



## FINANCIAL MANAGEMENT HRD APPLICATION TO VILLAGE-OWNED ENTERPRISES BY UTILIZING DIGITAL TECHNOLOGY

Estri Purwani Rahayu<sup>1\*</sup>, Handaru Indrian Sasmito Adi<sup>2</sup>

<sup>1,2</sup> STIE Muhammadiyah University Tuban<sup>1</sup>, PGRI Ronggolawe University Tuban East Java<sup>2</sup>

\*E-mail: [estri.ayandra@gmail.com](mailto:estri.ayandra@gmail.com)

### ABSTRACT

Received:  
March 19, 2024

Revised:  
June 17, 2024

Accepted:  
June 18, 2024

*Digital financial reporting provides convenience for BUMDes business managers in accessing well-structured data information. In recent years, financial management has evolved from its initial definition, which only focuses on fund collection and asset management, especially in analysing the sources of funds and how they are used to achieve maximum profit for the company. This research uses a qualitative method with a literature approach. Data came from references to the Village Government Law, relevant research journals, and books on village financial management. The data was analysed using the document analysis method. The results of this study state that BUMDes managers must have internalisation skills in managing records. They should be actively involved in drafting financial standard operating procedures (SOPs) and be able to compile financial reports and administrative records digitally. This will make the managers accountable for using capital funds provided by the government.*

**Keywords:** *Financial management, BUMDes, digital technology, human resource management.*

### ABSTRAK

Pelaporan keuangan secara digital memberikan kemudahan bagi pengelola bisnis BUMDes dalam mengakses informasi data yang terstruktur dengan baik. Dalam beberapa tahun terakhir, manajemen keuangan telah berkembang dari definisi awalnya yang hanya berfokus pada pengumpulan dana dan pengelolaan aset, terutama dalam menganalisis sumber dana dan bagaimana penggunaannya untuk mencapai keuntungan yang maksimal bagi perusahaan. Penelitian ini menggunakan metode kualitatif dengan pendekatan literatur. Data berasal dari referensi UU Pemerintahan Desa, jurnal penelitian yang relevan, dan buku-buku tentang pengelolaan keuangan desa. Data dianalisis dengan menggunakan metode analisis dokumen. Hasil dari penelitian ini menyatakan bahwa manajer BUMDes harus memiliki keterampilan internalisasi dalam mengelola catatan. Mereka harus terlibat aktif dalam menyusun prosedur operasi standar (SOP) keuangan serta mampu menyusun laporan keuangan dan catatan administrasi secara digital. Hal ini akan membuat para pengelola bertanggung jawab atas penggunaan dana modal yang diberikan oleh pemerintah.

**Kata Kunci:** *Manajemen keuangan, BUMDes, teknologi digital, manajemen sumber daya manusia.*

### INTRODUCTION

Financial management organises finance-related tasks, such as collecting and distributing funds. Financial managers are responsible for determining how much of the right assets to invest and the right source of funds to fund those investments. To meet these funding needs, financial managers can access external or internal sources of funds through the capital market. The capital market is where those who need capital can meet those willing to provide capital. Once funds are available, financial managers can choose to access external or internal sources of funds. Funds will be allocated to various company tangible assets. Financial management becomes more important in business as the capitalist economy develops. At the beginning of capitalism as an economic system in the 18th century, financial management only addressed the issue of profit (Indrawati, 2019).

The progress of financial management is highly dependent on monetary policy, tax policy, economic conditions, social conditions, and political conditions. Monetary policy involves controlling interest rates and inflation. The three primary functions engaged in financial management are:

- a. Fund disbursement is a method of investing in various assets.
- b. Acquisition of funds is an activity carried out to obtain funds from internal and external sources of the company, including dividend distribution.

Asset management, or the management of assets, is essential in ensuring that any funds acquired and distributed are optimally managed to support the company's objectives (Astuti et al., 2022).

The development of technology and information is currently undergoing an exceptionally rapid transformation. Information through digitisation is converting various types of information that were previously analog into digital format. This will make it easier for information to be created, processed, stored, and redistributed to people who will later need it for various purposes when making decisions (Darwis et al., 2022). One way to digitise information is by implementing a corporate information system. This system manages information through computers in the form of hardware or software that the company will use. Information systems are critical to achieving company goals. (Rosari et al., 2022) The emergence of digital communication technology has produced a breakthrough in the promotion industry of an information technology product or service (Chernov, 2020).

