustration (rich picture) of the issue, demonstrating the

Stage	Name	Context	Input	Technique & Analysis	Output
				analyzing the system and assist researchers in understanding the problem context.	relationship between stakeholders and where it occurs.
3	Root definitions of the relevant system	Processed in the researcher's system	Rich picture (visual illustration)	Formulate a structured, relevant system that will solve a variety of problems available in the rich picture.	Root cause of the problem from the CATWOE analysis
4	Propose a conceptual model	Processed in the researcher's system	Root cause definition from the CATWOE analysis	Designing suitable models to align real-world issues with activities aimed at achieving transformation goals.	Framework of a conceptual model that is equipped with criteria for control, monitor, and taking action.
5	Comparison of the real world and the system world	Comparing in the real world	Framework of a conceptual model that is equipped with criteria for control, monitor, and taking action.	The proposed activities depicted in the model are compared with what the target is already doing in the real world.	Comparison of activities that have already been conducted in the real world with proposed activities from the conceptual model
6	Feasible/desirable changes	Comparing in the real world	Comparison of activities that have already been conducted in	Propose and discuss potential changes that can be made,	Proposal of activities that should be activated or conducted to

Stage	Name	Context	Input	Technique & Analysis	Output
7	Action to improve	Action in Bumdes	the real world with proposed activities from the conceptual model Proposal of activities that should be activated or conducted to achieve the transformation goal.	referring to the conceptual model. Conducting action to improve based on the agreed proposal	achieve the transformation goal. Evaluation of action

The purpose of this study is to explore the role of communication in providing benefits to efforts to improve the performance of underperforming Bumdes in villages. Through the SSM methodology, the role of communication can be identified through the visualization of potential problems that occur in underperforming Bumdes. The stages of the SSM process allow visualization of communication aspects to become clearer within the organization and how communication plays a role in influencing and being influenced by other factors in problematic situations within the Bumdes. This research process was carried out from early 2021 to the end of 2023. The identification carried out in this action research was slow due to communication factors and limited activities related to relaxation during the pandemic. The writing process was completed by the end of 2024.

Results and Discussion

The Bumdes that are the object of research in this case study are Bumdes Mitra Cibogo Sejahtera (Bumdes MCS). The determination of Bumdes MCS is based on judgmental sampling criteria from the list of underperforming Bumdes in Tangerang Regency, Banten Province. The determining factor for identifying the location of an area is the attractiveness of villages near the city that are still underperforming. Shortlisting is performed using referrals from village assistants and permit

holders in the target area. The location that allows the implementation of this study is Cibogo Village with its Bumdes MCS.

Bumdes Mitra Cibogo Sejahtera

Bumdes MCS is located in a strategic location close to the modern city area in the Tangerang Regency, Banten Province. The Bumdes in Cibogo Village has been established since 2017, but needs to be managed properly because there is no communication between the Bumdes manager and the village government. In 2019, when Cibogo Village had a new village head due to the election, the village government began tidying up activities carried out by units related to village activities, one of which was Bumdes.

Following the law's mandate, the Cibogo Village Head held a village meeting to initiate the official re-establishment of Bumdes. Mr. TRA (pseudonym) was elected to be the chairman of the Bumdes due to the village deliberations. Mr. TRA had his main job as a university lecturer and resident of Cibogo Village. The village head encourages cooperation with the new Bumdes manager and hopes that Bumdes will make a real contribution to the village community.

SSM Introduction

The first stage in SSM is to identify the problems in Bumdes MCS openly and not directed to the desired study topic. The method of data collection for identifying problems is to conduct interviews with stakeholders in the village and Bumdes. The interview then succeeded in obtaining 13 informants, including:

Table 2. List of Informants from Bumdes MCS

No	Informant Type	Name of Informant	Position
1	Village Government	Mr ASO	Cibogo Village Head
2	Village Government	Mr AKO	Head of BPD in Cibogo Village
3	Village Government	Mr RDT	Secretary of Cibogo Village
4	Bumdes	Mr HDM	Deputy of Bumdes Director
5	Bumdes	Mr KMU	Bumdes Team
6	Bumdes	Mr ANS	Bumdes Team
7	Bumdes	Mr MTR	Bumdes Supervisor

