


DETERMINANTS OF PERFORMANCE OF VILLAGE-OWNED ENTERPRISES IN IMPROVING VILLAGE DEVELOPMENT PERFORMANCE

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 01 October 2023</p> <p>Accepted 28 December 2023</p>	<p>Purpose: The main objective of this paper is to analyze the factors that influence the performance of Village-owned Enterprises and village development performance in Lombok Utara Regency and Analyze the role of social capital polong renten in moderating the influence of manager competence on the performance of Village-owned Enterprisesin Lombok Utara Regency.</p>
<p>Keywords:</p> <p>Government; Competence; Social Capital Polong Renten; Village-Owned Enterprises; Village Development Performance.</p>	<p>Theoretical Framework: Explains the context of sustainable development as development that is oriented towards meeting human needs through the wise. Competency is the ability to carry or carry out a job or task that is based on skills and knowledge and is supported by the work attitude required by the job. Village-owned Enterprises is an institution established by the village government to improve the village economy. social capital is a resource inherent in social relationships. Individuals involved in social relationships can use these social resources for personal and group interests.</p>
	<p>Design/Methodology/Approach: The study is quantitative associative and this research was conducted in 43 villages in Lombok Utara Regency. With the number of samples used as many as 215 people in 43 Village-owned Enterprises. Data analysis used the SEM-PLS method.</p> <p>Findings: The results of the study found the role of the government, management competence, utilization of information and communication technology, and social capital of Polong Renten have a significant positive effect both in installment and indirectly on the performance of Village-owned Enterprisesand the performance of village development.</p> <p>Research, Practical & Social Implications: Polong renten's social capital significantly moderated the influence of the manager competency variable on the performance of Village-owned Enterprisesin Lombok Utara Regency. novelty in research obtained results and illustrated there is a factor of polong renten social capital, which has an influence and moderation of influence between variables that impact the performance of Village-owned Enterprisesand village development performance.</p> <p>Originality/Value: In addition, it further emphasizes the moderation effect of social capital in other forms, whether it can strengthen or weaken the influence relationship between variables estimated to affect the performance of Village-owned Enterprisesand village development performance.</p> <p>Doi: https://doi.org/10.26668/businessreview/2024.v9i1.4181</p>

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DETERMINANTES DO DESEMPENHO DAS EMPRESAS PERTENCENTES ÀS ALDEIAS NA MELHORIA DO DESEMPENHO DO DESENVOLVIMENTO DAS ALDEIAS

RESUMO

Propósito: O principal objetivo deste artigo é analisar os fatores que influenciam o desempenho das Village-owned Enterprises e o desempenho do desenvolvimento de aldeias na Lombok Utara Regency e analisar o papel do capital social polong renten na moderação da influência da competência do gerente no desempenho das Village-owned Enterprises na Lombok Utara Regency.

Estrutura Teórica: Explica o contexto do desenvolvimento sustentável como um desenvolvimento orientado para atender às necessidades humanas através do sábio. Competência é a capacidade de realizar ou realizar um trabalho ou tarefa que é baseada em habilidades e conhecimentos e é apoiada pela atitude de trabalho exigida pelo trabalho. Village-owned Enterprises é uma instituição estabelecida pelo governo da aldeia para melhorar a economia da aldeia. capital social é um recurso inerente às relações sociais. Indivíduos envolvidos em relações sociais podem usar esses recursos sociais para interesses pessoais e de grupo.

Design/Methodologia/Abordagem: O estudo é quantitativo associativo e a pesquisa foi realizada em 43 aldeias na Regência Lombok Utara. Com o número de amostras usadas, 215 pessoas em 43 empresas pertencentes a Village. A análise de dados utilizou o método SEM-PLS.

Constatações: Os resultados do estudo concluíram que o papel do governo, a competência de gestão, a utilização das tecnologias da informação e da comunicação e o capital social da Polong Renten têm um efeito positivo significativo, tanto em prestações como indiretamente, no desempenho das empresas pertencentes às aldeias e no desempenho do desenvolvimento das aldeias.

Pesquisa, Práticas & Implicações Sociais: O capital social da locatária Polong moderou significativamente a influência da variável de competência do gerente no desempenho das Empresas de propriedade da Vila na Regência de Lombok Utara. A novidade na pesquisa obteve resultados e ilustrou que há um fator de capital social da locatária polong, que tem uma influência e moderação de influência entre variáveis que afetam o desempenho das Empresas de propriedade da Vila e o desempenho do desenvolvimento da aldeia.

Originalidade/Valor: Além disso, enfatiza ainda mais o efeito de moderação do capital social em outras formas, se pode fortalecer ou enfraquecer a relação de influência entre as variáveis estimadas para afetar o desempenho das empresas pertencentes às aldeias e o desempenho do desenvolvimento das aldeias.

Palavras-chave: Governo, Competência, Pensões da Capital Social Polong, Empresas Pertencentes a Aldeias, Desempenho de Desenvolvimento de Vilarejos.

DETERMINANTES DEL DESEMPEÑO DE LAS EMPRESAS PROPIEDAD DE LAS ALDEAS EN LA MEJORA DEL DESEMPEÑO DEL DESARROLLO DE LAS ALDEAS

RESUMEN

Objetivo: El objetivo principal de este trabajo es analizar los factores que influyen en el desempeño de las empresas propiedad de las aldeas y el desempeño del desarrollo de las aldeas en la regencia Lombok Utara y analizar el papel del capital social polong renten en la moderación de la influencia de la competencia del administrador en el desempeño de las empresas propiedad de las aldeas en la regencia Lombok Utara.

Marco Teórico: Explica el contexto del desarrollo sostenible como desarrollo orientado a satisfacer las necesidades humanas a través de los sabios. La competencia es la capacidad de llevar a cabo un trabajo o una tarea que se basa en habilidades y conocimientos y está respaldada por la actitud laboral requerida por el trabajo. Las empresas de propiedad de las aldeas son una institución establecida por el gobierno de las aldeas para mejorar la economía de las aldeas. El capital social es un recurso inherente a las relaciones sociales. Las personas involucradas en las relaciones sociales pueden utilizar estos recursos sociales para intereses personales y grupales.

Diseño/Methodología/Enfoque: El estudio es cuantitativo asociativo y esta investigación se llevó a cabo en 43 aldeas en la Regencia Lombok Utara. Con el número de muestras utilizadas hasta 215 personas en 43 empresas de propiedad de la aldea. Para el análisis de datos se utilizó el método SEM-PLS.

Hallazgos: Los resultados del estudio determinaron que el papel del gobierno, la competencia de gestión, la utilización de la tecnología de la información y las comunicaciones y el capital social de Polong Renten tienen un efecto positivo significativo tanto a plazos como indirectamente en el desempeño de las empresas de propiedad de las aldeas y el desempeño del desarrollo de las aldeas.