Digitalisation is a component that can affect business value. Digital Technology is a shift away from operations that require less human assistance. However, it is more of a fully automated and sophisticated control system using computer assistance. The rapid development of digitised technology, marked by the presence of various modern communication aids that allow people to process, create, transfer, and obtain communication messages anytime and anywhere quickly and efficiently so that there is no longer a time and space limit, has driven developments in the sector of receiving messages. Human resource management is responsible for developing such techniques to ensure that people can work well together in the various tasks of an organisation to achieve its goals. The critical role of human resource management is to manage the human element with a variety of potentials so that several qualities of human resources can be selected for an organisation (Darmawan et al., 2023).

When the central government disburses village funds, the value of the quality of the human resources of the village apparatus can improve the process of planning, administration, implementation, and more accurate accountability while managing village funds from the beginning to the end of the funds provided. The quality of human resources of the village apparatus greatly benefits financial performance. The development of every aspect of life will only be successful if the whole community is involved. Ineffectiveness in implementing the BUMDes program is experienced in several other areas. Previous research conducted by Manikam in 2020 illustrates that in practice, the BUMDes program in Gunung Kidul is still not running as expected or still not running well. This fact can be measured by the level of contribution of village communities, which is still minimal or low, and in the BUMDes program, which has not been fully realised and has not been able to facilitate the potential of the village, interests, and what needs the farmers will need as the primary purpose of establishing the BUMDes. (Sanjaya et al., 2020)

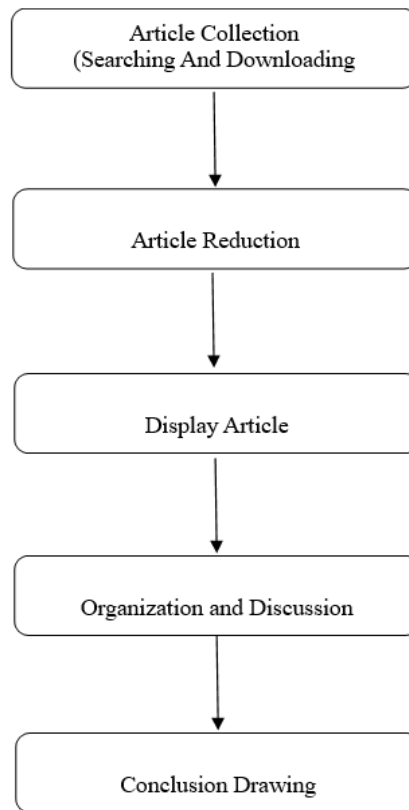
Small and medium enterprise (MSME) owners can more easily obtain data and information by digitising financial accounting reports. If MSME business activists can show and provide financial reports, there will be several benefits. One of the advantages of this financial report is that entrepreneurs can see the profits made, know how much additional

capital is obtained, and determine their rights and obligations. This helps small and medium enterprise (MSME) owners make decisions about their business development based on specific situations (Maryanto et al., 2019).

