

## Leadership in Realizing Financial Management Accountability for Village-Owned Enterprises

Intiyas Utami<sup>1</sup>, Aprina Nugrahesthy Sulistya Hapsari<sup>1\*</sup>, Yohanes Yakobus Werang Kean<sup>2</sup>

<sup>1</sup>Universitas Kristen Satya Wacana, Salatiga, Jawa Tengah, Indonesia

<sup>2</sup>Universitas Flores, Kabupaten Ende, Nusa Tenggara Timur, Indonesia

### ARTICLE INFO

#### Article history

Received 16 November 2021

Revised 30 December 2021

Accepted 10 January 2022

#### JEL Classification:

M20

#### Key words:

Leadership,  
Accountability,  
Financial Management,  
Village-Owned Enterprise

#### DOI:

10.14414/tiar.v12i1.2793

### ABSTRACT

This study aims to explore the role of leadership in realizing the accountability of financial management of ecotourism-based BUMDes Au Wula in Detusoko Barat Village, Ende Regency, East Nusa Tenggara Province. This research uses a qualitative method with the resource persons consisting of village officials, government representatives, indigenous community leaders, and local community representatives. The data were collected through interviews and focused discussions with various sources regarding the ideal leadership model in managing ecotourism-based Village-Owned Enterprises (Indonesia: Badan Usaha Milik Desa /BUMDes). The results indicate that the type of transformative leadership in BUMDes Au Wula has a role in realizing BUMDes financial management accountability such as a role model, inspirator, stimulator of creativity and innovation, and consultant for BUMDes managers. In addition to other supporting documents, BUMDes financial reports can be completed and accounted for properly. Another finding relates to the regeneration of the leadership of BUMDes Chairman when he was then elected as the Head of Detusoko Barat Village.

### ABSTRAK

Penelitian ini bertujuan untuk mengeksplorasi peran kepemimpinan dan akuntabilitas BUMDes Au Wula berbasis ekowisata di Desa Detusoko Barat, Kab. Ende, NTT. Riset ini menggunakan metoda kualitatif dengan narasumber terdiri dari perangkat desa, perwakilan pemerintah dan para pemuka masyarakat adat, serta perwakilan dari masyarakat setempat. Datanya dikumpulkan melalui wawancara dan diskusi terfokus dengan berbagai narasumber terkait model kepemimpinan yang ideal dalam pengelolaan BUMDes berbasis ekowisata. Hasil dari penelitian ini menunjukkan bahwa tipe kepemimpinan transformatif di BUMDes Au Wula memiliki peran dalam mewujudkan akuntabilitas pengelolaan keuangan BUMDes sebagai "role model", inspirator, stimulator kreatifitas dan inovasi, serta sebagai konsultan bagi para pengelola BUMDes. Laporan keuangan BUMDes dapat diselesaikan dan dipertanggungjawabkan dengan baik selain dokumen pendukung lainnya. Temuan lainnya hanya terkait regenerasi kepemimpinan ketua BUMDes yang lama, saat telah terpilih menjadi Kepala Desa Detusoko Barat.

### 1. INTRODUCTION

Indonesia's economic system adheres to the Pancasila economic democracy system—which according to Mubyarto (1998: 45) in Seff (2010)—has the following characteristics: first, this system is driven by not only economic and social factors but also moral factor; second, this system has a relationship with God Almighty; third, this system has the value of nationalism, and; fourth, this system has a balance between central and decentralization in the implementation of economic activities. This

system was then manifested in a public policy through Law Number 6 of 2014 concerning Villages (Government of the Republic of Indonesia, 2014).

This law states that village development policies aim to reduce poverty and improve the quality of human life through the fulfillment of basic needs, development of local economic potential, development of facilities and infrastructure, and sustainable use of the environment and natural resources by emphasizing the principles of kinship,

\* Corresponding author, email address: aprina@uksw.edu

togetherness, and mutual cooperation for the creation of social justice. More specifically, Article 87 of the Village Law states that, at the operational level, community economic activities are accommodated by Village-Owned Enterprises (Indonesia: Badan Usaha Milik Desa BUMDes). BUMDes is an economic institution established on the basis of kinship and mutual cooperation by optimizing all the potential of existing resources for improving the welfare of rural communities. Therefore, it is expected that BUMDes can benefit the village community by opening up space for entrepreneurship in the economy or other public service activities. However, these activities are not profit-oriented and they can also improve services and the welfare of rural communities.