Implicaciones Prácticas y Sociales de la Investigación: El capital social de Polong renten moderó significativamente la influencia de la variable de competencia del gerente en el desempeño de las empresas de propiedad de los pueblos en la regencia Lombok Utara. La novedad en la investigación obtuvo resultados e ilustró que hay un factor de polong renten capital social, que tiene una influencia y moderación de influencia entre

variables que impactan el desempeño de las empresas de propiedad de los pueblos y el desempeño del desarrollo de los pueblos.

Originalidad/Valor: Además, enfatiza el efecto moderador del capital social en otras formas, ya sea que pueda fortalecer o debilitar la relación de influencia entre las variables que se estima afectan el desempeño de las empresas propiedad de las aldeas y el desempeño del desarrollo de las aldeas.

Palabras clave: Gobierno, Competencia, Social Capital Polong Pensiones, Empresas de Propiedad de las Aldeas, Desempeño de Desarrollo de las Aldeas.

INTRODUCTION

The economic development of region is series of activities carried out consciously and continuously to realize better and more shared situation (Suyana Utama & Pratama, 2019). The manifestation of implementing village development through strengthening institutional organizations is carrying out sustainable industrial development that has high competitiveness. According to the *Lowell Center for Sustainable Production* (LCSP), sustainable industry or business is defined as the creation of goods and services using processes and systems that are non-polluting, conserve energy and natural resources, are economical, safe, and healthy for employees, society, consumers, and the social environment. This concept focuses on three main aspects, namely economic, social, and environmental (Mahanani et al., 2023).

Rural economic institutions to this day remain an important part as well as a weak point in efforts to realize village economic independence. This can be seen if we observe the existence of cooperatives, especially Village Unit Cooperative, which have been active for a long time with ups and downs but still have relatively few achievements (Djadjuli, 2018). Therefore, systematic efforts are still needed to encourage village institutions to be able to manage the capacity of strategic economic resources in the village, as well as develop networks to increase resilience and perhaps even economic competitiveness.

These efforts, however, have not provided the intended outcomes. One of the most important factors is that there is too much government's intervention, which actually limits village communities' ability to be creative and innovative in managing and operating rural economies (Wirsa & Prena, 2020). System and mechanism of economic institution in the countryside do not run effectively and they have implications for dependency of government's support so that eroding the spirit of independency.

The government intensively encourages villages to establish Village-Owned Enterprises as one of the village organizations. As a result, Village-owned Enterprises spreads throughout Indonesia. Village-owned Enterprises is directly tied to decentralization and the bottom-up development process. Village-owned Enterprises mission should be to manage and utilize all

available resources in the community. In the future, Village-owned Enterprises will serve as a cornerstone of national independence as well as an institution that accommodates community economic activities that grow according to local peculiarities in order to increase community welfare. This is in line with the findings of (Wahyu 2019) which states that the Government has quite good readiness in forming Village-owned Enterprises. This is proven by the development of business units which are very helpful in empowering local rural communities. This is in line with (Lestari et al., 2023) view, which states that a good environment is an environment that has good performance. An environment that can provide comfort for people to live their lives. Good performance has an impact on economic growth for the better as well.

The reality on the ground is that the establishment of a Village-owned Enterprises is not as easy as turning the palm of your hand. There are several technical and non-technical obstacles in this sector. In general, communication problems between Village-owned Enterprises, village government, and village residents, as well as a lack of openness and accountability are still obstacles to the development of Village-owned Enterprises. It's simple if you just establishing a Village-owned Enterprises. Just have village regulations. However, building or establishing it is not as easy as maintaining the continuity of Village-owned Enterprises functions.

The existence of Law Number 6 of 2014 concerning on Villages provides a legal protection for Village-owned Enterprises as economic actors who manage village potential collectively to improve the welfare of village residents. Data on the number of Village-Owned Enterprises in Indonesia increased sharply from 1,022 units in 2014 to 50,199 units in 2019. The number of Village-owned Enterprises continues to increase every year. Even though the number of villages that already have Village-owned Enterprises is relatively large, the government is faced with the problem that there are still many Village-owned Enterprises that have not operated well.

Like the problems that occurred in Lombok Utara Regency, which is one of the regencies in West Nusa Tenggara Province. Lombok Utara Regency as a new autonomous region (a division of West Lombok Regency) which was formed at the end of 2008 has very complex problems. Among them is the low Human Development Index (HDI), one of the indicators of which can be seen from the high poverty rate, namely 29.03 percent in 2019, although gradually this condition shows changes for the better. Until the end of 2020, the poverty level for the people of Lombok Utara Regency was recorded at 26.99 percent.

On the other hand, the location of Lombok Utara Regency can be said to be very strategic, namely that it is located in the golden triangle area which is a tourist destination area, while the sea transportation route with the Lombok Strait is getting busier. From the east it is the center of fuel oil traffic, as well as from Australia in the form of metallic minerals to Asia Pacific. In the Lombok Utara Regency area there is also a group of small islands which are quite famous for their natural beach tourism, namely Gili (island), Gili Air, Gili Meno, Gili Trawangan, and other small islands. Lombok Utara Regency has great potential, including in the agricultural food sector which produces rice, corn, cassava, sweet potatoes, peanuts and green beans. In the plantation sector, these include cashew nuts, coffee, cloves, vanilla, chocolate and coconut. Seeing that the natural conditions of Lombok Utara Regency are good enough to be developed, it is not in line with the level of community welfare in Lombok Utara Regency.

As time went by, the economy in Lombok Utara Regency begins to recover therefore little by little this problem can be resolved. To restore the economy in Lombok Utara Regency, a decentralized government is expected to be able to maximize the potential that exists in the people of Lombok Utara Regency. (Ubi Laru & Suprojo, 2019) stated in his research that the government's role in institutional management is the leading unit of development for society. Whether Village-owned Enterprises can progress or vice versa, one of the instruments is strong support of the village. Especially support from the village head, village government, and community. This support will be extraordinary in revitalizing and spurring the progress of Village-owned Enterprises. Apart from getting support, since the beginning of the establishment of Village-owned Enterprises, it has also been necessary to build a shared vision and perception between the village government and Village-owned Enterprises managers. Because the driving force for Village-owned Enterprises to progress and develop is largely determined by the involvement of the two parties, namely the village government and the Village-owned Enterprises management itself,

This brilliant idea has been supported by many parties for the sake of economic progress in each village. However, the brilliant idea launched by the Lombok Utara Regency Government has not been able to work as expected. There are still several problems within the Village-owned Enterprises institution itself. Among the problems that often arise are: low management participation; weak internal control; inadequate planning; the business climate is not yet conducive; limited information and market access; low performance (low technology); capital limitations; and the low entrepreneurial spirit and spirit of employees, which have an

impact on the performance and sustainability of the Village-owned Enterprises itself, which will have an impact on the performance of existing village development.