No	Informant Type	Name of Informant	Position
8	Bumdes	Mr MTP	Bumdes employee
9	Bumdes	Mr NMI	Bumdes employee
10	Bumdes	Mr EDH	Bumdes MCS Treasury
11	Village society	Mr ADM	Society of Cibogo
12	Village society	Mr URT	Society of Cibogo
13	Rural entrepreneurs	Mr RZL	Bumdes partner

Questions were given openly regarding the performance of Bumdes, Community relations in the village, relations between Institutions in the village, and the expectations of each informant regarding the presence of Bumdes in Cibogo Village. The informants interviewed were divided into categories of Bumdes managers, Cibogo Community, and the village government. In more detail, the findings of the problems are presented in the information in stage 1.

Stage 1: What is The Problem Situation

The input in stage 1 is a list of problems from the results of interviews with sources (Table 1). A collection of responses regarding problems in Bumdes is arranged thematically based on stakeholders as output for analysis to carry out structuring in stage 2. Interviews provided important information about the existing problem situation in Cibogo Village. On the Bumdes MCS side, Bumdes MCS activities are largely led by its Director, who, although having a solid understanding of the Rural Act and Bumdes ideology, has a difficult time putting it into practice.

The Bumdes MCS management team is a major barrier; internal conversations show a dearth of varied viewpoints and input, which leaves the Director largely responsible for carrying out the strategic thinking task. The organization's capacity to innovate and adapt is inhibited by this one-way communication dynamic. Progress is further avoided by the Bumdes MCS management team's fragmented focus, which intensifies these internal problems. The ability of team members to contribute as best they can to Bumdes MCS is severely constrained because they are frequently involved in other primary activities. A significant operational difficulty that the Director must overcome is highlighted by this splintered commitment and management's passive participation in strategic debates.

The Director keeps a close line of communication open with the village chief in spite of these operational and internal obstacles, which is an essential tool for managing ties with the outside world. The organization's inability to find new commercial possibilities, however, is a significant external obstacle. This challenge is made worse by the village's lack of easily exploitable natural resources and a migrant-dominated population that has mostly turned the area into a residential neighborhood with little opportunities for new economic endeavors

On the side of the village head and village government, the village head and village government are concerned about the performance of Bumdes MCS. The village head provides moral support but avoids providing financial support due to a past corruption case. However, he has clarified the duties of various village institutions, including Bumdes and Karang Taruna, ensuring a more organized operational framework. Other government bodies, such as the Village Consultative Body and the Village Secretary, actively endorse Bumdes' initiatives, demonstrating a collective understanding of its potential. The village head envisions Bumdes MCS as the primary engine for the village's economic growth. Maintaining excellent communication with the Director of Bumdes MCS fosters trust and stability, allowing both parties to focus on the long-term success and economic impact of the organization.

On the village community side, Bumdes MCS faces challenges in managing its performance due to limited public awareness and engagement. Only residents directly involved in or benefiting from specific activities are aware of Bumdes' existence and operations. This leaves most villagers uninformed about Bumdes' initiatives and potential benefits, limiting its reach and impact within the community. This disconnect creates a disconnect between the organization and its intended beneficiaries.

Then, Bumdes MCS faces challenges due to its lack of a dedicated representative room and office, hindering its ability to introduce itself to the public and foster greater participation. Interviews with stakeholders in Cibogo Village reveal that the organization has high hopes from the village government but lacks financial support. The existence of the Bumdes MCS is not widely known by the villagers, and the team needs to develop a communication strategy to inform them. The communication and

relationship between the village head and Bumdes director are in good condition.

Based on the initial analysis of the problem input in stage 1, the aspects of the problem related to communication are explicitly clear. The relationship between communication and business operationalization requires further exploration in the forthcoming stages of SSM.