The application of digital information technology for macro-scale business development in rural areas through Village Micro, Small, and Medium Enterprises (BUMDes) has three primary forms, namely: (a) BUMDes has the legality of a legal entity to establish several business units in the village to manage the village's potential to improve the economy in the region; (b) has access to financial management and optimisation of economic actions of the community in the village through financial access at BUMDes; (c) digitalises as an Offtaker of the village community's production products, BUMDes also facilitates the village community to access the market through a market place platform developed in the online BUMDes ecosystem (Pratiwi & Novianty, 2020). The term "life cycle" is often used in economics and business to categorise products into several cycle phases. In this theory, the principle can also be applied to Village-Owned Enterprises (BUMDes), which have reached a level of maturity after passing through various stages. Many BUMDes face various obstacles even when achieving business continuity at each stage. Therefore, the skill capability of BUMDes managers needs to be improved to be an essential tool for BUMDes, both in the internal scope and in cooperation with partners, to prepare for improvement (Atmadja & Saputra, 2018). BUMDes still experiences problems with poor economic performance, as seen from the many shortcomings in implementing processes and business units that have not been optimised. Adding to that, the low productivity of the community, insufficient efforts, and processed products make BUMDes less focused on the community. Additional challenges are risks to the organisation, which differ from how businesses are run (Kusuma, 2021). Human resource management is essential in developing techniques for humans to be more confident in combining various organisational activities to achieve goals. Human resource management focuses on selecting high-quality individuals for the company by managing the best potential of each individual. The quality of human resources significantly affects financial performance. The growth of every facet of life will be successful only if everyone participates (Darmadi, 2022). Having the necessary skills to manage a modern BUMDes program is a new challenge for BUMDes managers who lack confidence in technology (Sucipto & Lailani, 2021). The government must increase the village apparatus's confidence in managing BUMDes. This means that IT professionals need to be more confident in helping manage BUMDes by utilising digital technology (Martini et al., 2019). Based on the background, this study aims to find and analyse methods to improve the quality of human resources in BUMDes financial management and understand how digital fund management can affect the quality of BUMDes human resources (Larasati, 2018).

## **METHOD**

This research uses a qualitative approach with a literature review type of research. To achieve the objectives of this research, several policies regarding village regulations, village laws, and scientific articles from national and international journals were analysed. The following figure shows the steps used to conduct the literature research;



**Figure 1:** Stages of literature review

This research uses documentation and a literature study to collect data. Various pieces of literature, such as articles, journals, books, archives, magazines, and documents, were studied to help researchers analyse methods to improve the quality of human resources in managing BUMDes finances digitally.

## RESULTS AND DISCUSSION

When BUMDes conducts awareness activities on digitalisation and implements socialisation strategies, managers will express their desire to have better governance confidence and make a real contribution to the village development process. An essential thing that must be considered is information technology because today, the development of the world is greatly influenced by advances in technology and information.(Garcia-Perez et al., 2020) This development has changed the way and pattern of human life. Establish a Village-Owned Enterprise (BUMDes) and optimise the use of digital facilities in modern technology. BUMDes consists of four components from a stakeholder perspective: economic, ecological, social, and institutional. Programs to empower communities, aiming to improve the people's economy and equalise welfare through developing community small businesses, are closely related to implementing the BUMDes program (Djae et al., 2023).

To further ensure the improvement of human resources in BUMDes, the government should demonstrate its commitment to the sustainability of BUMDes by providing funds for their development. The government plays a vital role in overcoming poverty and increasing village potential through BUMDes (Sihabudin, 2022). BUMDes must be supported with adequate facilities in addition to receiving funding from the government. Each village should be free to govern its economy, community, and region. Based on Law No. 6/2014 on Villages, villages now have the authority to govern their territory and develop their economy. One way

to improve the village's economy is to utilise the town's potential assets. Natural resources such as land, reservoirs, springs, and others can be natural assets to the city.(Titioka et al., 2023)

BUMDes strategies to improve human resources in financial management include: (a) Providing learning to BUMDes members on the use of digital financial management tools, as well as organising socialisation activities together with village managers, local government, and local communities on how to improve the economy in rural areas to attract private parties to cooperate, (b) Providing training to BUMDes managers in financial management to help them expand their profitable businesses. 'The government increases the allocation of funds to improve the facilities, amenities, and infrastructure needed to support the BUMDes Digitalization program (Rahmi et al., 2022)

In addition, to improve the quality of human resources, it is essential to involve professionally experienced assistants. This is especially true for the development of BUMDesa, which is regulated in Government Regulation No. 47/2015 on the Amendment to Government Regulation No. 43/2014 on the Implementation of Law No. 6/2014 on Villages. However, it appears that these efforts have not yielded satisfactory results. In reality, professional assistants are less enthusiastic about assisting villages because they do not live in the villages they assist. The quality of human resources strongly influences 27 Business progress. Up-to-date technology or machinery, solid capital, and appropriate marketing activities are good human resources. This shows how important it is to improve the quality of Human Resources (HR) to excel in the competition (Aprillianto et al., 2022).

