

# Analysis On Factors Affecting Performance Of Village-Owned Enterprises (Bumdes) Administrator With Commitment As Moderator Variables In Kampar District

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**Abstract:** Based on Kampar Regency Regulation Number 14 of 2007 concerning the establishment of Village Owned Enterprises (BUMDes) in Kampar Regency (Kampar Regency Regional Gazette of 2007 Number 14). This is a special concern for Kampar District Government. Through a substantial village fund released by the government, the Village Owned Enterprises (BUMDes), which is one of the engines of the economy, must be optimized. This certainly can increase development and economic growth quickly and evenly in the Kampar Regency. Private sector participation in development and enhancing economic growth through partnership patterns greatly assist government efforts in dealing with strategic problems faced by the government, 'BUMDes as a driver of the rural economy has an important and very large function for the people's economy. But in fact the Kampar Regency based on the index value of building villages is still very low when compared to other regions in Riau Province, this is certainly because the development of each village is certainly not the same. BUMDes operational activities often face obstacles, such as problems in terms of management systems that are not good and the quality of human resources is still low. The main problem that is often faced by BUMDes is that the quality of human resources is still low due to their very low competency. BUMDes manager performance will greatly affect the condition of BUMDes. One way to improve the performance of managers can be done through increased competence. The importance of competence in improving the performance of BUMDes managers because this can have a significant influence on the performance of managers of BUMDes, means that having good competencies that they have will provide an increase in the performance of BUMDes.

**Index Terms:** Recruitment, Selection, Training, Competition, Performance

## 1 RESEARCH BACKGROUND

The existence of the development gap between urban and rural areas represent a key problem must being a concern of the government. Monitoring the existing data from Statistics Indonesia, which is further abbreviated BPS, in 2017, Indonesia's poverty figure was 10.12 percent of the total population, and it fell to to 9.82 percent in 2018. In September 2017, the Indonesian population below the poverty line in urban areas amounted to 7.26 percent, and it fell to 7.02 percent in 2018. Meanwhile, the percentage of Indonesian population below the poverty line in rural areas in 2017 was 13.47 percent, and it fell to 13.20 percent in 2018. Although there was a decrease, it seemed that it was not too significant. Data collected by BPS showed the high rate of poverty in rural areas. Looking at the fact, strategic step need to be taken to deal with it. By this time, the focus has been on urban areas in which the industries have made many changes which is capable of producing a variety of quality products. Therefore, it is no wonder if the products can be sold according to the company's target. The higher the profits gained by the company, of course, the better the compensation can be given to its employees. The Increase of employee income will change the economic level of society in general since they will spend their money on various needs produced by many business actors. One thing can bringing the

changes to the economy of urban communities being free from poverty turns out the due to changes made to the aspects of production from the usual towards higher quality.

The problems encountered by rural communities are related to the efforts to increase the results of production managed by business actors in the small-industry and medium-industry category, certainly related to financial capital (funding). The government has provided a solution to this problem by distributing the financial assistance managed by Village-Owned Enterprises, which is hereinafter abbreviated as BUMDes. Through Act No. 32, 2004 concerning Regional Government, the government provides great support so that the village has an enterprise can developing and keeping the local economy moving. Responding to this, Regulation of Kampar District No. 14, 2007 concerning the establishment of Village-Owned Enterprises (BUMDes) was issued in Kampar District (Kampar District Gazette No. 14, 2007). One way to achieve economic growth in rural areas is through the growth of village-level micro-finance institutions, and one of the village-level micro-finance institutions in rural areas is the Village-Owned Enterprises (BUMDes). BUMDes is an enterprise managed by the community and village government in an effort to strengthen the village economy and to build social cohesion of the community formed based on the needs and the potentials of the village. Equitable development and economic growth reaching every village in the country is one form of democratic economy. The Regional Government of Kampar District hopes that through village funds disbursed by the government in which its management is entrusted to BUMDes can come to be one of the economic engines, and it must be optimized. It definitely can increase the economic development and growth quickly and evenly. Besides, participation of the private sector in economic development and economic growth through a partnership pattern significantly promotes the government's efforts to respond to strategic problems encountered by the government. BUMDes

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as a driving force of the rural economy serves a significant and exceptionally great function for the community's economy. Based on the information from <http://www.riauterkini.com>, in the area of Kampar District, 228 of BUMDes are expected not only to develop savings and loan businesses, trade and rental services, fisheries, livestock, village markets, and mini fuel stations, but are also expected to develop various business models so as to improve the community's economy.