Stage 2: Structure the Problem Situation

The problem input from stage 1 is processed into a visual representation in stage 2 so that the appearance of the relationship between problems becomes clearer. The process of visualizing problems to become a rich picture is carried out through a gradual analysis of the problems found, starting from the problematic points, social aspects, and political aspects of the existing collection of problems. Furthermore, the researcher compiled a rich picture illustration based on the relationship between stakeholders. The condition of the rich picture is presented in the **Figure 2** below:

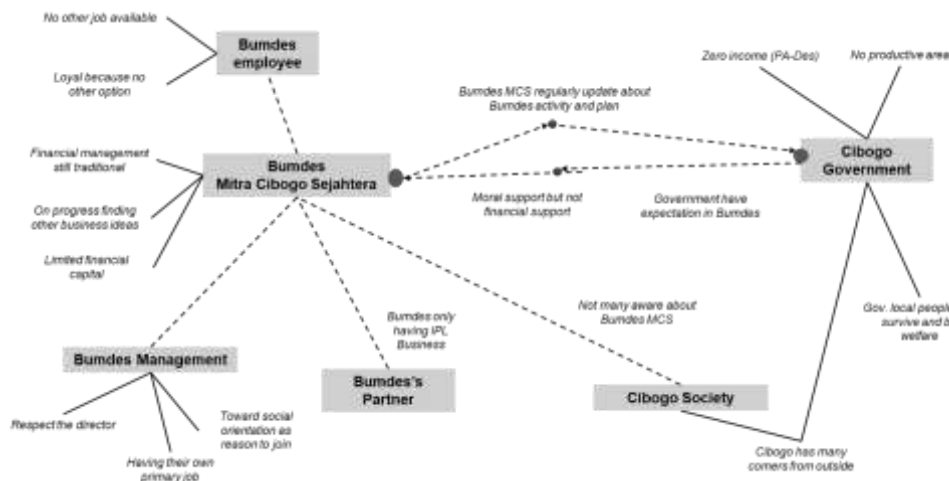


Figure 2. Rich Picture of Bumdes MCS

The rich picture depicts stakeholders participating in Bumdes MCS activities, commencing with the village government, encompassing the Village Head and his staff, Bumdes employees, Bumdes Management personnel, Bumdes business associates, and the Cibogo Village residents.

Although Cibogo Village has a strategic location, its natural potential is being largely underutilized. The village's land could not be more productive, so the village does not have organic income. The village expects the Bumdes MCS to be a key driver of its economy, especially considering that a significant portion of its residents are migrants. The village hopes indigenous people can survive and live prosperously in Cibogo Village.

On the Bumdes side, most administrators are villagers who have a primary job and engage in activities at Bumdes as social activities only. Currently, Bumdes MCS employees who continue working are solely dependent on their employment benefits and are unable to transition to other income-generating activities. The Bumdes MCS needs to explore further funding opportunities in order to initiate several profitable projects and concurrently enhance its visibility within Cibogo Village.

Regarding the communication aspect, it can be seen that the dotted lines connecting stakeholders indicate a significant role of communication between them. The interrelated relationship shows that the issues experienced by each stakeholder cannot be resolved together unless they are communicated. Without effective communication, collaboration is impossible, and the issue will remain unresolved. This rich picture is the output for the third stage, namely, determining the root definition of the relevant system.

Stage 3: Root Definitions of Relevant System

At this stage, the strategic step that needs to be taken is to choose a system that is relevant to the objectives of this study. The research gap in this study involves the underperformance of Bumdes attributed to business operations, while in the first two stages, the significance of communication in fostering good relationships between stakeholders is implicitly acknowledged, enabling them to discuss and resolve their issues.

Efforts to determine the root of this problem are made through discussions with the Bumdes director so that the system to be repaired is truly relevant. Systems relevant to this study will be analyzed using the CATWOE technique for their root causes based on the rich picture visualization. This involves breaking down CATWOE elements: Customer, Actors, Transformation, Worldview, Owners, and

Environment, which define the subject, expected transformation process, and the transformation purpose.

Table 3. CATWOE Analysis of Bumdes MCS

CATWOE	Guiding Question	Response
C (Customer)	Who will benefit if the transformation occurs?	Cibogo people
A (Actors)	Who is involved in the transformation process?	Bumdes MCS, Cibogo government, village head of Cibogo
T (Transformation)	What kind of transformation will be activated in the system?	<p>Bumdes MCS should conduct regular communication with the village head to inform the way how Bumdes can increase its operational profits and increase the number of productive business units.</p> <ul style="list-style-type: none"> • Low interaction with the village head → adding more interaction • Small operational profit → increased operational profit. • Number of single business units → number of business units increases
W (Worldview)	What is the big picture and impact of the transformation?	Increasing operational profit can be an organic funding alternative for Bumdes MCS because there is no injection of funds from external parties. The village head will support because there is a mission from the village head to increase villagers' welfare through Bumdes.
O (Owners)	Who is the owner of the issue?	Bumdes MCS, Cibogo government, village head of Cibogo
E (Environmental Constraints)	What factor can influence the transformation process?	Internal organizational challenges in Bumdes management, communication, culture, village political atmosphere, and changes in village-related regulations.

