

## **Management Literacy for Improving the Performance of Village-Owned Enterprises (BUMDes) in Managing Local Businesses in Wonosari, Malang**

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**Abstrak:** Lambannya performansi BUMDes pada umumnya disebabkan selain lemahnya kelembagaan juga rendahnya tingkat literasi pengurus dalam bidang manajemen pengelolaan potensi lokal. PKM ini bertujuan untuk melatih para pengurus BUMDes dalam hal kemampuan membaca potensi, mengelolanya, sekaligus strategi membuka jaringan bisnis. PKM dilakukan dengan metode ceramah dan diskusi terkait dengan karakteristik kepemimpinan sosial, manajemen BUMDes dan pendampingan penyusunan perencanaan usaha. PKM diikuti oleh pengurus BUMDes dan perangkat desa Sumberdem Kecamatan Wonosari Kabupaten Malang. Pengukuran hasil dilakukan melalui observasi, partisipasi, dan angket penguasaan materi serta produk dokumen perencanaan. Hasil PKM menunjukkan bahwa terjadi peningkatan wawasan pengelolaan organisasi dan keterampilan dalam menyusun perencanaan usahanya. Terdapat dokumen berupa perencanaan usaha serta paket-paket produk wisata yang ditawarkan melalui penggunaan teknologi informasi.

**Kata Kunci:** Literasi Manajemen, BUMDes, Paket Wisata

**Abstract:** The slow performance of Village-Owned Enterprises (BUMDes) is generally caused by not only weak institutional capacity but also a low level of literacy among the management in the field of local resource management. This Community Service Program (PKM) aims to train BUMDes managers in the ability to identify and manage local potentials, as well as strategies for expanding their business networks. PKM is conducted through lectures and discussions related to the characteristics of social leadership, BUMDes management, and assistance in business planning. PKM participants include BUMDes managers and village officials from Sumberdem Village, Wonosari District, Malang Regency. The evaluation of results is conducted through observations, participation, and questionnaires assessing material mastery and the production of planning documents. The results of the PKM demonstrate an improvement in organizational management insights and skills in business planning. As a result, there are business planning documents and tourism packages offered through the use of information technology.

**Keywords:** Management Literacy, BUMDes, Tourism Packages.

### **Introduction**

Effective management is the key to success for Village-Owned Enterprises (BUMDes) in managing local businesses in Wonosari, Malang. BUMDes, as economic entities that play a crucial role in rural development, have a central role in

harnessing local economic potential and resources. To achieve sustainable development goals, BUMDes needs to develop solid management literacy. A profound understanding of management literacy becomes a crucial element in enhancing BUMDes' performance. Management literacy aids in making more informed decisions, efficient resource allocation, thoughtful planning, and business innovation. Therefore, efforts to improve management literacy in the context of BUMDes in Wonosari, Malang, should be prioritized.

The activities of BUMDes in Wonosari, Malang, have significant potential to have a positive impact on the local economy and community well-being. However, in reality, many BUMDes still face various challenges in managing their local businesses. The sluggish performance of BUMDes is generally caused by weak institutional capacity and the low literacy level of management by their administrators. These constraints can be overcome through an increased understanding of modern management principles, best practices, and strategies relevant to the local context.

Rural economic development requires the utilization of village potential, including natural resources, local culture, and community creativity. However, to optimize these potentials, good management literacy is required in planning, organizing, decision-making, and implementing economic endeavors. With a strong management understanding, the village community can manage resources more efficiently, formulate appropriate strategies, and overcome emerging obstacles, thereby increasing income and the welfare of the rural community sustainably. In this context, management literacy becomes a tool that enables rural potentials to be realized as genuine opportunities for inclusive and sustainable rural economic growth.

As one of the pillars and achievements of inclusive and sustainable economic growth within the framework of rural economic development, the potential of villages for the well-being of rural communities is now being harnessed by the residents. Village-Owned Enterprises (BUMDes) are one of the village-level institutions with great potential to become the engine of economic escalation by leveraging natural resources, the availability of human resources, and the unique cultural attributes within regional zones. The involvement of Village-Owned Enterprises (BUMDes) in the Wonosari area of Malang Regency has the capacity to transform the heterogeneous rural economic landscape into a more flexible one. Social empowerment and community participation are crucial efforts in developing self-reliance and the well-being of the community through the enhancement of knowledge, skills, behavior, and awareness to utilize resources with the support of policy programs prioritizing the needs of rural communities (Badaruddin; Kariono; Ermansyah; Sudarti, Lina, 2020). The presence of BUMDes is closely interconnected with the rural community, as all activities undertaken by BUMDes are related to the well-being and economic development of the community.