Village-Owned Enterprises (BUMDes) as micro, small and medium-scale business actors have stronger resilience during the Covid-19 pandemic than large-scale business actors (Pakpahan, 2020; Rosita, 2020). MSMEs have a strategic role in the Indonesian economy as evidenced by their contribution to Indonesia's Gross Domestic Product (GDP) which reached 61.41 percent (Pakpahan, 2020). Data shows that 82.9 percent of MSMEs were negatively affected by the COVID-19 pandemic with a 30 percent decrease in turn-over. Only 5.9 percent of business actors were positively affected and 3.8 percent experienced an increase in turnover. However, 62.6 percent of business actors who have survived the 1 year pandemic remain optimistic that their business will continue to run during the new normal.

In order to survive, various efforts are carried out by MSME actors. From the production aspect, they reduced the production of goods/services (65.5%) and the number of employees (50.5%). From the financial aspect, they reduced the number of loans to banks (12.2%) and requested a postponement of payments to suppliers (21.4%) (Katadata.co.id, 2020). In this condition, the adaptation and survival model that is being carried out is to add channels for marketing or sales types through online media, as was done by 29.1 percent of MSME business actors. This empirical condition is an opportunity for Village-Owned Enterprises (BUMDes) to be able to optimize its role as a forum for various village community businesses.

The COVID-19 pandemic has had a major impact on various business sectors in the world, including the BUMDes business unit.

At the beginning of the pandemic, it was noted that of the 51,000 Village-Owned Enterprises (BUMDes) in Indonesia, only 10,600 Village-Owned Enterprises (BUMDes) made transactions. Many Village-Owned Enterprises (BUMDes) experience suspended animation, especially those who are engaged in tourism and production (Wicaksono, 2020). Meanwhile, the Minister of Villages, Development of Disadvantaged Regions, and Transmigration (PDPT) Abdul Halim Iskandar stated that the number of Village-Owned Enterprises (BUMDes) in 2021 had reached 57,273, with details that 45,233 Village-Owned Enterprises (BUMDes) were active and 12,040 were inactive (Waseso, 2021). This shows an improvement in the results of the Village-Owned Enterprises (BUMDes) revitalization carried out by the Ministry of Villages, especially during the Covid-19 pandemic.

Ideally, the main goal of Village-Owned Enterprises (BUMDes) can be achieved if it has a trans-formative leadership model, with a management model that is professional, accountable, transparent, and responsible (Hapsari et al., 2020; Patiran & Utami, 2020; Widiastuti et al., 2019). In practice, however, there are still many problems occurred, such as mismanagement and practices that lead to abuse of power and authority. The type of fraud that is often carried out by the chairmen of Village-Owned Enterprises (BUMDes) in the field of cooperative business units is making fictitious reports by falsifying loans that result in financial losses originating from village funds, as was done by former village head and administrators of BUMDes Bondar Loteng (Suherni, 2021). A similar incident also occurred in the Aceh region, where a criminal act of corruption was committed by the former chairman of BUMDes (Asmunda, 2021).

The low quality of human resources affects organizational governance and causes BUMDes management to be unable to run effectively and hamper the village development. The ineffectiveness of BUMDes management also causes problems in accountability and allocation of village fund budgets in BUMDes (Titania & Utami, 2021). Transparency is still a major problem in the management of Village-Owned Enterprises (BUMDes) (Tantri & Utami, 2019). Limited access for the public to reporting is a form of weakness in administration. The low quality of human resources managing Village-Owned Enterprises (BUMDes) causes governance to be less than optimal so that

it affects accountability and transparency (Patiran & Utami, 2020; Randy et al., 2019; Titania & Utami, 2021; Widiastuti et al., 2019).

The phenomenal leadership is Joko Widodo's leadership style when he was the governor of the Special Capital Region of Jakarta. He worked with full commitment by implementing the Good Corporate Governance (GCG) model as regulated in the SOE Ministerial Regulation No: Per-01/mbu/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises (Minister of State-Owned Enterprises, 2011). This concept is appropriate to be applied in government, companies, and other organizations. GCG consists of several elements, such as participation, rule of law, transparency, responsiveness, consensus orientation, equity, efficiency and effectiveness, accountability, and strategic vision (Utami, 2018).

The results of research conducted on employees in the PKM Group (Ratnasari et al., 2020) show that the transformational leadership model has a significant effect on employee performance. This is the same as the leadership model in education management, where trust is very important in management. Good management is supported by good leadership. Leadership stands on the foundation of self-confidence. When self-confidence is fragile, the leader will soon collapse (Marlina, 2013).