**TABLE 1.**  
Building Village Index (IDM) of Kampar District

RIAU	14001 KUANTAN SINGINGI	0,5205	0,4432	0,5808	0,5148
	14002 INDRAGIRI HULU	0,5753	0,4080	0,5974	0,5272
	14003 INDRAGIRI HILIR	0,5980	0,4096	0,5575	0,5217
	14004 PELALAWAN	0,6103	0,4037	0,5760	0,5300
	14005 SIAK	0,6109	0,4095	0,6622	0,5609
	14006 KAMPAR	0,5868	0,4490	0,5978	0,5445
	14007 ROKAN HULU	0,5710	0,4825	0,6476	0,5670
	14008 BENGKALIS	0,5549	0,4165	0,6226	0,5313
	14009 ROKAN HILIR	0,5581	0,4505	0,6163	0,5416
	14010 KEPULAUAN MERANTI	0,5813	0,3200	0,5788	0,4933

Looking at the data presented in Table 1, it can be identified that Kampar District is still very low when compared to other regions in Riau Province based on the value of building village index (IDM). Certainly, it is because the development of each village is definitely different. BUMDes operational activities frequently encountered the obstacles, like problems in terms of management systems having not been good and still low quality of human resources. The key problem frequently encountered by BUMDes is the low quality of Human Resources performance. In this case, Human Resources performance reflects the performance of BUMDes employees. BUMDes employees is as well as acting as administrators consisted of chairman, secretary, and treasurer. Employees' performance will greatly affect the performance of BUMDes. The level of employees' and administrators' performance of BUMDes will affect the performance of BUMDes itself (Gibson, 1996 in Sri Swandari et al, 2017) Many factors can affect the performance of BUMdes administrators. Based on the results of research conducted by Aisyah et al., it was proven that a very strong relationship between the recruitment and selection toward the performance amounted to 88.7 percent. The results of that research explained that to get high performance of employees, it is very important to pay attention to recruitment and selection. Research conducted by Verra (et al.) turns out that what affects performance is education and training by having an assumption that the higher the academic background and the appropriateness of training that employees follow, the higher the performance of the employees will be. In her research, Sholehatusya'diah proved there are influences of competence toward employees' performance, where the higher the competency of the employees have, the higher the performance will be. Fathorrahman (2015) concluded the results of his research, which is the organizational commitment influences performance and satisfaction. The phenomenon that can be seen from BUMdes in Kampar District is that the low performance of BUMdes administrators is reflected in the recruitment and selection issues which only require a number

of requirement and are normative. Training is a very essential way to improve performance. However, in fact, the provided training is not fundamental, and many of it are unsuitable to the needs of the participants. The competence of BUMdes administrators will affect their performance. The existing real condition is that BUMdes administrators have the low competence of all aspects that they must have. In addition, the commitment of BUMdes administrators is also felt to be very lacking although this commitment can increase the performance to the very high level. Qualified human resources are generally born through a qualified recruitment process. The recruited employees are definitely expected to produce extraordinary performance. In terms of enrollment and recruitment of employees, of course, the workforce needed must possess outstanding quality and in accordance with the field they will occupy. In addition, through the recruitment process, the BUMDes administrators must also be selected properly. Considering the importance of the recruitment and selection process for the BUMDes administrators, it is expected that an appropriate recruitment and selection process will have an impact on improving the development of BUMDes. Another very influential factor on the improvement of BUMDes administrator Performance is training activity, where the existence of training activity can force administrators have good knowledge and competence in their fields. However, this training activity is still very minimal on account of the lack of administrator's knowledge regarding the training information to be followed. Employees (administrators) having a high commitment to work will always produce optimal performance and will tend to survive in the organization. Organizational commitment is required as one of the factors affecting the performance. By that commitment, the organization can assess the responsibilities, loyalty, and devotion of employees (administrators) to the BUMdes that they manage. Commitment will be able to strengthen performance if the recruitment, selection, and training as a prior process have been implemented correctly. Another problem often encountered by BUMDes has been the still-low quality of human resources since the competency they have been also very low. BUMDes administrator performance will greatly affect the condition of BUMDes. One way to improve the performance of administrators can be carried out by increasing their competence. The importance of competence is significantly needed in improving the performance of BUMDes administrators because it can have a significant influence on the performance of BUMDes administrators. It means that when having good competencies, they will have an increase of performance in BUMDes. In addition to competence, of course, commitment also needs to be considered for the candidates of BUMdes administrators. Even if all variables like recruitment, selection, training, and competencies owned by BUMdes administrators are good, without having high commitment, it is uncertain that high performance from BUMdes administrators can be expected. Based on the research background, the writer intends to discuss further about: Analysis on Factors Affecting Performance of Village-Owned Enterprises (BUMDes) Administrator with Commitment as Moderator Variables in Kampar District.

### 1.1 Research Question

Based on the Research background, the writer formulated the research questions as follows:

1. Does Recruitment affect the Performance of BUMDes

- Administrators?
2. Does Selection affect the Performance of BUMDes Administrators?
  3. Does Training affect the Performance of BUMDes Administrators?
  4. Does Competence affect the Performance of BUMDes Administrators?
  5. Does Commitment affect Performance of BUMDes Administrators?
  6. Does Recruitment have an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments is as moderator variable?
  7. Does Selection have an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments is as moderator variable?
  8. Does Training have an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments is as moderator variable?
  9. Does Competence have an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments is as moderator variable?