The development of BUMDes in Wonosari, Malang Regency, is essentially required to ensure that BUMDes can play an optimal role. The optimization of BUMDes' goal achievement is reflected in the organized and professional management of BUMDes (Wulan, Vieqi; Hemanto, Agus, 2019). BUMDes in Wonosari, Malang Regency, is a social entrepreneurship organization that not only focuses on profit-making capabilities but also on empowering the community independently and achieving well-being equality (Winarno, Agung; Agustina, Yuli; Narmaditya, Bagus Shandy; Wahyuni, Wiwik; Maroeto, 2022). Its presence offers opportunities for rural communities to actively participate in business management, business strategy planning, and economic diversification through various fields, visualized through the development of diverse rural economic activities such as livestock farming, agriculture, small-scale industries, tourism, and local services that can enhance the village's economic resilience against market fluctuations.

However, in reality, the management efforts of BUMDes in Wonosari, Malang Regency, have not fully maximized the potential of natural and human resources in improving the well-being of the rural community due to limitations in knowledge and unsustainable community practices. Knowledge of BUMDes management has only recently been recognized as a key role in planning business strategies that impact other important aspects (Chalil, Tengku Munawar, 2020). Discrepancies in knowledge and understanding related to BUMDes management create challenges in the complex social activities of the community. This hampers efforts to plan more extensive business expansion.

The higher the understanding of BUMDes (Village-Owned Enterprises) management, the greater the capacity to manage the village community's management (Swiecka, Beata; Yesildag, Eser; Ozen, Ercan; Grima, Simon, 2020). Efforts to improve the village economy are in line with the increase in management literacy to equip individuals in making sustainable decisions and adapting to progressive market and environmental changes (Garg, Neha; Singh, Shveta, 2018). This is why BUMDes Wonosari in Malang Regency is striving to enhance the level of knowledge in social entrepreneurship-based management to increase the efficiency and productivity of its local potential. Management literacy encompasses knowledge and understanding of concepts and strategic risks, as well as skills, motivation, and self-confidence to apply knowledge and understanding to make effective decisions (Lusardi, Annamaria, 2019).

The development trends of BUMDes Wonosari in Malang Regency play a role in empowering the community, not only responsible for optimizing local economic growth but also focusing on innovative social change by aligning the goals of each sustainable business unit. From a broader perspective, a socially oriented approach can improve access to target communities by focusing on community-based social entrepreneurship. Overall, BUMDes management creates solutions for the village's potential developed through tourism packages that align with the values and culture

of the Wonosari community. This aligns with the exposition by Jorgensen, Matias; Hansen, Anne; Sorensen, Flemming; et al., 2021. Social entrepreneurship tourism management literature is a process aimed at creating innovative solutions to social, environmental, and economic issues in potential destination areas with resource capacity and social agreement.

## **Methods**

The method for implementing community service activities is as follows:

1. Approach and coordinate with village officials, stakeholders, and tourism village pioneers related to the planned tourist destination in Sumberdem Village, Wonosari District, Malang Regency.
2. Provide training, discussions, and distribute questionnaires on the mastery of materials related to integrated BUMDes management and sustainable social entrepreneurship tourism.
3. Conduct a survey of tourist attraction locations to be packaged as tourist packages.
4. Provide support and guidance in the development of tourism package designs.
5. Evaluate the tourism package design as the basis for continuous support recommendations in community service activities.

The plan for designing a social entrepreneurship-based tourism package is being implemented as an innovative solution to enhance the management of Village-Owned Enterprises (BUMDes) units in the Wonosari Sub-district of Malang Regency through the development of the tourism potential in the area by offering tourism packages. The process flow in the implementation of this service can be depicted as follows:



Figure 1. Flow of Community Service Implementation

The approach method applied in this community service activity involves dialogue with the village government, stakeholders, tourism village pioneers, and business actors to achieve a sustainable focus and goal. The results of these meetings lead to the identification of issues and the complexity of tourism designs that can be offered to potential consumers and the wider community. The next step is aligning the perceptions of integrated tourism village program goals for the purpose of designing and offering tourism packages. The alignment of views is supported by the village government and tourism village pioneers to invite training participants with the aim of obtaining innovative solutions from ideas and desires of individuals or organization groups.