Based on the description above, this research raises the question: what is the role of leadership in realizing ecotourism-based BUMDes accountability in Detusoko Barat Village, Ende Regency, East Nusa Tenggara Province? This study aims to explore the role of leadership and accountability of ecotourism-based BUMDes in Detusoko Barat Village, Ende Regency, East Nusa Tenggara Province. The selection of the research area in Detusoko Barat Village was due to the uniqueness of the process of establishing Village-Owned Enterprises (BUMDes) by synergizing local wisdom called "Tungku Tiga" (Three Furnaces), consisting of religion, custom, and government, to produce BUMDes governance (Utami et al., 2020). In practice, they can manage Village-Owned Enterprises (BUMDes) based on local wisdom.

The theoretical benefit of this research for researchers or academics is to gain knowledge and insight regarding the role of leadership in realizing BUMDes accountability. The practical benefit of this research for BUMDes

managers is to explain the optimal leadership role to realize BUMDes accountability as a form of support in responding to the challenge of sustainable development.

## 2. THEORITICAL FRAMEWORK AND HYPOTHESIS

Transformational leadership is described by Northouse (2013) as a leadership model that has a high concern for achieving mutually agreed goals. According to Sjabadhyni *et al.* (2001), transformational leadership also explains the leader's ability to change the work environment, organizational values, and employee motivation to be able to follow the existing changes, so that organizational goals can be achieved. Leaders with transformational leadership tend to have strong positive self-values and a high sense of caring to evaluate and increase the potential of employees in achieving their best level of performance (Jufrizen & Lubis, 2020). Meanwhile, according to Randy *et al.* (2019), leaders who have transformational leadership characters will be able to improve employee performance. Factors that influence transformational leadership include idealized influence, inspirational motivation, intellectual stimulation, and individual considerations.

Idealized influence is defined by Yulk (2010) as the behavior of a leader who has charisma in his leadership. Idealized influence also means to able to show a leader who has a strong stand and high standards of behavior. According to Abdulla *et al.* (2011), idealized influence can be interpreted as a leader who shows himself as a role model that can be used as an example by his employees. The next factor is the inspirational motivation. Inspirational motivation is intended for a leader who has the ability to carry out his work optimally to achieve organizational goals (Ahmad & Mohamed, 2019). Hasibuan (2007) describes inspirational motivation as a driver in improving performance to create an effective and integrated work system and achieve organizational goals. The next factor is intellectual stimulation which means that a leader has creativity and is quite rational in solving the problems at hand (Jufrizen & Lubis, 2020). The last factor in transformational leadership is individual consideration, which means that transformational leaders are able to provide personal attention, training, and constructive advice and input (Wijayanto, 2012). Overall, a leader with a transformational

leadership style has a charismatic character and is able to pay more attention to employees personally (Rorimpandey, 2013).

Accountability is a form of responsibility in managing resources to reporting entities to achieve the goals that have been set periodically (Government of the Republic of Indonesia, 2010). In this case, Mardiasmo (2006) distinguishes accountability into two types: vertical accountability and horizontal accountability. In relation to the financial management of Village-Owned Enterprises (BUMDes), vertical accountability is accountability to parties with higher authority, such as district/city governments, while horizontal accountability is accountability to parties with equal positions such as village governments and village communities. Optimal implementation of accountability can increase public trust and improve other financial management principles, such as transparency and participation (Imawan *et al.*, 2019). This study adopts the accountability presented by Utami (2018), where accountability is the responsibility for the success or failure of the organization's mission to achieve the goals and objectives that have been set to the party entitled to obtain information by using a performance measurement.

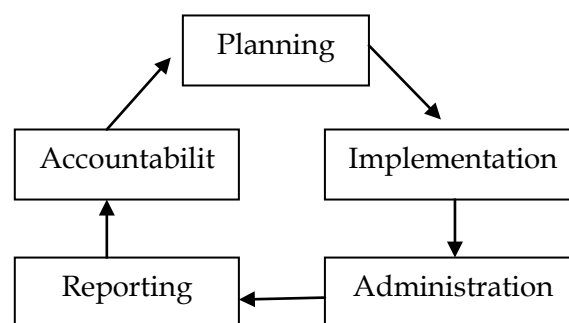
The stages of village financial management can be used as a reference and guide in managing BUMDes finances (Fitriana *et al.*, 2018). Referring to Government Regulation Number 43 of 2014 (Government of the Republic of Indonesia, 2014a) regarding village financial management, BUMDes finances can be managed in five stages: planning, implementation, administration, reporting, and accountability. The planning stage begins with designing a budget by mapping out revenue and projected expenditures