### 1.2 Research Objectives

Based on the research questions, the objectives of this study is as follows:

1. To discover how much the effect of Recruitment on the Performance of BUMDes Administrators.
2. To discover how much the effect of Selection on the Performance of BUMDes Administrators.
3. To discover how much the effect of Training on the Performance of BUMDes Administrators.
4. To discover how much the effect of Competence on the Performance of BUMDes Administrators.
5. To discover how much the effect of Commitment on the Performance of BUMDes Administrators.
6. To discover how much the effect of Recruitment on the improvement of the Performance of BUMDes Administrators in which the Commitment is as moderator variable.
7. To discover how much the effect of Selection on the improvement of the Performance of BUMDes Administrators in which the Commitment is as moderator variable.
8. To discover how much the effect of Training on the improvement of the Performance of BUMDes Administrators in which the Commitment is as moderator variable.
9. To discover how much the effect of Competence on the improvement of the Performance of BUMDes Administrators in which the Commitment is as moderator variable.

### 1.3 Research Significance

The significance of this study are:

1. It is as input for BUMDes Organizations in connection with steps taken to improve the performance of BUMDes administrators.
2. For the writer, this study is significant to add knowledge and insight related to factors affecting the performance of BUMDes administrators.
3. For other researchers, it can be used as a reference and foundation to be developed in further research.

## 2 LITERATURE REVIEW

### 2.1 Performance

What mean by employees' performance here is the performance of BUMDes administrator which is an important aspect to be considered because it will affect the performance of the organization. Many various ways must be performed by BUMDes to improve organizational performance. One of which is through performance assessment. Performance assessment will provide the information needed regarding which work is correct according to quality and quantity and which works need to be refined. According to Mangkunegara (2012: 9) performance is the result of quality and quantity of work achieved by an employee in carrying out their duties in accordance with the given responsibilities. Good work quality from BUMDes administrators and the ability to complete a number of jobs correctly can increase the confidence of many parties towards BUMDes because BUMDes are considered to have good performance as expected and are reflected in several indicators.

#### 2.1.1 Indicator of Performance according to a guide to establishment and management (PPP) of DUMDes in 2007

1. The cooperative level of administrator and community in the empowerment program
2. Participation or involvement of the community and administrator in jointly building welfare for BUMDes
3. Transparency, openness in managing BUMDes
4. Accountability and Sustainability of BUMDes

### 2.2 Recruitment

Rivai (2014: 118) stated that the recruitment is essentially the process of determining and attracting applicants being able to work in an organization. This process begins when the applicants are sought and ends when their applications are submitted. Recruitment can be carried out in a closed and opened manner or internally and externally, which method will be chosen depends on the time and cost. Proper recruitment, of course, before the implementation has determined criteria that become the indicator.

#### 2.2.1 Indicator of Performance according to a guide to establishment and management (PPP) of DUMDes in 2007

According to Hasibuan (2011:41), indicator of recruitment are as follows:

1. A clear basis for recruitment  
It must be based on the job specifications having been determined to occupy the position.
2. Internal recruitment sources
  - a. Internal Sources  
Transferring employees to the vacant position when meeting the standards of that positions
  - b. External Sources  
Employees filling vacant positions are recruited from sources of labor outside the organization.
3. Closed recruitment methods
  - a. Closed method  
Recruitment is only given to certain employees or people.
  - b. Opened method

Recruitment is widely informed by posting advertisements and spreading them to the community.

### 2.3 Selection

According to Hasibuan (2011: 177), selection is an activity of selecting and determining applicants accepted or rejected to become employees of the organization. Through the correct selection, employees who are in accordance with the desired standard of ability and expertise will be acquired. For this reason, in the selection process, it is necessary to develop indicators so that the criteria to be accepted are very clear by the selection team.

#### 2.3.1 Indicators of Selection according to Hasibuan 2011: 49

1. Honest employee
2. Disciplined employees
3. Skilled employees
4. Employees who are passionate about work
5. Dynamic and creative employees
6. Innovative and fully responsible employees

### 2.4 Training

Rivai (2010: 212) said that training represent a systematic process that can change the behavior and skills of employees to achieve organizational goals. Proper training is reflected in the fulfillment of criteria according to indicators set by the organization

#### 2.4.1 Indicators of Training according to Muhammad Noer, 2016

1. Improving an expertise
2. Reducing work accident rates
3. Improving quality
4. Improving productivity
5. Improving work ethic
6. Improving discipline.

### 2.5 Competence

Wibowo (2014: 271) stated competence is an ability to carry out or do a job based on skills and knowledge and is supported by work attitudes required in the work itself. Someone's competence is very diverse, rarely does an employee have all the competency criteria that an organization expects. For this diversity, the organization should be able to determine the competency criteria needed from a prospective employee.

#### 2.5.1 Indicators of Competence according to Hutapea and Thoha 2008:28

1. Knowledge  
Knowledge is information owned by someone. Knowledge is a key component of competencies easily obtained and easily identified.
2. Skills  
A factor that also contributes to the success of achieving organizational goals is the employee skill factor.
3. Attitude  
Besides the knowledge and skills of employees, the thing to be noted is the work attitude of the employee.