Performance factors are very important in maintaining the sustainability of BUM Desa, which will have an impact on improving the development performance of existing villages. (Nugroho et al., 2022), (Sudrajad et al., 2023) Performance is a description of the achievement of implementing an activity, program, or policy to realize the goals, objectives, mission, and vision of the organization. A list of what you want to achieve is contained in the formulation of a strategy (*stereotypic planning*) for an organization. In general, performance is an achievement achieved by an organization over a certain period of time (Bytyçi et al 2023).

The performance of Village-owned Enterprises in Lombok Utara Regency recently has actually experienced quite good improvements. For example, the development of Village-owned Enterprises into Village-owned Enterprises Mart in six districts and the development of Village-owned Enterprises in Anyar Village now have three Village-owned Enterprises business units. First, it operates in the field of microfinance institutions, namely Village-owned Enterprises LKM, which already has a turnover of 6 billion rupiah. Second, Village-owned Enterprises Mart was initiated by the Regional Government in 2015, whose turnover has increased from Rp. 93 million in 2015 to now reach Rp. 500 million. In 2020, Village-owned Enterprises collaborated with PT. Pertamina establish a Pertamina village shop, which will be used as one of the Village-owned Enterprises business units in Anyar. However, the success of Village-owned Enterprises in Anyar Village is not the same as the success of other Village-owned Enterprises.

To overcome the problems, it is important for the village government to set strategies for improving the performance of Village-owned Enterprises in village development in Lombok Utara Regency. In accordance with several studies conducted by (Lestari et al., 2023), (Nurlanova et al., 2020), (Idris & Syachbrani 2021), (Wiwik Utami, 2020), (Wahyu 2019), (Arindhawati & Utami 2020), (Ubi Laru & Suprojo, 2019) and (Suriadi & Thamrin, 2019) who both stated that the role of government in managing Village-owned Enterprises is really needed, Whether the performance of the existing Village-owned Enterprises is good or bad, at least there is interference from the government.

Apart from the government's role in efforts to improve the performance of Village-owned Enterprises and village development performance in Lombok Utara Regency, The second factor that influences the performance and sustainability of Village-owned Enterprises is the competence of the managers. In the era of globalization, competition between companies

will increase, and one of the keys to success in winning the competition is the need for quality human resources (HR). (Diansari *et al.*, 2023) The research shows that the competency variable of village officials is suitable to be used as a moderating variable in the relationship between prosocial behavior and accountability, so researchers suggest that this variable be used to moderate other variables that might influence accountability. Several studies conducted by (Darmaileny *et al.*, 2022), (Adi Kurniawan Saputra *et al.*, 2021), (Ekaningrum (2021), (Mulang, 2023), (Ningsih 2021), (Sika *et al.*, 2022), (Sriyono 2020) and (Suzanti *et al.*, 2021) stated that human resource competence has a positive influence on performance. In line with research conducted by (Sudibia *et al.*, 2020) where education has a positive and significant effect on economic growth. The issue of manager competency is still the main problem faced in every Village-owned Enterprises in Lombok Utara Regency. Looking at the educational level of Village-owned Enterprises managers, most of them have high school education, and knowledge regarding Village-owned Enterprises management is still very limited, which will influence the good or bad performance and sustainability of existing BUM Desas.

The third factor that influences Village-owned Enterprises performance and village development performance is the use of information and communication technology. The technology in Village-owned Enterprises in Lombok Utara Regency can be said to be inadequate; adequate information and communication technology (ICT) is needed to assist in the management of Village-owned Enterprises. Initial observations found that technology problems in Lombok Utara Regency Village-owned Enterprises were influenced by many factors, including the recording and reporting system, which tends to be manual; the capabilities of HR or Village-owned Enterprises managers, who are not yet able to operate technology optimally; and a lack of capital available for technology procurement, which causes the entire system to walk slower.

The existence of supporting technology makes it very easy for workers to produce goods and will improve workforce performance which will ultimately affect the income level and sustainability of Village-owned Enterprises. In line with the results of research (Yaprakli & Özden 2021) which shows that switching to technology and knowledge-based production processes, expanding the capacity of quality production factors, improving social living standards, and investing in the green economy will increase economic complexity while ensuring stable sustainability. This is supported by several studies conducted by (Yeo *et al.*, 2023), (Chen *et al.*, 2023), (Gómez-Trigueros *et al.*, 2021), (Hastriyandi & Munandar, 2018), (Wahdani *et al.*, 2023), (Fikri *et al.*, 2022), (Mahmudi & Damayanti, 2020), and (Nurjaya *et*

al., 2021) which state that information technology has a significant effect on performance. . This means that the use of information and communication technology has a significant positive influence on the performance of Village-owned Enterprises. Village-owned Enterprises utilizes information technology for various things, such as administration and marketing.

Apart from the factors above, to support the improvement of Village-owned Enterprises performance and village development, the role of social capital is also needed. (Chafai, 2023) states that humans are basically social creatures. Trust is a social norm that prioritizes the foundation of relationships between individuals, groups and other components of society. It is a byproduct of religion, tradition, shared historical experiences, and other types of cultural norms. Without trust, a country's economy will not run well, because transaction costs will be too high. (Suranto & Hardianto, 2019) stated in their research that the role of social capital in managing Village-owned Enterprises includes trust, networks in the form of *tangun renten* are social networks that strengthen cooperation, and norms that reflect mutual cooperation have been implemented in Village-owned Enterprises management. Likewise in Lombok Utara Regency, until now social capital is still strong. The social capital in question is a network of *Polong renten* implemented by the community in Lombok Utara Regency. The life of the people of Lombok Utara Regency is very diverse, consisting of various tribes and religions. Even though the community consists of adherents of various religions, in social life the community appears to be harmonious and there is never any dispute or conflict between religious communities. *Polong renten* is a family bond between religious communities in Lombok Utara Regency.

The *Polong renten* functions as a guide for the community in behaving, respecting each other, carrying out mutual cooperation, and helping each other in social life in Lombok Utara Regency. *Mepolong merenten* is the slogan for harmony among the people of Lombok Utara. These two words both mean “brother”. *polong* the word “brother” used by the people of eastern Lombok Utara, while *renten* is the word “brother” used by the people of western North Lombok. People strongly believe that they all have a brotherly relationship with each other. *Mepolong merenten* is a vocabulary used by the people of Lombok Utara to express respect and brotherhood towards other people (Suyadi, 2019).