Based on the analysis above, the definition of the root of the problem defined in this stage is how Bumdes MCS can build routine communication with the village head in terms of strategic plans that will be implemented to advance the Bumdes MCS business. The role of communication in this case does not immediately affect the business that

will be run, but rather has a role to bridge the important support that must be obtained from the village head.

Stage 4: Propose Conceptual Model

Next, after the problem definition is depicted in the selected relevant system, the next step in the SSM stage is to build a conceptual model. This conceptual model seeks to harmonize the proposed solution to address the issue within the existing system's framework, in line with the relational structures of Bumdes, village heads, and the community in Cibogo. This conceptual model is proposed in the form of Activity Steps that act as a running Solution to overcome problems in the problematic system. The conceptual framework of this model is equipped with control, monitoring, and taking action criteria so that the determination of this conceptual model is also implemented and considered collaboratively.

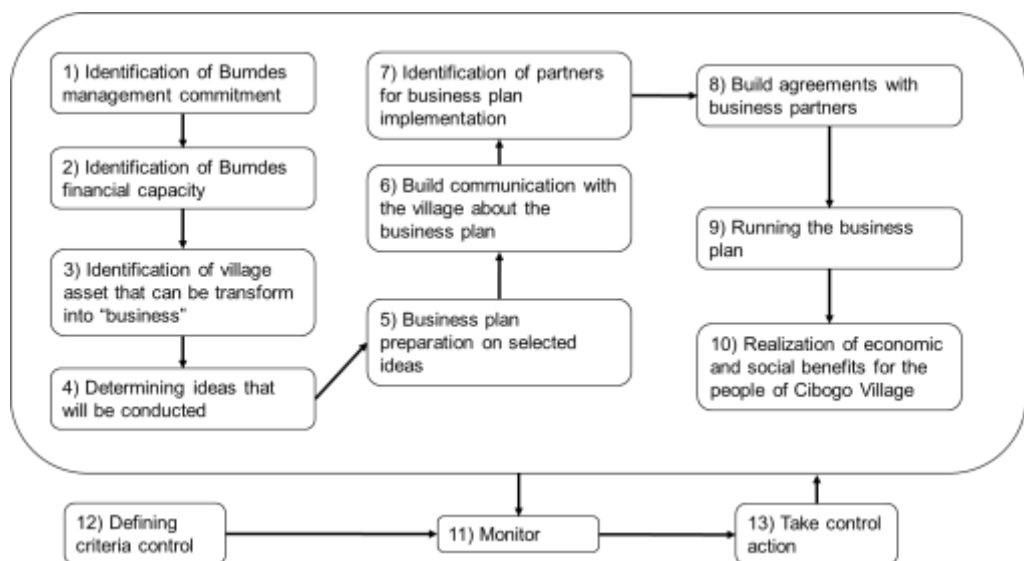


Figure 3. Proposed Conceptual Model of Bumdes MCS

At least 13 sustainable solution steps must be implemented to enhance the performance of underperforming Bumdes via communication interventions between Bumdes directors and village heads. Furthermore, this conceptual model is proposed to be compared with activities previously conducted by Bumdes MCS before the SSM intervention.

Stage 5: Comparing System World and Real World

The fifth stage in this SSM seeks to identify whether the recommendations have been implemented in the real world. A comparison table has been compiled to simplify the understanding of the comparison between the conceptual world and the real world. Column 1 contains the serial number of activities in the conceptual model, while Column 2 contains the activities carried out to realize the conceptual model. The third column contains information on whether or not the proposed activity has been implemented. The fourth column contains the current mechanism of activity. The fifth column contains the measurement of these activities' performance, and the last column contains recommendations on what should be done.