### 2.6 Commitment

Robbins in Sopiah (2008: 155) stated that organizational commitment is an attitude that reflects the likes or dislikes of employees towards the organization. Employees having a high commitment to the organization, where they work, will always try to give the best to the organization. There are many indicators of organizational commitment, yet Sopiah mentions three of them as follows:

#### 2.6.1 Indicators of Commitment according to Sopiah 2008

1. Willingness  
Willingness to work towards its achievement of the interests of the organization
2. Loyalty  
A strong desire to maintain organizational membership
3. Pride  
Strong trust and acceptance of the goals and values of the organization

## 3 RESEARCH FRAMEWORK

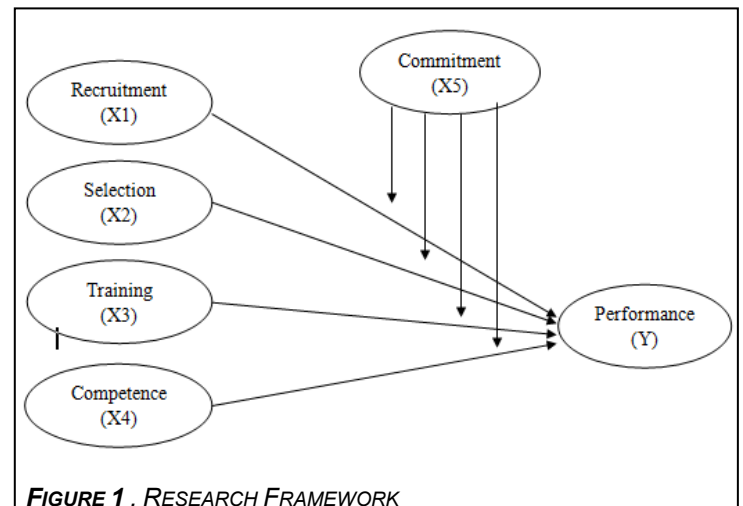


FIGURE 1 . RESEARCH FRAMEWORK

### 3.1 Hypotesis

Based on Research Framework, formulated hypothesis are as follows:

1. There is an effect of Recruitment on the Performance of BUMDes Administrators.
2. There is an effect of Selection on the Performance of BUMDes Administrators.
3. There is an effect of Training on the Performance of BUMDes Administrators.
4. There is an effect of Competence on the Performance of BUMDes Administrators.
5. There is an Commitment of Recruitment on the Performance of BUMDes Administrators.
6. There is an effect of Recruitment on the improvement of the Performance of BUMDes Administrators in which the Commitment is as moderator variable.
7. There is an effect of Selection on the improvement of the Performance of BUMDes Administrators in which the Commitment is as moderator variable.
8. There is an effect of Training on the improvement of the Performance of BUMDes Administrators in which the Commitment is as moderator variable.

9. There is an effect of Cmpetence on the improvement of the Performance of BUMDes Administrators in which

<p>Model Fit Indices and P Values  APC = 0,182, P=0,028  ARS = 0,445, P&lt;0,001  AVIF = 1,421, Good if &lt;= 5</p>
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Commitment is as moderator variable. (2006)

## 4 RESEARCH METHOD

### 4.1 Research Site and Time Allocation

This study was carried out toward BUMDes Administrators in Kampar Distrct.

### 4.2 Data Types and Sources

According to Umar (2009: 42), there are two types of data used in this study, which are primary and secondary data.

Source: Research Questionnaire (processed) in 2013

### 4.3 Population and Sample

In this study, the population is BUMDes Administrators in Kampar Distrct amounted 228. The sample size determined by the Slovin formula in Umar (2011: 78) is as follows:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{228}{1 + 228 (0,01)}$$

$$= \frac{228}{1 + 2,28}$$

$$= \frac{228}{3,28}$$

$$= 70$$

### 4.4 Data Collection Technique

In this study, data collection was carried out by two way, which are:

1. Interview
2. Questionnaire.

### 4.5 Data Analysis Technique

To discover Analysis on Factors Affecting Performance of Village-Owned Enterprises (BUMDes) Administrator with Commitment as Moderator Variables in Kampar District, it was used multiple linear regression analysis with the following formulation:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_1X_5 + \beta_7X_2X_5 + \beta_8X_3X_5 + \beta_9X_4X_5 + e_{ij}$$

### 4.6 Hypothesis Testing

#### 4.6.1 Determination Coefficient (R<sup>2</sup>) Test

The magnitude of the coefficient of determination (R<sup>2</sup>) to the independent variable. Conditions of the coefficient of determination (R<sup>2</sup>) are indicated to be strong or weak when the (R<sup>2</sup>) reaches 1, the effect of the independent variable is simultaneously considered strong. Moreover, when the (R<sup>2</sup>) reaches zero (0), the effect of the independent variable on the

dependent variable is simultaneously considered weak.

#### 4.6.2 T-Test

To test signficance of Analysis on Factors Affecting Performance of Village-Owned Enterprises (BUMDes) Administrator with Commitment as Moderator Variables in Kampar District partially was used t-test. digunakan uji t.