However, the condition of social capital possessed by village communities is still inversely proportional to the condition of village economic capital, where the social capital of village communities consists of social ties (*social bonding*), social bridges (*social bridging*), and social networks (*social linking*). Thirdly, the social ties of the village community are

parochial or constitute the most superficial social capital and are unable to facilitate economic development in order to create a socially vibrant village in the context of local democracy (Suryosumunar et al., 2023).

This social capital of *Polong renten* can be said to have an influence on the development, performance, and sustainability of Village-owned Enterprises in Lombok Utara Regency. *Polong renten* system emphasizes on social capital, which leads to cooperation within groups, which is related to traditional policies such as honesty, maintaining commitment to carrying out tasks consistently, interacting, communicating, and working together regardless of a person's religion, race, and ethnicity. This makes it easier for all existing Village-owned Enterprises managers to work together and interact to create a good, comfortable, and harmonious work and social environment, which influences the performance of Village-owned Enterprises and has an impact on the performance of village development in Lombok Utara Regency. In line with research conducted by (Ha et al., 2020), (JOO 2020), (Jung, 2020). (Sudharma Santosa et al., 2020), (Alfirdausi & Riyanto, 2020), (Aritenang, 2021), (Muslikah, et al 2019), Haryono, et al., 2018), (Suranto & Hardianto 2019), (Kafabih, 2019), (Heny Urmila Dewi & Prawira D., 2019) and (Chafai, 2023), which states that social capital has an influence in various areas of people's lives, both in the world of work, organizations, and community life itself.

Based on various theoretical and argumentative matters, novelty in research obtained results and illustrated that not only factors of government role, competence, and use of technology affect the performance of Village-owned Enterprises and Village Development Performance. However, there is a factor of *polong renten* social capital, which has an influence and moderation of influence between variables that impact the performance of Village BUM and village development performance.

LITERATURE REVIEW AND HEPOTHESES

The Influence of Village-Owned Enterprises Performance on Village Development Performance

In line with the theoretical view of Theory *Sustainable Development* (Emil Salim, 2010) explains the context of *sustainable development* as development that is oriented towards meeting human needs through the wise, efficient use of natural resources and paying attention to the sustainability of their use for both present and future generations. Performance Theory View of Theo Suhardi (2014: 100) who has the view that as a Village-owned Enterprises manager, you must have the ability to manage Village-owned Enterprises, have the

enthusiasm to advance Village-owned Enterprises, and have continuous innovation in order to achieve the vision and mission of the Village-owned Enterprises that is managed. Performance is greatly influenced by the ability, motivation, enthusiasm, and hopes of each Village-owned Enterprises manager, if this can be realized it will have an impact on the sustainability of the Village-owned Enterprises business so that it can last a long time and the performance of Village-owned Enterprises will be better and will indirectly affect the performance of existing village development will be better. This can be interpreted as meaning that the performance of Village-owned Enterprises has an influence on village development performance. Village-owned Enterprises as a pillar of village development will be able to support the village the economy in the future to be better.

The Influence of Manager Competence on Village-Owned Enterprises Performance and Village Development Performance

The competency theory put forward by (Wibowo 2016) Competency is the ability to carry or carry out a job or task that is based on skills and knowledge and is supported by the work attitude required by the job. Village-owned Enterprises is an institution established by the village government to improve the village economy, which is one of the programs launched by the government for village development. Therefore, adequate human resources are needed in its management in order to achieve good Village-owned Enterprises performance. This can be interpreted as meaning that management competence can be said to have an influence on the performance of Village-owned Enterprises. The better the management competence of the Village-owned Enterprises, the better the goals, vision, and mission of the Village-owned Enterprises can be achieved, which has an impact on the performance of the Village-owned Enterprises and indirectly influences the performance of village development. And vice versa, if the management competence of the Village-owned Enterprises is inadequate, this will result in all work being slow, the vision, mission, and goals of the Village-owned Enterprises not being achieved, which will result in worsening performance and the sustainability of the Village-owned Enterprises business being threatened and the performance of village development becoming worse.

The Effect of Social Capital Polong Renten on Village-Owned Enterprises Performance and Village Development Performance

In accordance with the Views of Coleman's Social Capital theory in 1988 (Hauberer, 2011), social capital is a resource inherent in social relationships. Individuals involved in social relationships can use these social resources for personal and group interests. In system polong renten this emphasizes social capital that leads to cooperation within groups related to traditional policies such as honesty, maintaining a commitment to carrying out tasks consistently, consistently, communication, and cooperation without regard to a person's religion, race, and ethnicity. This makes it easier for all Village-owned Enterprises employees or managers to work together and interact to create a comfortable and harmonious work environment. Social capital polong renten interest can be said to have an influence on the development of Village-owned Enterprises performance and village development performance if the social capital possessed by its members is good. This is because social capital provides comfort for Village-owned Enterprises managers work together, which influences the performance of Village-owned Enterprises. And vice versa, if poor social capital is owned by Village-owned Enterprises managers, it will affect the performance and sustainability of the Village-owned Enterprises business and the impact on village development performance will be threatened.

RESEARCH METHODOLOGY

The research used associative quantitative research design. This research was conducted in 43 villages in Lombok Utara Regency for 3 years (2021-2023). The number of population was 43 (forty-three) Village-owned Enterprises. Thus, all members of the population used as samples. This method of sampling was called conducting a census or a saturated sample. To dig up information was done by using the technique of purposive sampling. Considerations are used, for example, by the person who is considered to know best about what is expected, or perhaps he or she is the leader or manager, so that it will be easier for the researcher to explore the object or social situation being studied. For information regarding the performance of each Village-owned Enterprises and its village development performance, each Village-owned Enterprises or village is assigned a quota of five people as sample respondents.

Details of the 5 (five) sample respondents are 2 (two) Village-owned Enterprises officers or village officials, and 3 (three) people are Village-owned Enterprises service users who are local village residents. The five people selected as sample respondents in each Village-owned Enterprises or village must have requirements, namely understanding Village-owned

Enterprises performance and village development performance. Therefore the total number of sample respondents in this research was 215 respondents.

There were some variables in this research, they were exogenous and endogenous. The endogenous variable was village development performance consisting of 4 indicators; the intermediate variable (intervening variable) was the performance of Village-owned Enterprises consisting of 3 indicators. The exogenous variables were the government role variable consisting of 4 indicators, management competency consisted of 3 indicators, the use of information and communication technology consisted of 3 indicators, and social capital of *Polong renten* consisted of 4 indicators. These research variables will be analyzed to obtain information so that they can describe the actual conditions that occur in the field. The variables and indicators in this research can be seen in Table 1.