for BUMDes discussed in village meetings (Rofidah & Rochayatun, 2020). The next stage is the implementation, a part of the planning stage carried out by BUMDes and it will be recorded in the administration stage. Then, it is compiled into financial information in the reporting and accountability stages to be given to every stakeholder in BUMDes (Ministry of Home Affairs of the Republic of Indonesia, 2018). All stages in the financial management of BUMDes must refer to the principles of transparency, accountability, trustworthiness, and rationality (Ministry of Home Affairs of the Republic of Indonesia, 2010).

### 3. RESEARCH METHOD

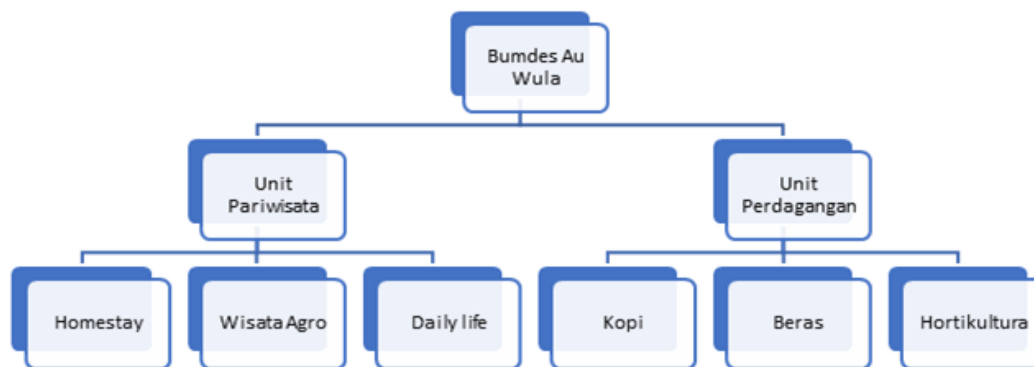
#### Type of Research and Data Collection Technique

This study uses a descriptive qualitative approach to see the role of leadership in realizing the accountability of ecotourism-based BUMDes financial management and how leaders—with all the rights and obligations inherent in them—can encourage the creation of good governance principles in BUMDes management. The object of this research is BUMDes Au Wula Detusoko Barat, Detusoko Sub-District, Ende Regency, East Nusa Tenggara Province. Sources of data used are primary data obtained through in-depth interviews and Focus Group Discussions (FGD) with resource persons such as Acting Chairman of BUMDes, Village Head, Leader of Tourism Awareness Groups (Indonesia: Kelompok Sadar Wisata / Pokdarwis), Head of Trading Business Units, Traditional Leaders, and Community Representatives. Interviews and FGDs were conducted using a semi-structured method to obtain comprehensive and more in-depth data.



**Figure 1**  
**BUMDes Financial Management**

Source : Finance and Development Supervisory Agency of Indonesia (2015)



**Figure 2**  
**BUMDes Au Wala Business Units**

Source: Primary Data of Detusoko Barat Village (2021)

### Research Stages

The stages carried out in this research are the stages after data collection or after they were obtained. The next stage, after data collection, is data reduction. In this stage, the data from interviews and FGDs were narrated and mapped based on their respective codes according to the research problem. The reduced data are the data related to the role of transformational leadership, financial management at BUMDes Au Wala, and accountability. The next stage is the presentation of the data. What is done in this stage was to present and group the data so that the data were presented properly. After this, they were analyzed by comparing the data obtained with the theories and concepts used in the study.

During the data presentation stage, triangulation was also carried out by asking the same questions to different sources at a certain time. The purpose of triangulation is to ensure the validity of the data and reduce the subjectivity of research results. The final stage was to conclude based on the results of data analysis that had been carried out to answer research problems.