#### 4.6.2 Validity and Reliability Test

1. Validity test
2. Reliability Test

## 5 RESULT AND DISCUSSION

### 5.1 Instrument Testing

TABLE 2.  
Instrument testing

<p>Model Fit Indices and P Values  ARS = 0,445, P&lt;0,001  AVIF = 1,421, Good if &lt;= 5</p>
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### 5.2 Reliability Testing

TABLE 3.  
Reliability Testing

Information	Performance	Recruitment	Selection	Training	Competence	Commitment
Reability Composite	0.882	0.887	0.869	0.901	0.897	0.811
Cronbach Alpha	0.710	0.808	0.818	0.867	0.825	0.647

Based on the results of reliability testing, all variables meet the reliability assumptions. It is where Cronbach Alpha is > 0.6. Means that all variables are reliable.

### 5.3 Validity Testing

TABLE 4.  
Validity Testing (AVE value)

Variable	AVE value	Information
Performance	0.733	Valid
Recruitment	0.850	Valid
Selection	0.726	Valid
Training	0.778	Valid
Competence	0.863	Valid
Commitment	0.770	Valid

Based on the validity table above, it was found that all variables were declared valid because AVE is > of 0.05.

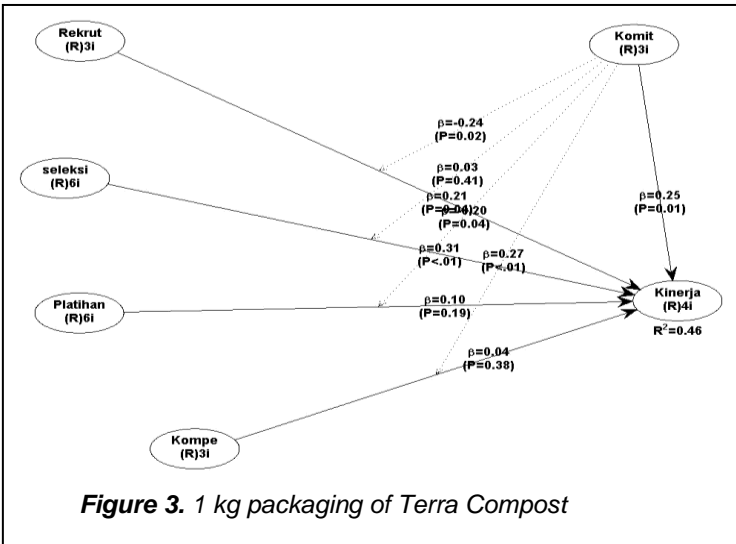
### 5.4 Determination Coefficient (R<sup>2</sup>) Testing

TABLE 5.  
Determination Coefficient

R-Squared	Adj- R-Squared
0.455	0.374

Based on testing the determination coefficient, it shows the R-Squared from this model is equal to 0.455. It means that the variation of the Y variable that can be explained by Variable X (Recruitment, Selection, Training, Competence, and Commitment) is 45.50%, while 54.5% affected by other variables not examined.

**5.5 Hypothesis Testing**



Based on the table above, the model indicators have been met, where APC, ARS has a significant value of <0.05. Likewise, the AVIF indicator has fulfilled the requirements under limit 5.

**TABLE 6.**  
Hypothesis Testing of Path Coefficients

Variable	Coefficients (β)	P Values	Information
X1 → Y	0.205	0.035	Significant
X2 → Y	0.312	0.003	Significant
X3 → Y	0.101	0.193	Insignificant
X4 → Y	0.036	0.381	Insignificant
X5 → Y	0.252	0.013	Significant
X1.X5 → Y	-0.235	0.019	Significant
X2.X5 → Y	0.028	0.406	Insignificant
X3.X5 → Y	-0.199	0.040	Significant
X4.X5 → Y	0.269	0.008	Significant

1. Recruitment affects the performance. Based on the results of hypothesis testing, it was found that recruitment affected the performance showing 0.205 with P Value of 0.035. It means that Ha is accepted. and Ho is rejected. It can be concluded that recruitment has a significant effect on performance, where P Value is calculated <0.05 (P Value Table).
2. Selection affects the performance. Based on the results of hypothesis testing, it was found that selection affects the performance showing 0.312 with P Value of 0.003. It means that Ha is accepted, and Ho is rejected. It can be concluded that selection has a significant effect on performance, where P Value is

- calculated <0.05 (P Value Table).
3. Training affects the performance. Based on the results of hypothesis testing, it was found that training does not affect the performance showing 0.101 with P Value of 0.193. It means that Ho is accepted, and Ha is rejected. It can be concluded that training has no a significant effect on performance, where P Value is calculated > 0.05 (P Value Table).
4. Competence affects the performance. Based on the results of hypothesis testing, it was found that competence does not affect the performance showing 0.036 with P Value of 0.381. It means that Ho is accepted, and Ha is rejected. It can be concluded that competence has no a significant effect on performance, where P Value is calculated > 0.05 (P Value Table).
5. Commitment affects the performance. Based on the results of hypothesis testing, it was found that commitment affects the performance showing 0.252 with P Value of 0.013. It means that Ha is accepted, and Ho is rejected. It can be concluded that commitment has a significant effect on performance, where P Value is calculated > 0.05 (P Value Table).
6. Recruitment has an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments as moderator variable. Based on the results of hypothesis testing, it was found that commitment is able to negatively moderate (weaken) the effect of recruitment on the performance with a value of -0.235 and P Value of 0.019 < 0.05 (P Value Table).
7. Selection has an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments as moderator variable. Based on the results of hypothesis testing, it was found that commitment is unable to positively moderate (strengthen) the effect of selection on the performance with a value of -0.028 and P Value of 0.406 < 0.05 (P Value Table).
8. Training has an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments as moderator variable. Based on the results of hypothesis testing, it was found that commitment is able to negatively moderate (weaken) the effect of training on the performance with a value of -0.199 and P Value of 0.04 < 0.05 (P Value Table).
9. Competence has an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments as moderator variable. Based on the results of hypothesis testing, it was found that commitment is unable to positively moderate (strengthen) the effect of competence on the performance with a value of -0.268 and P Value of 0.008 < 0.05 (P Value Table).