Table 1. Research Variables and Indicators

No	Variables	Indicators
X1	The role of government	X1.1 Provision of infrastructure facilities
		X1.2 Capital provision
		X1.3 Providing training
		X1.4 Counseling/mentoring
X2	Management competency	X2.1 Innovative
		X2.2 Proactive
		X2.3 Solving problems
X3	Utilization of information and communication technology	X3.1 Utilization intensity,
		X3.2 Ease of information
		X3.3 Ease of service,
M	Social capital <i>polong renten</i>	X4.1 Trust.
		X4.2 Norm
		X4.3 Network.
		X4.4 Togetherness
Y1	Village-owned Enterprises performance	Y1.1 Service Quality
		Y1.2 Product Quality
		Y1.3 Development of the village economy
Y2	Village Development Performance	Y2.1 Increased employment opportunities
		Y2.2 Development of village infrastructure
		Y2.3 Reducing the level of inequality.
		Y2.4 Creating a peaceful and just village

Source: Smart PLS analysis results.

Of the six variables, the type of data is quantitative, namely data in the form of numbers obtained using instruments (questionnaires) about a particular problem, with space for answers to each research question.

The results of the questionnaire of 215 respondents were then calculated as the average obtained from each Village-owned Enterprises /village consisting of five respondents. Then, data were analyzed by using the SEM-PLS method.

FINDING AND DISCUSSION

Description of Respondents' Perceptions of Research Variables

Respondent appreciation is described based on the percentage of respondents' answers to research statements using the average value (mean) of each respondent appreciation item as a whole, in addition to interpreting the results of respondents' answers using index numbers (Ferdinand, 2014) using the criteria three *box method*. Furthermore, (Ferdinand, 2014) also provides a range of criteria for the three *box method*, as follows: 1) 10–40 percent are categorized as low or bad; 2) 41.01–70 percent are categorized as sufficient or moderate; and 3) 71.01–100 percent are categorized as high or good. From the calculation results, it was found that the respondents' perceptions of the 6 (six) variables studied were all in the high/good category.

Structural Model Testing (*Structural Model/Inner Model*)

The structural model fits the *inner model* using the GoF value (*goodness of fit*) to measure how good the resulting model is. The GoF value has a value range of 0–1. The closer to 1, the better the model. A GoF value of more than 0.33 indicates good model fit. The suitability of other models can be assessed from several calculations, such as the model determination coefficient (R^2).

The model coefficient of determination is calculated using all the coefficients of determination (R^2) in the model. R^2 for the Village-owned Enterprisesperformance variable is 0.940. This value shows that variations in Village-owned Enterprisesperformance are explained by the role of government, manager competency, use of ICT, and social capital of *Polong renten* to 94 percent, while the rest is explained by other variables. R^2 for the village development performance variable is 0.984. This value shows that variations in village development performance are explained by the role of government, management competence, use of ICT, social capital of *polong renten*, and Village-owned Enterprisesperformance, which was 98,4 percent, while the rest was explained by other variables. Hair *et al.* (2014) stated that in general, the coefficient of determination is classified as high if it is 0.20 or more, while in the results of this model, the average coefficient of determination is 0.875 (more than 0.20).

Model fit can also be calculated using indices of *goodness of fit*. Index *goodness of fit* (GoF) is defined as the geometric mean or root of the mean *communality* and average R² for all endogenous constructs (Suyana Utama, 2021), (Tenenhaus et al., 2005). A GoF value close to 1, at least 0.33, indicates a good path model estimate (Akter, D'Ambra, and Ray, 2011). The GoF index for this research model is 0.917, which was obtained from.

$$\text{GoF} = \sqrt{\text{AVE} \times R^2} = \sqrt{0,875 \times 0,962} = \sqrt{0,84175} = 0,917 \quad (1)$$

Thus, the structural model that explains the relationship between the four variables has good predictive power (*fit*). This matter can be explained in Table 2 below.

Tabel 2. Indeks *Goodness of Fit* (GoF)

Variable	Communality	R ²
Government Role (X1)	0,899	
Management Competency (X2)	0,713	
Utilization of Information and Communication Technology (X3)	0,817	
Social Capital <i>Polon renten</i> (M)	0,857	
Village-owned Enterprises Performance (Y1)	0,980	0,940
Village Development Performance (Y2)	0,986	0,984
Amount	5,252	1,924
Rate-rate	0,875	0,962
Index (GoF)	0,795	

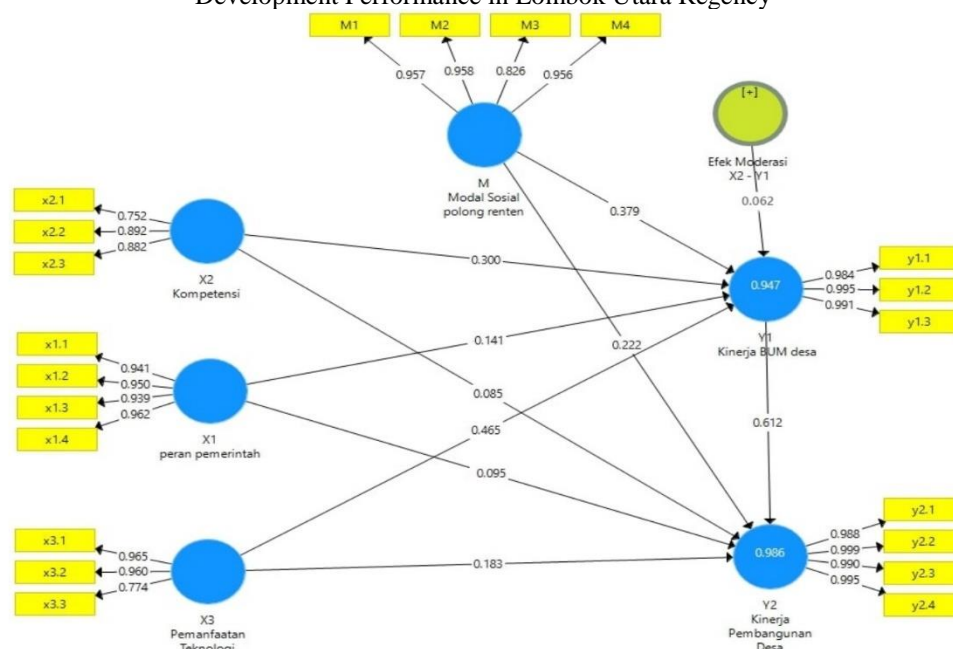
Note: The communality value is taken from the AVE value

Source: Smart PLS analysis results.

Evaluation *Outer Model*

Based on the results of the analysis using Smart PLS, results were obtained as in Figure 1 below.