The training is conducted in the village hall attended by entrepreneurs from business units, BUMDes management and members, tourism awareness group management and members, as well as young generations who are pioneers in tourism management activities. The series of activities include presentations and discussions as well as Q&A sessions by training participants and periodic mentoring tailored to the targets and objectives, as well as sustainable management practices and evaluation. This community service is carried out by providing guidance on the implementation of social entrepreneurship in tourism through strengthening integrated tourism designs in the Wonosari area of Malang Regency. The materials intended for this community service activity are tourism packages and the accuracy of the management of BUMDes in Wonosari, Malang Regency. The subjects of this community service activity are the community.

## Results and Discussion

In accordance with the presentation by Heryanda, Komang Krisna; Mayasari,

Ni Made Dwi Ariani; Mahardika, Yudha Martin (2020), BUMDes (Village-Owned Enterprises) is a village business institution owned by the village government to strengthen the village economy, tailored to the needs and potential of the village. The establishment of BUMDes is based on the community's needs, utilizing natural resources and human resources to develop sustainable products that can meet the community's needs, both in terms of social and financial aspects. In its planning and establishment, BUMDes is built on community initiative based on principles of solidarity, collaboration, and sustainability. According to Rahayu, Rita; Suryani, Indah Permata; Karib, Abdul; Sari, Vuya Guziana (2022), the alignment of goals and mindset becomes a productive asset that can represent the results of BUMDes performance. From this perspective, BUMDes is required to better implement its functions and activities within the specified time frame to measure success or failure and assess BUMDes' resilience in facing dynamic development trends. According to Siskawati, Eka; Zahara; Yulia, Meri (2021), BUMDes must have the ability to innovate as a dominant factor for competitive advantage, optimizing resources, efficiency, creativity, and daring to take risks based on consensus decisions.

One of the BUMDes in Malang Regency with potential for development is BUMDes Wonosari in Sumberdem Village. This area has several potential assets that can be revitalized and profiled into an integrated tourism destination. Based on the identification of needs and shared objectives, this series of tourism activities is agreed to be managed under the auspices of BUMDes. To build a relevant connotative construct in the Wonosari area, it associates tourism design with the implementation of social entrepreneurship in literacy-based BUMDes management, with the aim of impacting the sustainability of community resources. Considering the abundance of potential assets in the Wonosari area, this becomes a unique attraction to strengthen literacy-based BUMDes management and develop marketing strategies by utilizing the integrated area offered.

The range of product options offered continues to evolve with the strengthening of BUMDes (Village-Owned Enterprises) management practices that are relevant to social entrepreneurship practices prioritizing beneficiary access to community welfare empowerment. As a result, the output of integrated tourism products can be representative and tailored to seasonal agricultural commodities. Therefore, tourism products continue to receive innovative treatment according to the seasons and the sustainability of the offered attractions. Due to this, there is a need to prioritize key tourist attractions that will become the landscape of the Wonosari area. Subsequently, after obtaining the design of these flagship tourist attractions, it will facilitate the formulation of priorities for the development of adaptable integrated tourism products.

One key point in the transition of integrated tourism products with a diversity of tourist attractions in the Wonosari area revolves around the performance of BUMDes management treating tourism as a platform for the application of social



entrepreneurship. Therefore, in the implementation of this service, the decision-making method in determining the priority scale of the offered integrated tourist attraction designs uses the Analytical Hierarchy Process (AHP). In supporting the success of integrated tourism products, it is necessary to create a design for tourism packages based on social entrepreneurship with strengthened BUMDes management that can adapt to technological developments, changing needs, and consumer demands in terms of marketing. Although internet marketing has proliferated everywhere, business communication through the internet needs to utilize targeted marketing strategies, such as through online media businesses, which can be quite challenging to penetrate the Indonesian market (Aqilla et al., 2022).

The design of integrated tourist attractions is expected to become an area for developing the potential of the village as a foundation for community-based social entrepreneurship relationships based on the literacy of BUMDes management that can generate economic benefits. It serves not only as access to job creation and income sources but also has specific objectives and functions, particularly in Sumberdem Village, as follows:

1. Primary Function. This function realizes BUMDes management based on literacy and the application of social entrepreneurship to achieve community welfare.