**5.6 Discussion**

1. Recruitment affects the performance. Based on the results of hypothesis testing, it was found that recruitment affected the performance showing 0.205 with P Value of 0.035. It means that Ha is accepted. and Ho is rejected. It can be concluded that recruitment has a significant effect on performance, where P Value is calculated <0.05 (P Value Table).

These results can explain the proper recruitment will have an impact on the improvement of performance. Recruitment is the process of seeking employees, in this case the BUMdes administrators. This process is very critical because the quality of the organization's human resources depends on the quality of recruitment. Recruitment is an uneasy problem. To success the recruitment process, the organization needs to be aware of various obstacles. Obstacles encountered by organizations vary greatly from one situation to another. The most common obstacles in recruitment relate to organizational policies like promotion policies, compensation policies, employee status policies, and local recruitment policies.

Paying close attention to all of these policies in the BUMdes organization should not be a complex issue. The policy in promotion is clearly being the BUMdes administrators which are the highest position in the organization. Compensation policy as BUMdes administrators and occupies the highest position in the organization is certainly compensation received in accordance with the work and position entrusted. The amount of compensation offered by the organization will affect the interest of job seekers to become serious applicants. Looking at the policy of the status of employees as BUMdes administrators are a very strategic position and are desired by many people, thereby providing higher work motivation. The local recruitment policy applied is actually a positive thing because it will be easy to establish good relations with the environment where the BUMdes organization is located. Therefore, if the recruitment process is done properly, it will have an impact on the high performance. In line with research conducted by Maita Jaya, et al. (2018) stating that recruitment has a positive and significant effect on the performance. Based on a descriptive analysis of the highest value in the recruitment variable, there is an indicator having a basis for recruitment, meaning that the recruitment carried out to seek for BUMDes administrators have been made in an appropriate plan based on the number and other qualifications needed, so that a number of prospective applicants according to predetermined qualifications will be obtained. Meanwhile, the indicator with the lowest value is the closed recruitment. It means that the recruitment of BUMDes administrators is more often done openly. Open recruitment activities as such actually have positive and negative aspects. If you look at the positive aspects of open recruitment, it will provide a very broad opportunity for many qualified candidates. Many candidates will be able to be selected even if they come from different villages or regions. Meanwhile, Its negative aspect is that the opportunities for local communities will be smaller, and it has an impact on the high aspects of social jealousy, at the end, resulting the collaboration in advancing BUMDes is difficult to be carried out.

## 2. Selection affects the performance

Based on the results of hypothesis testing, it was found that selection affects the performance showing 0.312 with P Value of 0.003. It means that  $H_a$  is accepted, and  $H_o$  is rejected. It can be concluded that selection has a significant effect on performance, where P Value is

calculated  $< 0.05$  (P Value Table). The selection process is a series of activity steps used to decide whether the applicants are accepted or not. Selection is the key to organizational success. If the selection is carried out properly, it will be selected the competent candidates and are as expected. The more number of qualified applicants are, the easier it will be to choose qualified BUMdes employees/administrators. In fact, it is very difficult to get a truly competent BUMdes administrator because the supply for professional individuals required as BUMdes administrators are very small. This supply limitation can be measured by the selection ratio. The selection ratio is the relationship between the number of accepted applicants and the total number of available applicants. If the selection ratio is small (1: 2), it means there are only a few available applicants to be chosen, and the small selection ratio reflects the low quality of withdrawals.

The effect of selection on the performance as the results of this research is in line with research conducted by Maita Jaya et al (2018), stating the selection has a positive and significant effect on the employees performance of 2,274. The highest value on the selection variable is on the honesty indicator, meaning that the respondent considered that the honesty is prioritized in selecting prospective BUMDes administrators. Actually, if honesty is prioritized, of course, it's good. However, it must also look at the other aspects. Because to be able to manage BUMDes well, of course, it is not only honest that must be shown but also the ability to manage it. Looking at the lowest indicator, which is the existence of special tests prepared in selecting candidates of BUMDes administrators. It is apparently there are no special tests carried out in selecting candidates of BUMDes administrators. Selection activities should be able to choose highly capable candidates in managing BUMDes. Therefore, it seemed necessary to carry out special tests to observe the knowledge, skills and abilities possessed by candidates.