Figure 1. Full Model of Village-owned Enterprises Performance Determinants in Improving Village Development Performance in Lombok Utara Regency



Source: Smart PLS analysis results. Description: X1 =The Role of Government, X2= Manager Competency, X3=Use of ICT, M=Social capital *polong renten*, Y1=Performance of BUM Desa, Y2= Village development performance

Direct Influence

The direct influence between construct variables can be seen from the results of value analysis *path coefficients* which is shown in Table 5. Interpretation of Table 3 explains the relationship between variables as follows.

Table 3. Direct Influence Between Construct Variables

Moderation Effect	Sampel Asli (O)	Rata-rata Sampel (M)	Standar Deviasi (STDEV)	T Statistik (O/STDEV)	P Values	Sig
_X2 - Y1 -> Y1	0.062	0.057	0.030	2.060	0.047	Significan
M_ -> Y1	0.379	0.391	0.113	3.348	0.000	Significan
M_ -> Y2	0.222	0.214	0.083	2.668	0.012	Significan
X1 -> Y1_	0.141	0.150	0.068	2.076	0.045	Significan
X1 -> Y2	0.095	0.092	0.046	2.057	0.047	Significan
X2 -> Y1	0.300	0.323	0.119	2.533	0.006	Significan
X2 -> Y2	0.085	0.077	0.041	2.092	0.043	Significan
X3 -> Y1	0.465	0.438	0.180	2.580	0.005	Significan
X3 -> Y2	0.183	0.166	0.102	1.794	0.036	Significan
Y1 -> Y2	0.612	0.641	0.167	3.671	0.000	Significan

Source: Smart PLS analysis results.

Description: X1 =The Role of Government, X2= Manager Competency, X3=Use of ICT, M=Social capital *polong renten*, Y1=Performance of BUM Desa, Y2= Village development performance

In this research, there are five hypotheses. Based on the presentation of the coefficient test results in the *inner model*. Furthermore, a detailed explanation of each hypothesis will be presented below.

1. The First Hypothesis (H1) states that the role of government, manager competency, use of information and communication technology, and social capital of *Polong renten* have a positive effect on the performance of Village-owned Enterprises in Lombok Utara Regency. This hypothesis is related to the results of the four path coefficient tests on Village-owned Enterprises performance. The calculation results show that the path coefficients of the role of government ($b = 0.141$; $p = 0.045$), manager competence ($b = 0.300$; $p = 0.006$), utilization of information and communication technology ($b = 0.465$; $p = 0.005$), and social capital of *Polong renten* ($b = 0.379$; $p = 0.000$) provide a decision that there is a significant positive influence between the variables of the role of government, managerial competence, use of information and communication technology, and social capital of *Polong renten* on the performance of Village-owned Enterprises. It means that hypothesis H1 is fully proven.

2. The Second Hypothesis (H2) states that the role of government, managerial competence, use of information and communication technology, social capital of *Polong renten*, and Village-owned Enterprises performance have a positive effect on village development performance in Lombok Utara Regency. This hypothesis is related to the results of the path coefficient tests on village development performance. The calculation results show the path coefficient of the role of government ($b = 0.095$; $p = 0.047$), manager competence ($b = 0.085$; $p = 0.043$), utilization of information and communication technology ($b = 0.183$; $p = 0.036$), social capital of *Polong renten* ($b = 0.222$; $p = 0.012$), and the performance of Village-owned Enterprises ($b = 0.612$; $p = 0.000$), giving the decision that there is a significant positive influence between the variables the role of government, managerial competence, use of information and communication technology, social capital of *Polong renten*, and Village-owned Enterprises performance on village development performance. This means that hypothesis H2 is fully proven.

3. The third hypothesis (H3) states that the social capital of *Polong renten* (M) moderates the influence of the manager competency variable (X2) on Village-owned Enterprises performance (Y1) in a positive direction. The calculation results show that the path coefficient is 0.062 and the p value is 0.047, which is declared significant

because it is smaller than 0.05. It means that the social capital of *Polong renten* significantly strengthens the influence of the manager competency variable (X2) on Village-owned Enterprises performance (Y1). In other words, the social capital of *Polong renten* plays a role in the relationship between manager competency and BUM Desa's performance. It means that H3 is fully proven.

Indirect Influence

Furthermore, to find out the indirect influence between latent variables, it can be seen from the results of value analysis *indirect effects* which is shown in Table 4.

Table 4. Values *Indirect Effects*

Relationship Between Variables	Mediation Variables	Original Sample (O)	Standard Deviation (STDEV)	T Statistics	P Values	SIG
X1 -> Y2_	Y1	0.086	0.041	2.097	0.041	Significan
X2 -> Y2	Y1	0.184	0.085	2.518	0.016	Significan
X3 -> Y2_	Y1	0.285	0.127	2.268	0.029	Significan

Source: Smart PLS analysis results.

Description: X₁=The Role of Government, X₂= Manager Competency, X₃=Use of ICT, Y₁=Performance of Village-owned Enterprises, Y₂= Village development performance.

4. The fourth hypothesis (H4) states that the performance of Village-owned Enterprises mediates the influence of the role of government, management competence, and use of information & communication technology on village development performance in Lombok Utara Regency. This hypothesis is related to the results of testing the indirect influence of the role of government, managerial competence, and use of information & communication technology on village development performance through the performance of Village-owned Enterprises. The calculation results show the indirect influence coefficient of the role of government ($b = 0.086$; $p = 0.041$), management competence ($b = 0,184$; $p = 0.016$), and use of information and communication technology ($b = 0,285$; $p = 0.029$). These results provide a decision that the BUM Desa's performance variable is able to mediate the influence of the role of government, management competence, and use of information & communication technology on village development performance. The results of this test show that H4 is fully proven.

DISCUSSION

The findings show that the role of government, managerial competence, use of information and communication technology, and social capital of *Polong renten* have a positive and significant direct and indirect effect on Village-owned Enterprises performance and village development performance in Lombok Utara Regency. This matter was confirmed by the results of interviews with several managers and the community as users of Village-owned Enterprises services. It was found that this is in line with Theo (Suhardi's 2014) performance theory, which states that performance is declared good and successful if the goals desired by the individual, group, or company can be achieved well. This research shows that the Village-owned Enterprises program launched by the government in Lombok Utara Regency shows quite good performance and can run according to the desired plan. Even though it is not very optimal, at least the existence of Village-owned Enterprises and its performance in Lombok Utara can reduce the problems faced in Lombok Utara Regency. By establishing BUM Desa, it can develop the existing village economy, increase employment opportunities, reduce the high number of unemployed people, reduce the gap that exists in people's lives, reduce the level of poverty that occurs, and create a peaceful community life. This is in line with the theoretical view. *Sustainable Development* Emil Emil Salim (2010) says that sustainable development covers various targets, namely poverty-free, hunger-free, good health and welfare, quality education, gender equality, clean water and sanitation, the economy, industrial development, innovation, and infrastructure. So it could be said that the government established Village-owned Enterprises with the same goal, namely improving the welfare of the existing community. Good Village-owned Enterprises performance can influence village development performance to be better as well.