## 4. DATA ANALYSIS AND DISCUSSION

### Description of Research Object

BUMDes Au Wala is located in Detusoko Barat Village, Ende Regency, East Nusa Tenggara Province. Detusoko Barat Village is one of 24 villages in Detusoko Sub-District. The total population in Detusoko Barat Village as of August 2021 was 784 people, consisting of 380 male residents and 404 female residents. Furthermore, this BUMDes Au Wala was established on August 21, 2017 and strengthened through the Detusoko Barat Village Regulation No. 8

of 2017 concerning Village-Owned Enterprises (BUMDes) with two business units: trade and tourism. Both of these business units carry out digital marketing. Figure 2 shows the division of business units in BUMDes Au Wala.

The vision of Detusoko Barat Village is to create a community of Detusoko Barat Village with local character, competitive, independent and based on integrated agriculture and ecotourism by prioritizing technology and information towards a just and prosperous society. Meanwhile, the village mission related to the existence of BUMDes Au Wala is to build community economic infrastructure and create various superior products and services from the village based on agriculture and tourism through BUMDes as a driver of the residents' economy. So far, BUMDes Au Wala has shown its performance globally recognized, especially related to innovations in the midst of a pandemic such as accommodating and distributing agricultural products from residents, which, so far, have been difficult to market, based on digital platforms. In addition, BUMDes Au Wala was also included in the nominations for the top 10 best national BUMDes in 2020.

### The Role of Transformational Leadership in the Planning Stage of BUMDes

The planning stage in BUMDes financial management is related to the preparation of work programs and budgets that will support the implementation of the work program. This planning stage was discussed in a village community meeting forum. The meeting was attended by BUMDes managers, representatives from the village government, and representatives of traditional and com-

munity leaders. The outputs produced in this planning stage are in the form of documents containing the planned activities and development of BUMDes for a period and a budget containing capital, income, and expenses during that period.

Referring to the transformational leadership type, the main priority is leadership that has social characteristics and is concerned with the common good. Leaders with transformational type even tend to prioritize the good of others over their interests. As stated in the literature review, there are four indicators of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individual consideration.

Idealized influence is an emotional component of leadership, which means that there is a strong role model of a leader capable of influencing his followers. In the planning stage, the idealized influence of the leader can be seen in the strong will of Nando Watu, as the former chairman of BUMDes Au Wula, who currently serves as Head of Detusoko Barat Village. In a meeting organized by BUMDes Au Wula which discusses the planning of work programs and budgets for developing BUMDes for a period, the role of a leader is very strong in mobilizing BUMDes managers and the community in general. BUMDes managers need to do careful planning for the sustainable development of BUMDes. Meanwhile, the community needs to be mobilized to contribute suggestions and aspirations that can make BUMDes Au Wula continue to develop for the better and be able to prosper the entire community. This is in accordance with the statement conveyed by Nando Watu (former Chairman of BUMDes Au Wula, who is now the Head of Detusoko Barat Village).

*"As I said, we have to do good planning, don't be complacent with the current situation, and everything must start from planning. I invite BUMDes managers, community leaders, traditional leaders, even representatives from the community who really have a heart there (BUMDes) to come together to plan something ahead for the development of BUMDes."*

This is in accordance with the statement of the Acting Chairman of BUMDes Au Wula as follows:

*"The former BUMDes chairman has said that we all have an interest in BUMDes, so the current BUMDes needs to be developed. Therefore, at*

*the beginning of the year, the Village Head always mobilizes BUMDes managers and the community to get involved in the development of BUMDes so that it remains the best."*

Inspirational motivation describes a leader who communicates high expectations to the community to achieve organizational goals, in this case BUMDes. This can also be seen in the figure of the village leader who always gives motivational words at every meeting in the village. For example, one of a meeting discussed BUMDes development planning. The statement from the traditional leader of Detusoko Barat confirms this in the interview as follows:

*"Yes, Nando Watu is indeed a young person who fully motivates us to continue to provide suggestions for the development of BUMDes and gives us hope so that we don't just stop here. We are traditional leaders here and we are not good at technology, but there are still young people who can provide input for BUMDes development plans in the future."*

The same thing was conveyed by the Leader of the Tourism Awareness Group (Pokdarwis) of Detusoko Barat Village:

*"In the BUMDes meeting forum, he (Nando Watu) always inserts words of encouragement for us, don't be ashamed to be a villager, because the village contributes a lot to the Indonesian economy."*