## 3. Training affects the performance

Based on the results of hypothesis testing, it was found that training does not affect the performance showing 0.101 with P Value of 0.193. It means that  $H_o$  is accepted, and  $H_a$  is rejected. It can be concluded that training has no a significant effect on performance, where P Value is calculated  $> 0.05$  (P Value Table). The training is intended to improve the mastery of various skills and techniques in implementing specific, in detail, and routine work. An effective training course must be well planned starting with identifying training needs, clarifying training objectives, the training program contents, learning principles, and even participants and instructors in the training need to be prepared according to competence in the required field.

Based on the opinion of experts, training has a positive effect on the performance, and research results from Verra (et al.) stating training has an effect on the employees performance. However, this research result is different from the opinions of experts and previous researchers. Actually, in this study, the results of hypothesis testing showed that training did not significantly affect the performance. This difference

might be caused by many factors such as the lack of a well planned training program, the incompatibility of the training content with the work to be done, or the seriousness of the participants in attending the training due to lack of interest in the content of the material, methods that are poorly understood, or dominant instructors in provide training. All these obstacles result in the implementation of training in vain, so that participation in training does not have an impact on the improvement of performance.

The highest indicator on the training variable is at the point of the increase of discipline. It means that after attending the training, BUMDes administrators look more disciplined in working. According to experts, the high discipline can definitely improve the performance. Intended discipline is not only focused on the issue of attendance, but its emphasis is more on aspects of the progress of work completion. The lowest indicator can be seen in the statement about the carried out training can reducing the level of errors in work. However, in fact, training has been unable to prove that, where work errors still often occur. This proves the training has not fully run as the training goal.

#### 4. Competence affects the performance

Based on the results of hypothesis testing, it was found that competence does not affect the performance showing 0.036 with P Value of 0.381. It means that  $H_0$  is accepted, and  $H_a$  is rejected. It can be concluded that competence has no a significant effect on performance, where P Value is calculated  $> 0.05$  (P Value Table). Experts said that competence affected performance, and research conducted by Sholehatusya proves that competency has a significant positive relationship on the performance. It very differs from the findings of this study where competence does not significantly affect the performance. Efforts to improve the competence of BUMDes administrators have been carried out by holding training. If the training is right on the target, it definitely can improve the competence, and the competence can improve the performance.

The results of this study need to be examined more carefully. The actual competence is still lacking from BUMDes administrators in which they lack in aspects of competence, whether it is in knowledge, skill, or ability. These three things have different orientations where if the three competencies owned by BUMDes administrators, they will certainly have an impact on the high performance. From the aspect of knowledge, it still seems to be very lacking among BUMDes administrators, such as knowledge of the business fields that must be funded with the amount proposed, knowledge of the business prospects to be made by the public, knowledge related to business risks, rules regarding the implementation of BUMDes work must be given much socialization to BUMDes administrators, so they can take more appropriate policies. From the aspect of skills, every BUMDes administrators must be skilled and can provide examples and instructions to business actors related to the fields of business they occupy. The involvement of BUMDes administrators in examining the obstacles of funded business actors and in being willing to provide direction and the right

solutions can help improving business performance. The improvement of business performance will facilitate the return of capital provided by BUMDes, so that BUMDes can continue to demonstrate its important role in the village community. Capability is related to more serious efforts in managing BUMDes for the long term. These three forms of competence must be balanced between knowledge, skill, and ability, and they must be owned by the BUMDes administrators so that it will affect the performance towards better. For the variable competency, the highest indicator is in the indicator of maintaining work attitudes and behavior. This is actually good because the BUMDes administrators often deals with many business actors who need business capital loans and assistance to the business they do. If the administrators have a good attitude and behavior, a more conducive working relationship will be created. The lowest indicator on the competency variable is the statement of ability to show a more skilled way of working, apparently the manager has not been able to work more skillfully even though it is needed.

#### 5. Commitment affects the performance

Based on the results of hypothesis testing, it was found that commitment affects the performance showing 0.252 with P Value of 0.013. It means that  $H_a$  is accepted, and  $H_0$  is rejected. It can be concluded that commitment has a significant effect on performance, where P Value is calculated  $> 0.05$  (P Value Table). Commitment means the earnestness or seriousness of the administrators in carrying out the trust given to manage the BUMDes in better ways. The results of this study indicated there was an effect of commitment on the performance of BUMDes administrators. Experts and previous research results also stated that commitment affected performance. With a high commitment from all BUMDes administrators in carrying out their duties properly, it will bring success, and BUMDes can advance and develop as expected by the government.

Indicator of high commitment variable is the statement of desire to manage BUMDes continuously, while the lowest is commitment in managing BUMDes at the end of the working period (retiring). Looking at the indicators with the highest answer, it can be ensured that there are high expectations for the work as BUMDes administrators. However, looking at the indicators with the lowest answers, it can be concluded that the BUMDes administrators is hesitant to continue to manage the BUMDes until the end of his working period. This answer could have been caused by the BUMDes administrators' lack of confidence in the existence of this organization at the village level.