#### **Use of Digital Technology in Fund Management to Improve BUMDes Human Resources.**

BUMDes have expertise in administration, accounting, and bookkeeping. They can also create more straightforward BUMDes financial reports, such as daily cash books, balance sheets, income statements, and statements of changes in capital, thereby increasing confidence. To increase village independence, increase village own-source revenues, create employment at the village level, overcome poverty and unemployment, and ultimately achieve community welfare through the potential of existing business units.(Aprillianto et al., 2022)

The digitalisation of BUMDes is a step that gives the government the confidence to enter a new normal. Improving the Village Fund Allocation program in primary and secondary schools is a step forward. One of the government's long-term targets is accelerating the digitalisation of BUMDes to be more confident. With more confidence, the government supports exchanging information on digitalisation, including theory and simulation. Digital financial management has a significant impact on the way financial management and administration are conducted. BUMDes will become more confident in measuring their economic management, automatically improving their performance. Financial management becomes more integrated.

In the digital age, it is necessary to update human resource management capabilities to support village government performance and facilitate village budget management. According to Article 1 of Lampung Regional Government Regulation No. 31/2016 concerning the administration of village finances, the administration of village finances includes all activities in the arrangement, implementation, organisation, announcement, and responsibility of village accounting. Village governments must be given greater freedom in asset management and public authority, including managing village funds. Performance in managing village finances will determine the success in achieving the objectives of using village funds. Evaluating the use of funds can be challenging if financial management is not running well, especially if recording and reporting are inconsistent and not up to standard. What is more important is that the ability of village apparatus to manage their finances will affect how effective and efficient their financial management is. Village financial management can be successful if the village



apparatus can effectively carry out all stages, from planning, implementation, and reporting to village financial accountability. There are four performance benchmarks in managing village finances: efficiency, effectiveness, economy, and adequate reporting.

Village financial management includes planning, implementation, organisation, reporting, and accountability of village finances. Village finances must be managed based on transparency, accountability, participation, order, and budget discipline. This means that the public must be able to access village financial information widely, any use of funds must be accountable by legislation, village financial management must involve the community, village finances must be managed in a timely and appropriate manner with accountable administrative evidence, and the use of funds must be by the budget ceiling stipulated in the Village Implementation Document (DPA)/ Budget Plan (RAB).

## CONCLUSIONS

Improving human resources in the financial management of BUMDes is necessary for it to run sustainably. This will include disseminating digital applications in BUMDes financial management, (a) improving the skills of BUMDes human resources in managing finances, (b) recruiting and providing training to BUMDes managers in managing finances to be more efficient in using funds, and (c) increasing the budget for the future. The government will increase the budget allocation to provide the facilities, amenities, and infrastructure needed to support the BUMDes Digitalization program and achieve better results. The impact of digitising financial management will refresh the government as it enters a new average era. Using digital technology for BUMDes is a new effort to improve the Village Fund Allocation program.

## BIBLIOGRAPHY

- Aprillianto, B., Maharani, B., Sayekti, Y., Irmadariyani, R., Purnamawati, I. I., & Sulistiyo, A. B. (2022). Menuju Tata Kelola Bumdes Yang Baik Melalui Digitalisasi Dan Konsolidasi Laporan Keuangan. *Jurnal Abdi Panca Marga*, 3(2), 55–60.
- Astuti, R., Kartawinata, B. R., Nurhayati, E., Tuhuteru, J., Mulatsih, L. S., Mulyani, A., Siska, A. J., Erziaty, R., Wicaksono, G., & Nurmatias, N. (2022). *Manajemen keuangan perusahaan*.
- Atmadja, A. T., & Saputra, K. A. K. (2018). Determinant factors influencing the accountability of village financial management. *Academy of Strategic Management Journal*, 17(1), 1–9.
- Chernov, V. A. (2020). Implementation of digital technologies in financial management. *Ekonomika Regiona= Economy of Regions*, 1, 283.
- Darmadi, D. (2022). Strategi Manajemen Sumber Daya Manusia Dalam Meningkatkan Keunggulan Kompetitif. *Equator Journal of Management and Entrepreneurship (EJME)*, 10(02), 85–92.
- Darmawan, D., Tinambunan, A. P., Hidayat, A. C., Sriharyati, S., Hamid, H., Estiana, R., Sono, M. G., Ramli, A., Sondeng, S., & Mareta, S. (2023). *MANAJEMEN SUMBER DAYA MANUSIA ERA DIGITAL*. PT. Sonpedia Publishing Indonesia.
- Darwis, D., Meylinda, M., & Suaidah, S. (2022). Pengukuran Kinerja Laporan Keuangan Menggunakan Analisis Rasio Profitabilitas Pada Perusahaan Go Public. *Jurnal Ilmiah Sistem Informasi Akuntansi*, 2(1), 19–27.