Intellectual stimulation in the transformational leadership type means to stimulate village communities to be creative and innovative as has been inherent in village and BUMDes leaders. The principle to continue to develop creativity and innovate has indeed been owned by Nando Watu from the start, especially when he served as Chairman of BUMDes Au Wula. Regarding the planning stage, the work program proposed by Nando Watu is indeed different from that proposed by leaders in general, especially during the Covid-19 pandemic. One of Nando Watu's thoughts is to turn challenges into opportunities. This is implemented in creativity and innovation that is generated using a digital platform, where the problem of distributing agricultural products during pandemic conditions can be resolved. This also stimulates BUMDes managers to continue to be creative and innovative, especially in planning the development of BUMDes in the future. This is in accordance with the statement

submitted by the Head of the Trading Unit as follows:

*"At that time we were confused about what to do with agricultural products that were ready to harvest if this pandemic condition continued to occur. How can we distribute to buyers who are out of town and how can we sell to the market?. However, when we were invited to a limited meeting forum, the Chairman of BUMDes, at that time was held by Nando Watu, gave an idea to create a kind of online shopping application to make it easier to see the needs of buyers."*

In line with the above statement, the Head of Detusoko Sub-district also says that Detusoko Barat Village is a village that has high innovation in the development of its BUMDes. One of them is the use of digital platforms to accommodate people's needs.

*"When I was told that BUMDes Au Wula would market its agricultural and tourism-related products, through the application, I was proud and fully supported this desire. This cannot be separated from the role of the Chairman of BUMDes, at that time was held by Nando Watu, and also village officials in general."*

Individual consideration is a supportive climate for leaders to listen well to the needs of the village community. Leaders act as trainers as well as advisors and try to help community members realize their wishes, especially in bringing progress to BUMDes through good planning. This is supported by a statement submitted by the Leader of the Tourism Awareness Group (Pokdarwis).

*"He (Nando Watu) really helped us, both in the tourism business unit and the trade unit. Moreover, he already has a lot of experience being adopted while abroad. So, when he returned to his village, he could help plan the development of BUMDes to be more advanced."*

The same thing was also conveyed by Nando Watu, Head of Detusoko Barat Village and former Chairman of BUMDes Au Wula.

*"I am only God's tool used to make my village more advanced. In the village forum I try to share what I have to be able to help advance this village and BUMDes. I try to stay involved in the planning of BUMDes, at least share the story when I was the chairman of BUMDes, and provide input on what activities can be used for the development of this BUMDes in the future."*

### **The Role of Transformational Leadership in the Implementation Stage of BUMDes**

The stage of implementation in the financial management of BUMDes is a series of activities in the business units owned by BUMDes Au Wula. The tourism business unit and the trade unit realize the activities and implement the required funding in the business activities carried out. In this stage, the operational activities of BUMDes Au Wula begin to be carried out properly in accordance with the work plan that has been determined at the planning stage. The tourism business unit provides options, such as traditional tourism, homestays, and eco-tourism, to tourist guests. Meanwhile, the trade unit collects agricultural products from the community and distributes them to consumers. These two business units carry out their business activities based on digitalization, using applications, to facilitate access from potential customers, as well as one of the control tools.

The transformational leadership role that can be described in this stage is the idealized influence that is attached to the emotional component of the leader. The emotional closeness between leaders and community members provides an example regarding the implementation of BUMDes business activities, especially in this case being involved in the implementation stage of BUMDes Au Wula financial management. This is in accordance with the statement of the Head of the Trade Unit.

*"Yes, he (Nando Watu) is involved in the daily operations of BUMDes. As for the trade unit, when he was in office, he participated in the process of delivering agricultural products to Maumere."*

The same thing was conveyed by the Leader of Tourism Awareness Group (Pokdarwis) of Detusoko Barat Village.

*"In the past, when he was the Chairman of BUMDes, he (Nando Watu) also participated in promoting tourism products in Detusoko Barat Village. In fact, he also helped build people's houses, which were originally just ordinary, becoming livable homestays for tourists. He really can be a role model."*

Regarding the inspirational motivation, in the implementation stage, Nando Watu gave spirit to BUM-Des managers to remain committed to advancing BUMDes during the Covid-19 pandemic. This spirit still refers to the principle of turning challenges into opportunities, so that what can be built is the determination to realize the aspirations of BUMDes for the welfare of rural communities. In each of his visits to the BUMDes business units, Nando Watu as the Village Head and former Chairman of BUMDes Au Wula always gives motivation so that all BUMDes administrators and the community work together to continue to animate the positive values of the formation of this BUMDes Au Wula. This is in accordance with statement made by a local traditional leader.