Table 4. Comparison of System World and Real World in Bumdes MCS

No	Proposed Activities from Conceptual Model	Exist or not	Present Mechanism	Measure of Performance	Recommendations
1	Identification of Bumdes management commitment	Not	Present in the meeting invitation	#presence	There needs to be a list of attendance and minutes of events (MOM).
2	Identification of Bumdes' financial capacity	Yes	Checking the condition of Bumdes' financial statements	Availability of positive net profit, retained earnings, and cash	Need to make financial reports that are real-time and easy to access.
3	Identification of village assets that can be transformed into a business	Yes	The identification mechanism still comes from an unstructured idea generation process.	Availability of ideas to be discussed	Make a more structured process for idea generation.
4	Determining ideas that will be conducted	Yes	The determination mechanism is still traditional, based on the agreement of the management.	The business idea is ready to run.	There is a more structured mechanism for determining which ideas to vote for.

No	Proposed Activities from Conceptual Model	Exist or not	Present Mechanism	Measure of Performance	Recommendations
5	Business plan preparation on selected ideas	No	If there is an idea, just discuss it without making a written business plan.	The points in the business plan are complete.	Creation of a simple business plan format, at least part of a financial forecast
6	Build communication with the village about the business plan	Yes	The Bumdes Director establishes personal communication to convey Bumdes' information to the Village Head.	The village head gave a response on whether he agreed or not	Increasing formal communication related to Bumdes' business
7	Identification of partners for business plan implementation	Yes	So far, identification of partners has been conducted before the business plan was prepared.	The partner gives verbal consent to cooperate.	Changing the formalization process with partners after conveying it to the village head, so as not to disappoint if the village head does not approve.
8	Build agreements with business partners	No	There are no official partners yet	Collaboration agreement available Collaboration agreement available	Making cooperation agreements in each partnership with a clear timeframe.
9	Running the business plan	No	N/A	There is a clear timeline and division of tasks.	Make written notes regarding the division of tasks and scheduling.
10	Realization of economics and social benefits for the people of Cibogo Village	No	N/A	Available indicators of fulfillment of economic benefits and social benefits.	Make monthly financial reports, which can be a routine report activity for stakeholders.
11	Monitor	Yes	Internal supervisors	Indicators are available for monitoring	Invite outsiders to become supervisors and

No	Proposed Activities from Conceptual Model	Exist or not	Present Mechanism	Measure of Performance	Recommendations
12	Defining criteria control	No	carry out their activities N/A	Indicators are available to identify the criteria	complete the monitoring points Provides indicator criteria for control
13	Take control action	No	N/A	There is a clear schedule	Make written notes regarding the division of tasks and scheduling

Based on the comparison table, out of the 13 proposed activities, only five have been previously carried out by BUMdes MCS. This gap also reveals that the underperformance experienced can be suspected to be caused by the failure to implement several of these important activities. What is interesting in the context of this comparison is that routine communication was carried out between the Bumdes director and the village head. However, after further investigation, the communication established was personal communication, not organizational communication between institutions. The communication was informal between residents and their village head, not between the Bumdes leader and the village head as its commissioner.

On that basis, the primary suggestion, aside from operational and technical considerations like administrative systems, identifying concepts, creating business plans, to financial reports, is to share this information with the village head to establish trust and backing. This is also a symbol that collaboration is important, and the village head plays a role in every Bumdes MCS business action.

Stage 6: Feasible / Desirable Changes

The next step after successfully identifying the differences in the conceptual model with existing activities is to develop the changes to be made. This formulation is carried out collaboratively between researchers who act as analysts who propose findings, Bumdes directors as decision makers, and village heads as Bumdes commissioners. This formulation process is actually the core of the Solution from the SSM stage carried out

on the Bumdes MCS, where discussions and deliberations regarding the formulation of Solutions are a form of formal communication between 2 important parties in the village. The notes obtained in this meeting indicate that the village head still wants any proposed business ideas to come as much as possible from local resources in Cibogo.

Stage 7: Action to Improve

The approach that will be taken to realize the recommendations in the sixth stage is the preparation of a system to identify business plans to be implemented based on the village's potential. The thing that needs to be considered is how the proposed business idea will prioritize local resources in Cibogo village. Currently, Bumdes MCS has one business unit operating in the field of public space services under the IPL business unit name. This business is engaged in environmental maintenance services, with consumers being businesses located in the village area bordering the protocol road. All employees in this business are residents of Cibogo village.