The influence of the government's role in improving the performance of Village-owned Enterprises can be said to be good. This can be proven by the role of the village government in each village in Lombok Utara Regency in managing Village-owned Enterprises, namely establishing and participating in controlling work programs organized by Village-owned Enterprises, especially in improving performance and collaborating in managing Village-owned Enterprises results for community development and empowerment in each existing village, providing business capital, providing facilities and infrastructure, providing intensive training in turn, and providing intensive mentoring counseling at every Village-owned Enterprises in Lombok Utara Regency. Pakurár et al., (2019) state that public services are resources offered by an organization, whether government or private, to support community

members, whose service quality is important for customer satisfaction with the aim being to respond to community needs in an equitable, adequate, comfortable, economical and on time.

With the facilities provided, it is hoped that Village-owned Enterprises will optimally develop the potential that exists in each village by developing products according to the needs of the community in the village so that the continuity and performance of Village-owned Enterprises will be better, which will have an impact on village development performance. The results of this matter include the growth of the number of Village-owned Enterprises in Lombok Utara district from 33 in 2018 to 43 in 2022, the establishment of Village-owned Enterprises in 5 sub-districts as a replacement for modern retail, which does not exist in North Lombok, and as a supplier of garden and farming products from the community. There is also cooperation between Village-owned Enterprises and local villages in market management, clean water management, tourism village management, and garden produce management. And there are cooperative ties between Village-owned Enterprises and other private parties, such as PT. Pertamina, which formed Pertamina Mini in several villages in North Lombok. With this, the problem of sustainable development by improving village development performance can be resolved, namely by reducing the level of poverty, reducing the level of unemployment due to increasing employment opportunities, increasing prosperity, and creating a peaceful and peaceful community life. In line with theoretical views.

In terms of manager competency, the research results found that manager competency influences Village-owned Enterprises performance and village development performance in Lombok Utara Regency. The higher the role of manager competence, the higher the performance of Village-owned Enterprises and the better the performance of village development in Lombok Utara Regency. The competency of Village-owned Enterprises managers in Lombok Utara Regency is based on three components, including innovation, proactiveness, and how to solve problems. Innovation and proactiveness are work behaviors in creating, introducing, and implementing new ideas in Village-owned Enterprises organizations aimed at the community. The innovation possessed by good managers will have an impact on the continuity of the managed BUM Desa, and the community will quickly understand the existence of Village-owned Enterprises. Another thing that is demonstrated by the competence of Village-owned Enterprises managers is their proactive attitude.

Proactivity is the ability of Village-owned Enterprises managers to look ahead by involving the introduction of new products and services to anticipate changes in demand in the future. A proactive attitude from its management is really needed by every Village-owned

Enterprises in Lombok Utara Regency. As a Village-owned Enterprises Manager, you don't just have to keep quiet and work through orders from your superiors. As a Village-owned Enterprises manager, you must actively look at existing opportunities. A Village-owned Enterprises manager can create new opportunities as material for creating new products in the future, and he can meet the living needs of the existing community.

The competence of Village-owned Enterprises managers in Lombok Utara Regency is actually visible, even though it is not yet optimal overall. The ability to develop new ideas and find new perspectives when looking at problems and opportunities has been felt, so that the quality of service and product offered can at least meet the needs of the surrounding community. Such as the establishment of Village-owned Enterprises Mart, which was an idea from the existing managers, so that Village-owned Enterprises Mart was established in Anyar Village, Bayan District, Pemenang Barat Village, Pemenang District, Gondang Village, Gangga District, and Sokong Village, Tanjung District, in the Gili Trawangan tourist destination. Village-owned Enterprises Mart is a modern retail store owned by villages, not individuals, and it sells a variety of UMKM products and agricultural and industrial commodity products. Therefore, Village-owned Enterprises Mart is designed to keep shops, stalls, and road side stall alive. Other forms of innovation and proactivity can be seen from Village-owned Enterprises managers, such as Village-owned Enterprises collaborates with PT Pertamina to form the Anyar village Petshop, Village-owned Enterprises participating in market management, village clean water management (PAMDes), management of tourist villages in several sub-districts, and management of non-timber forest products (NTFP), with results in the form of coffee, clove, cocoa, and vanilla. In line with the competency theory put forward (Wibowo (2016) states that competence is the ability to carry out a job or task that is based on skills and knowledge and supported by the work attitude required by the job. Village-owned Enterprises is an institution established by the village government to improve the village economy, which is one of the programs launched by the government in village development. Therefore, adequate human resources are needed in its management in order to achieve good Village-owned Enterprises performance and good village development performance.

In terms of the use of communication and information technology, it can be seen that the high intensity of technology use in the management of Village-owned Enterprises has recently been felt. Managers really require adequate technology in their work. Supporting technology can make things easier and faster for managers, such as (1) making reports, tools used in the form of computers, printers and software that support making reports, (2) marketing,

requires adequate internet and applications. It is *Commerce* and websites and (3) communicate via the WhatsApp application or WhatsApp Group. An era that continues to develop and progress brings a flow of modernization in various aspects of life. All information is easily accessible via the internet.

Through the internet, Village-owned Enterprises no longer has difficulty to obtain any information to support its business activities. Thus, the use of internet use this time no longer only functions as an information tool, but has shifted to strategic business functions such as marketing, sales and even *customer service*. The ease of service from the use of technology carried out by Village-owned Enterprises and village government can currently be said to be good. In this era of globalization, convenience in the form of services is really needed by local communities. As time goes by, technology is becoming more advanced and consumers or society are becoming more and more spoiled. Here we need applications that can make it easier for Village-owned Enterprises to provide services, for example information and services can be obtained via WhatsApp or WhatsApp groups created for Village-owned Enterprises managers in Lombok Utara Regency, or WhatsApp groups created by Village-owned Enterprises managers for Village-owned Enterprises members. The ease of information in the use of technology carried out by Village-owned Enterprises can be said to be good. One of the aims of using information and communication technology is to make it easier for consumers or the public to obtain information about Village-owned Enterprises. With this easy information, the public really understands the role and function of Village-owned Enterprises.