- Djae, R. M., Noviyanti, V., La Suhu, B., Pora, R., Kaunar, A., Suaib, R., Ibrahim, A. H. H., & Sosoda, A. (2023). *Pengelolaan Badan Usaha Milik Desa (BUMDes) Konsep dan Aplikasi*.
- Garcia-Perez, A., Ghio, A., Occhipinti, Z., & Verona, R. (2020). Knowledge management and intellectual capital in knowledge-based organisations: a review and theoretical perspectives. *Journal of Knowledge Management*, 24(7), 1719–1754. <https://doi.org/10.1108/JKM-12-2019-0703>
- Indrawati, N. K. (2019). *Manajemen Keuangan Perusahaan*. Universitas Brawijaya Press.
- Kusuma, F. K. (2021). Implementasi Manajemen Sumber Daya Manusia (Msdm) Berbasis Kompetensi Di Era Digital. *Media Bina Ilmiah*, 15(10), 5579–5590.
- Larasati, S. (2018). *Manajemen sumber daya manusia*. Deepublish.
- Martini, R., Agustin, R., Fairuzdita, A., & Murinda, A. N. (2019). Pengelolaan Keuangan Berbasis Aplikasi Sistem Keuangan Desa. *Jurnal Pengabdian Kepada Masyarakat*, 25(2), 69–74.
- Maryanto, M., Abdallah, Z., & Baviga, R. (2019). Strategi Manajemen Sumber Daya Manusia Dalam Pengelolaan Keuangan BUMDES di Era Digitalisasi Desa Lempur Mudik. *JURNAL ABDIMAS SAKTI (JAS)*, 1(2), 36–45.
- Pratiwi, M. B., & Novianty, I. (2020). Strategi Bertahan Badan Usaha Milik Desa (BUMDes) dalam Pandemi COVID-19 pada Desa Cibodas Kecamatan Lembang Kabupaten Bandung Barat. *Providing Industrial Research Workshop and National Seminar*, 11(1), 1098–1104.
- Rahmi, A., Fitri, A. N., Hilmi, M., & Diyana, D. (2022). *Peran Kampus dalam Digitalisasi BUMDes*. Penerbit NEM.
- Rosari, R., Cakranegara, P. A., Pratiwi, R., Kamal, I., & Sari, C. I. (2022). Strategi Manajemen Sumber Daya Manusia dalam Pengelolaan Keuangan BUMDES di Era Digitalisasi. *Owner: Riset Dan Jurnal Akuntansi*, 6(3), 3040–3049.
- Sanjaya, P. K. A., Hartati, N. P. S., & Premayani, N. W. W. (2020). Pemberdayaan pengelola badan usaha milik desa (BUMDes) berdikari melalui implementasi digital marketing system. *CARADDE: Jurnal Pengabdian Kepada Masyarakat*, 3(1), 65–75.
- Sihabudin, S. (2022). *Konsep, Analisis, dan Tinjauan MANAJEMEN KEUANGAN BADAN USAHA MILIK DESA (BUMDES)*.
- Sucipto, H., & Lailani, L. (2021). Memajukan Produk BUMDes Di Era Pemasaran Digital BUMDes Loh Jinawi. *SNEB: Seminar Nasional Ekonomi Dan Bisnis Dewantara*, 3(1), 1–10.
- Titioka, B. M., Harsono, M., & Siahainenia, A. J. D. (2023). Modal Sosial Dalam Manajemen BUMdes; Konsep, Antesenden dan Konsekuensi. *PUBLIC POLICY; Jurnal Aplikasi Kebijakan Publik Dan Bisnis*, 4(2), 330–344.