The primary function that embodies the management of the literacy-based BUMDes (Village-Owned Enterprises) and the application of social entrepreneurship in the village of Sumberdem serves as the cornerstone in achieving sustainable community welfare. With strong management literacy, BUMDes can formulate clear strategic plans, efficiently manage assets and resources, and make data-driven and accurate decisions. Furthermore, the implementation of social entrepreneurship in BUMDes operations provides room for innovation in local initiatives that align with the needs and potential of the local community, with the primary goal of improving their quality of life and well-being. Through synergy between well-informed management and an inclusive social entrepreneurship approach, BUMDes in the village of Sumberdem can become a driving force for sustainable local economic growth, providing employment opportunities, increasing income, and enhancing the quality of life for the community, ultimately yielding positive impacts on overall village development.



Figure 2. Training and Discussion on Strengthening Social Entrepreneurship in BUMDes Management

2. Secondary Function. The secondary function aims to make the Wonosari area the focal point of potential tourism for the community.

In the context of Wonosari's area development, the secondary function plays a strategic role in transforming it into a focal point of interest for people with tourism potential. This area, with its natural and cultural richness, has the potential to be a primary attraction for visitors. The secondary function includes efforts to develop tourism-supporting infrastructure, effective promotion to attract tourists, and sustainable management of natural and cultural resources. By implementing a strong secondary function, Wonosari can turn its potential into reality, inviting more visitors, providing economic benefits to the local community, and making a significant contribution to the development of the tourism sector in the region.





Figure 3. Integrated Tourist Destination Site Survey

3. Supporting Functions. Supporting functions are realized through tourist package products offered by tourists as well as the standardization of facilities to shape the image of a tourist destination.

Supporting functions in the context of tourist destination development are often realized through tourist package products offered by tourists. These package products not only provide convenience for travelers in planning their journeys but also help shape the image of the tourist destination itself. In the process of composing tour packages, facility standardization becomes crucial because it ensures the quality of the experience provided to tourists. Consistent facility standards, such as comfortable accommodations, quality restaurants, and friendly services, ensure that visitors have a positive and satisfying experience. Additionally, tour packages that focus on attractions, local culture, or unique activities at the destination also help enhance the appeal and positive image of the tourist destination, making it a sought-after destination for potential tourists. Therefore, tourist package products supported by facility standardization are essential tools in realizing the essential supporting functions in destination development.



Figure 4. Location of the Educational Tourism Center in Coffee Village

The design of tourism package plans is one of the constructs to enhance the management literacy of village-owned enterprises (BUMdes) with a priority scale for developing the potential of villages in the Wonosari area of Malang Regency. In line with the opinion (Aquino, Richard; Schanzel, Heike; Lick, Michael, 2018) that knowledge enhancement through literacy can create a positive atmosphere for social change in society or organizations and can form equal perspectives. However, the dynamics of development and rapidly changing trends can pose potential obstacles to meeting social needs, (Jorgensen, Matias; Hnasen, Anne; Soresen, Flemming; et al., 2021) emphasize that the challenges of social dynamics can adopt community-based social entrepreneurship implementation by reviewing the literature on tourism management.



Figure 5. One of the Integrated Tourism Locations

The design of integrated tourism that combines the benefits of literacy and the application of social entrepreneurship forms a community to think differently about economic value, thereby generating benefits that exceed the established targets. The community is also better able to collectively understand the sustainability of the enterprise by applying collaborative behaviors to address changes in the prevailing atmosphere.

## Conclusion

The institutionalization at the village level becomes the mobility of the application of management literacy in the BUMDes Wonosari, Malang Regency, based on social entrepreneurship. With the prioritization scale of tourism package products, it is hoped that it can provide an alternative change in social perspective and create innovative solutions to social, environmental, and economic issues existing in the destination by mobilizing ideas, capacity, resources, and social agreements from within or outside the community. Based on the characterization of the potential of the region and governance, BUMDes Wonosari, Malang Regency, can prepare tourism hybridity with the application of sustainable ecological values, responsibility, and the ability to provide social and community values. The interpretation of the tourism package design with the application of social entrepreneurship has the potential to become a tourism option visited by local, national, and international visitors, not only to enjoy tourist attractions but also to educate about the traditions and values developed by the local community.

## Acknowledgements

The authors would like to thank the State University of Malang for financial support in implementing this program.



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