On the other hand, high utilization intensity has a very positive impact on the lives of existing communities. In line with research (Zheng & Yang, 2023) which states that at a structural level, the digital economy is significant increasing the portion of household consumption that is pleasure-oriented. They easily get important information, even in the service system provided by the government to the community which tends to use technology (online) such as Food Assistance services (BPNT/Sembako Program), Smart Indonesia Program (PIP), Social Protection Cards (KPS)/Prosperous Family Card (KKS), Family Hope Program (PKH), other population administration. With the aim of providing services that can run quickly and on target. The importance of information and communication technology in people's lives in Lombok Utara Regency is felt.

Viewed from the social capital of *Polong renten*, Based on research findings, *Polong renten* social capital has a positive effect on Village-owned Enterprises performance and village development. The better the social capital of *polong renten*, the better the performance of

Village-owned Enterprises and the impact on the performance of village development in Lombok Utara Regency.

Social capital of *Polong renten* The management of Village-owned Enterprises in Lombok Utara Regency includes four elements, namely trust, togetherness, social networks, and norms. Networks are one of the facilities that can support the creation of trust and strengthen a community or certain group through forms of communication or through community interaction (Suryosumunar et al., 2023). Collaboration Social capital of *Polong renten* in the form of a network at Village-owned Enterprises in Lombok Utara Regency is one of the social capitals that is very important in developing existing BUM Desa. So, before forming a new Village-owned Enterprises, the first thing to do is build a network.

The network built into the system *Polong renten* could be described as very strong. The principles that exist in this network are based on a very strong family basis. There is no difference between one group and another, they feel one, there is a sense of shared destiny so that a strong determination exists within them to build and revive Lombok Utara Regency. So it can be seen that building a network system, whether in the formation of a new Village-owned Enterprises or cooperation between one Village-owned Enterprises and another, looks very good. For example, Village-owned Enterprises Polah Palih Polos Bentek Village is one of the Village-owned Enterprises that was just inaugurated in 2021. In its formation, it was not just about forming without considering what had to be prepared.

Apart from the network, there is a social capital of *Polong renten* Lombok Utara based on a sense of trust or confidence. It can be seen in the daily activities that occur in community life or in the management of Village-owned Enterprises. The sense of mutual trust between Village-owned Enterprises managers and the community is quite well established. Basic behavior of the community and Village-owned Enterprises managers in building social capital of *Polong renten* a sense of trust through high morality Humans and society can live peacefully together and interact with each other, requiring cooperative activities and social coordination directed by the level of morality. Trust is a tool for building relationships. The existence of broader harmonious relationships will be able to reduce transaction costs in terms of communication, contracts, and control.

Polong renten functions as a guide for the community in behaving, respecting each other between people, implementing a life of mutual cooperation, and helping each other in the lives of the people in Lombok Utara Regency (Maretha, 2015). Mempo long merenten is the motto of harmony among the people of Lombok Utara. These two words both mean “brothers”.

Renten is the word “brother” used by the people of Lombok Utara in the eastern part, meanwhile *polong* is the word “brother” used by the people of western North Lombok. People strongly believe that they all have a brotherly relationship with each other. *Mempolong merenten* is a vocabulary used by the people of Lombok Utara to express respect and brotherhood towards other people (Iwan Suyadi, 2019)

Another finding from this research is the social capital of *Polong renten* moderates the influence of manager competency on Village-owned Enterprises performance in Lombok Utara Regency. This can emphasize the importance of *polong renten*, a social bond that guides the lives of the people of North Lombok. The social capital of *Polong renten* refers more to togetherness based on a sense of brotherhood, trust, networks, and the norms of life of the people of North Lombok. This will open up the possibility of resolving complex problems more easily. With mutual trust, tolerance, and cooperation, they can build togetherness both within their community groups and with other community groups. This can be seen in the daily lives of diverse communities of *Polong renten* and the daily lives of Lombok Utara residents, which are well intertwined. Even the existence of spiritual values stands to guide the strength of kinship that integrates and strengthens the peaceful reasoning of people of different beliefs.

The proof can be seen from the solidarity in repairing holy places damaged after the earthquake hit North Lombok, jointly repairing bridges damaged after the flash flood hit North Lombok, as well as the strong ties of tolerance between religious communities in community life during celebrations of holidays or other religious ceremonies such as Idul Fitri (Muslim), Galungan (Hindu), and Vesak (Buddhist). There is a strong bond of friendship when people visit each other to offer congratulations. With this *polong renten* social capital, it is the guideline for the lives of the people of North Lombok. These social ties are not only applied in social life but are also carried over into the world of work and existing social organizations, so that conflicts involving SARA are rarely found. This is in line with the views of Coleman's social capital theory in 1988 in (Hauberer, 2011) which states three forms of social capital, namely: (1) structure of responsibility (obligation), hope and belief. In this context, the *polong renten* depends on two key elements: trust in the social environment and the extent to which obligations are actually fulfilled (obligations holding). In this case, *renten* kinship is a positive, educative and transparent communication tool without mutual suspicion or justification for each other. This is applied in various layers of community life, including the management of Village-owned Enterprises. The attitude shown by managers through

competence can develop products and product quality, thereby having an impact on improving the village economy and the performance of Village-owned Enterprises.

CONCLUSION

The role of government, management competence, use of technology and communication, and social capital of polong renten have a positive and significant influence both directly and indirectly on the performance of Village-owned Enterprises and village development performance in Lombok Utara Regency. The local community has felt the role of Village-owned Enterprises performance. In addition to improving the welfare of existing communities, part of Village-owned Enterprises also impacts the performance of existing village development. It can be said that because Village-owned Enterprises exists in addition to meeting the needs of the community, Village-owned Enterprises also plays a role in improving village infrastructure and reducing unemployment through collaboration with other parties, indirectly impacting the gap between communities is reduced, and the creation of a peaceful village free from problems. On the other hand, existing local wisdom, namely the social wisdom of polong renten, has a strong moderating influence on the relationship between competence and the performance of Village-owned Enterprises in Lombok Utara Regency. This confirms that the local wisdom of polong renten has a vital role in the lives of the people of Lombok Utara. It serves as a guideline for the community in behaving, respecting each other, carrying out a life of cooperation, and helping each other in the lives of the community in Lombok Utara Regency. This polong renten emphasizes intense togetherness. The impact can be seen in various aspects of community life, such as in the management of Village-owned Enterprises. The establishment of togetherness with solid family principles between one administrator and another manager based on applicable norms. In the future, it is expected that further research will be carried out on factors that affect the performance of Village-owned Enterprises and village development performance, such as business capital factors, length of business, or environmental conditions. In addition, it further emphasizes the moderation effect of social capital in other forms, whether it can strengthen or weaken the influence relationship between variables estimated to affect the performance of Village-owned Enterprises and village development performance

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