*"As far as I know, Nando Watu is always involved and present in BUMDes activities. He has many roles, including continuing to encourage the management and the community that this BUMDes was built from us and for us, so that if the program has been created, the program must be carried out wholeheartedly. Remember that everything is for the community."*

Transformational leadership indicator related to intellectual stimulation also continues to be instilled in the souls of BUMDes management and the wider community, especially to continue to prioritize creativity and innovation for BUMDes Au Wula. In addition to using a digital platform as a form of business unit innovation, BUMDes also conjures up agricultural land to produce not only horticultural products but also agro tourism which is carried out together with tourists who come to Detusoko Barat Village, such as planting and harvesting rice and making coffee processed products. In addition, there are also educational tours that offer cultural exchanges and language literacy with tourists who come to West Detusoko Village. This is supported by a statement submitted by the Leader of Tourism Awareness Group (Pokdarwis) of Detusoko Barat Village.

*"If we only rely on coffee to sell, or just traditional houses, almost all villages in Detusoko have it. The important thing is how to make this same natural potential into something different. We need creative young people like Nando Watu"*

This was also confirmed by one of the community representative who also owns a house that is used as a homestay under the BUMDes Au Wula tourism business unit.

*"It was Nando who taught us how to make tourists stay at people's homes and not feel bored. They can go to the fields or make coffee bracelets. The tourists do not need to go down to Ende for the night. So far, Nando has taught how to make attractive posters to be shared with the wider community about this homestay."*

The leadership style of Nando Watu as the Head of Detusoko Barat Village and as the former Chair of BUMDes Au Wula at the implementation stage is related to support and teaching for BUMDes managers in carrying out daily operational activities in each business unit. Whenever there are difficulties faced by BUM-Des managers or communities who support BUMDes business units, Nando always opens discussion and communication forums, both in groups and individually. This is in accordance with what was conveyed by the Head of the Trading Unit.

*"We used to panic during the pandemic. Our business unit seems to be suspended and we don't know what to do to ensure the survival of BUMDes, especially in the trading unit. However, the Chairman of BUMDes, who at that time was held by Nando Watu, gave the view that there was nothing to be afraid of. Everything can still work as long as we want to fight. He helped and involved in it. One of them is making computer applications."*

The same thing was conveyed by a community representative, who is also a homestay owner, who is a member of the BUMDes Au Wula tourism business unit.

*"At that time Nando helped us when we didn't know how to get our income from during the pandemic. We could not even promote it. Then he helped develop the eco-tour application and taught us how to use it so that now we are more familiar with technology."*

### **The Role of Transformational Leadership in the Stages of BUMDes Administration, Reporting, and Accountability**

The stages of administration, reporting and accountability in the financial management of BUMDes Au Wula are stages related to financial recording to the preparation of BUMDes financial reports. Administration is done by recording BUMDes finances using Microsoft Excel. Reporting and accountability are the preparation of financial reports per business unit which are then integrated into a BUMDes financial report which in the end becomes a form of accountability from BUMDes managers



to stakeholders, in this case to the Village Head and to the community in general.

If it is associated with a transformational leadership style, the description that can be shown regarding the idealized influence is to set an example for honest and open financial records. The value of honesty and openness of information related to BUMDes finances is one of the values that form the basis of BUMDes financial management. This was conveyed by the Head of West Detusoko Village, who is also the former Chairman of BUMDes Au Wula.

*"Financial matters must be transparent. Whoever manages it basically must have an honest character. When I became the Chairman of BUMDes, I always instilled and reminded all BUMDes managers, especially those who held finances, both those who were directly involved in the use of money and those who recorded."*

The same statement was conveyed by the Acting Chairman of BUMDes Au Wula who said that a leader must have an example of honesty in financial management.

*"As a leader, it is appropriate to remind his subordinates to continue to be honest, especially those who are in charge of money. Subordinates will imitate their leaders. Even though many BUMDes administrators use the funds for their own interests, don't let it happen here."*

In line with the statements of the previous informants, the statement from a traditional leader of Detusoko Barat Village also confirmed that the success of BUMDes financial management is mainly based on the value of honesty and a sense of belonging. A good leader will set an example in the implementation of both things.