#### 6. Recruitment has an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments as moderator variable

Based on the results of hypothesis testing, it was found that commitment is able to negatively moderate (weaken) the effect of recruitment on the performance with a value of -0.235 and P Value of  $0.019 < 0.05$  (P Value Table). The effect of recruitment on the performance should be stronger if commitment is high. However, the findings of this study are actually not yet able to significantly strengthen the effect of recruitment on the performance. On the contrary, commitment



weakens the effect of recruitment on the performance. The decision of this research proves that recruitment has not been carried out precisely in finding prospective BUMDes administrators. If so, it is no matter how high the commitment to be have to work with high loyalty to BUMDes. If it is unaccompanied by the ability and expertise needed, it certainly will be unable to drive towards higher performance.

The basic characteristics of the moderator variable are it is more difficult to change over a period of time. For example, some moderator variables are such as: culture, personality, gender, and others. Commitment included in the personality group where individuals having high commitment will be seen from their efforts and endeavors in advancing BUMDes. The motive of managing the BUMDes towards the long-term progress comes from the heart. Therefore, it is clear that commitment should be able to moderate towards better performance if the recruitment is properly carried out.

7. Selection has an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments as moderator variable

Based on the results of hypothesis testing, it was found that commitment is unable to positively moderate (strengthen) the effect of selection on the performance with a value of -0.028 and P Value of  $0.406 < 0.05$  (P Value Table). Moderator variables are variables that have the effect of strengthening or weakening the relationship between the independent variable and the dependent variable. In the results of this study, the commitment becoming a moderator variable was apparently unable to positively moderate. In this case, it means it was not able to strengthen the effect of selection on the performance. If the selection process is based on the right process and added with a high commitment in managing it, it shall be having an impact on the high performance. In fact, the commitment of BUMdes administrators is not too strong in moderating the selection variable on the performance. If so, it means there is still a selection that is not in accordance with the selection planning having been made.

8. Training has an effect on the improvement of the Performance of BUMDes Administrators in which the Commitments as moderator variable

Based on the results of hypothesis testing, it was found that commitment is able to negatively moderate (weaken) the effect of training on the performance with a value of -0.199 and P Value of  $0.04 < 0.05$  (P Value Table). Effective training will have an impact on the improvement of performance, and it will be higher if accompanied by a commitment. The question why in this study commitment is only able to negatively moderate (weaken) the effect of training on the performance. The answer is because the training having been followed has been unimplemented seriously in the workplace. If the training is properly designed, it can definitely improve the performance of BUMdes administrators coupled with high commitment. However, the results of this study prove the training has not been carried out properly, thus the high commitment of BUMDes administrators has been unable to improve the performance.

9. Competence has an effect on the improvement of the

Performance of BUMDes Administrators in which the Commitments as moderator variable

Based on the results of hypothesis testing, it was found that commitment is unable to positively moderate (strengthen) the effect of competence on the performance with a value of -0.268 and P Value of  $0.008 < 0.05$  (P Value Table). The competencies owned by BUMDes administrators in terms of knowledge, skill, and ability will encourage better performance. If coupled with a high commitment, of course, the performance will also be further improved. Based on a descriptive analysis of the commitment of BUMDes administrators with the highest value, there is an indicator of the desire to develop BUMDes continuously. If the Indicator is able to be implemented, it means there are a motive and a desire to be willing to add knowledge, skill, and ability to establish the best efforts in future BUMDes management. For the lowest indicator of the commitment variable as moderation regarded in the indicator willing to work for BUMDes until retirement, the respondent's answer is low in the statement on this indicator. From this answer, it is implied that the administrators are uncommitted to continue willing to advance BUMDes in the long term, why is this so, it can be assumed that being BUMDes administrators represent not their main orientation. It is what makes BUMDes difficult to develop, because administrators are unfocused and are unserious about carrying out their duties for the long term.

## 6 RESEARCH FRAMEWORK

### 6.1 Conclusion

1. The performance of BUMDes administrators has not been in accordance with established standards. It is because the administrators are less cooperative, not transparent, and not accountable for work.
2. Recruitment has a significant effect on the performance. The recruitment of BUMDes administrators still has no clear basis.
3. Selection has a significant effect on the performance. Selection of BUMDes administrators has not based on candidates' knowledge, skill, and ability.
4. Training has no significant effect on the performance. The training has not touched on the changes of fundamental aspects, in which the improvement of quality can not be demonstrated.
5. Competence has no significant effect on the performance. All BUMDes administrators have good competence in terms of knowledge, skills and abilities.
6. Commitment has a significant effect on the performance. BUMDes administrators' commitment is still lacking.

### 6.2 Suggestion

1. To improve the performance of BUMDes administrators, it is expected to be able to be more cooperative by listening to the problems faced by stakeholders and be able to provide appropriate solutions to the problems encountered. It will definitely be very much in touch with the problems of participation and empathy of BUMDes administrators. Stakeholders also expect accountable

- and transparent financial management.
2. Recruitment must have a clear basis based on several criteria sought, like age, educational background, experience, and gender.
  3. Selection must be carried out to look at the ability of candidates in managing BUMDes.
  4. Training implementation should be oriented towards current needs.
  5. The competence of BUMDes administrators can be increased through learning to increase knowledge, to improve skills, to make the administrators commits about the existence of the BUMDes organization for the long term, and the BUMDes is not a temporary program.

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