Referring to the SSM findings from the six stages of analysis, Bumdes MCS is recommended to propose a new business unit by first communicating this plan to the village head. According to the suggestion of the village head in stage 6, Bumdes MCS initiated an event organizer business, which became the organizer of the Sunday morning market in Cibogo. This proposal was proposed by the Bumdes MCS team by conducting benchmarks on several busy car-free day locations on Sundays. Therefore, Bumdes MCS is expected to be able to organize these activities in Cibogo Village and later be able to obtain income from booth rentals, parking services, and other sources. The results of these activities were not documented in this study.

Findings

After going through 7 structured stages in the SSM methodology, it turns out that problematic situations do require in-depth interaction to unravel complexity. Organizations that tend to be traditional, even if they are already legal entities, such as organizations in villages, face more unique challenges than formal, systematic organizations such as companies or governments. Elements of culture, friendliness, and locality

are differentiators that can be difficult to overcome if strictly guided by the hard system.

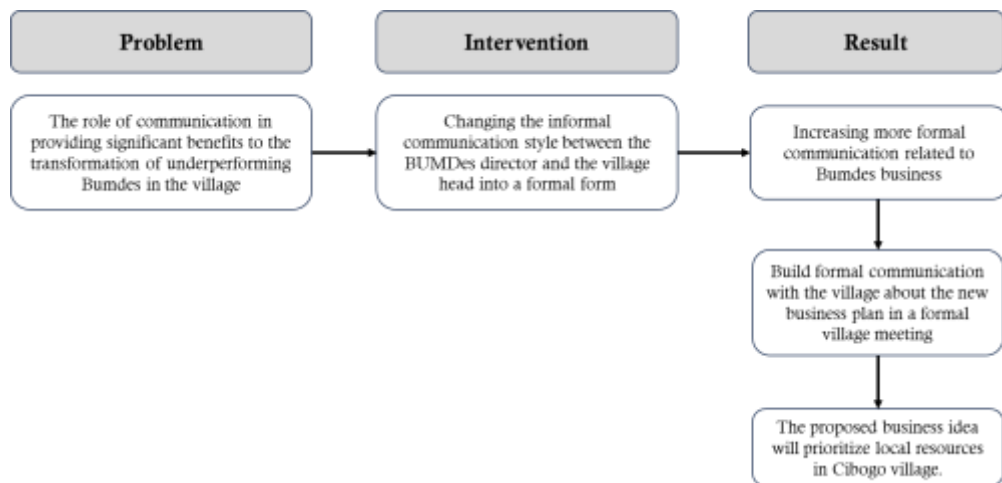


Figure 4. Diagram for the final result of the action research

This important finding related to the role of communication answers the question of this research regarding the role of communication in providing significant benefits to the transformation of underperformance BUMDES. The results of the seven stages of SSM analysis prove that communication plays an important role as an interaction connector to ensure the realization of collaboration between parties in the village, as an important motor of positive performance change. The problems that occur in Bumdes MCS are not because the business is bad or good. The problem that occurs is that the parties in the village work alone and do not collaborate because there is no good communication.

Conclusion

The conclusions of this study emphasize the significance of alternative methodologies in research data analysis that extend beyond traditional and hard systems, statistical data, and infographics. Problems are seldom recognized clearly in the context of formal, organized organizations and institutions; instead, they necessitate in-depth investigation, particularly to determine the relationships between subjects within the organization. Regrettably, alternative methodologies like action

research employing soft-system principles are challenging to put into practice and do not yield immediate outcomes. The research procedure may be extensive, necessitating meticulous interventions to avoid bias. A significant limitation of this study is its substantial financial and logistical requirements owing to the extended timeframe.

This study's contribution may benefit underperforming Bumdes who have struggled to identify solutions to their difficulties. Numerous underperforming Bumdes are caught in technical difficulties, operational inefficiencies, and insufficient funding. Actually, cooperation and communication could serve as the primary treatment. This study demonstrates that the suggested applicable solutions may have been executed; nevertheless, they were not used in the appropriate context, making the accuracy of the results doubtful.

The activity in this research using SSM terminated at the action proposal stage. In further research, the evaluation of one SSM cycle to two SSM cycles can be a potential for future research, so that researchers can see more sustainably. In addition, other research potentials that can be developed using SSM are on types of informal organizations that are relatively structurally loose but culturally have strong ties, so that they require a more comprehensive system approach.

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