*"Speaking of money, everyone likes money, but don't be in love with money. The root of all evil is the love of money, so it is better to manage money honestly. After all, it all comes back to us. If someone is dishonest, we will also lose. A good leader should be able to set an example of how to be honest in managing money."*

Leaders who have a transformational character will provide inspirational motivation, one of which is related to commitment in recording and preparing financial reports, because it is through these financial reports that organizational performance can be conveyed to stakeholders. The main thing that must be done by a leader is to provide motivation, especially for BUMDes managers, that loyalty and commitment to developing

villages through BUMDes development needs to be continuously instilled and maintained. A strong sense of belonging will reduce the risk of fraud in the recording and preparation of BUMDes Au Wula financial statements. This is supported by a statement delivered by the Acting Chairman of BUMDes Au Wula.

*"Besides, as a leader, you must motivate your subordinates in BUMDes. If you have a sense of belonging to your village, don't do it carelessly. Manage money properly, honestly, and prioritize the community and the common welfare"*

This statement was supported by the Leader of Tourism Awareness Group (Pokdarwis) of Detusoko Barat Village who said that the motivation and spirit of the leader to the community members was needed, especially in managing finances..

*"Indeed, the leader must set an example. He must be an inspiration to society. There are many BUMDes that operated for a while and finally closed down because their capital was used by the management or by their leaders. Do not be like that. If the leader can't motivate his subordinates to report honestly, and even act dishonestly, then it's over."*

Creativity and innovation as a form of intellectual stimulation are also part of the type of transformational leadership that can be described in the administration, reporting, and accountability stages of BUMDes financial management. The Chairman of BUMDes Au Wula, who currently serves as the Head of Detusoko Barat Village, is to build cooperation with related parties and use online-based applications. This is done to accommodate the need for automated recording and reporting of BUMDes finances, for example, collaboration with Bank NTT for payment of e-wallet transactions for products marketed at BUMDes Au Wula using QRIS. This is very helpful in recording payment transactions quickly and on time, as stated by the BUMDes Treasurer as follows:

*"Various BUMDes products produced by both trade business unit and tourism business unit have used e-wallet assistance in collaboration with Bank NTT. The idea came from the Chairman of BUMDes, who at that time was held by Nando Watu, by collaborating with Bank NTT to facilitate the payment and recording system."*

This was confirmed by a statement by Nando Watu, the Head of Detusoko Barat Village, who is also the former Chairman of the BUMDes Au Wula.

*"This pandemic condition has made us change our mindset, digital, everything leads to digitization. Therefore, one of the efforts to facilitate payment transactions and financial records in BUMDes is to establish cooperation with Bank NTT to obtain payment codes, making it easier for residents who want to make payments for products at BUMDes and even for other payments. For the Treasurer, this makes it easier to do cross checks because everything is done by the system."*

Furthermore, this information system can be a form of control over the risk of fraud in the financial management of BUMDes, particularly related to recording transactions. Previously, the payment system for transactions at BUMDes Au Wula was done manually, where people came with cash. However, currently the use of cash is greatly minimized to reduce the risk of fraud that may arise due to cash payments.

Transformational leadership also has considerations that are adapted by members or subordinates, or in this case other BUMDes managers. The Chairman of BUMDes Au Wula provides a way to prepare supporting BUMDes financial reports, for example routinely requesting periodic financial reports from each business unit. This condition shows that the leader has a high concern for the financial condition of business units in particular and BUMDes in general. If there are problems found in the preparation of this periodic financial report, both in recording and in producing financial reports, the next thing to do is to provide consultation to each business unit and the BUMDes Treasurer to make improvements. However, if it is deemed unable to provide a solution, the next step is to try to find a solution to other parties, such as to the District Office or to related agencies, such as the Village Community Empowerment Service. The system certainly makes BUMDes managers feel comfortable because they have leaders who can provide solutions to BUMDes financial reporting problems. This is in accordance with what was conveyed by the Head of the Trading Unit.

*"Yes, he (Nando Watu) sometimes comes to ask how the current BUMDes finances are. Sometimes we are also confused about how to record agricultural products that are not sold*

*and how to treat them in reports. Then we asked the Chairman of BUMDes (Nando Watu) and he provided a solution to our problem. If he can't, usually he will ask the other party first and the results will be conveyed to us after there is an answer."*

The Leader of Tourism Awareness Group (Pokdarwis) of Detusoko Barat Village also conveyed the same thing.

*"In fact, sometimes he (Nando Watu) reminds us that all finances must be recorded regularly and no one should forget to record so that we know the condition of the financial statements later. We old people don't know how to take notes, so we asked him to teach village youths how to use computers to record finance."*

### **The Role of Transformational Leadership in Realizing the Accountability of BUMDes Financial Management**

Accountability is a responsibility for the success or failure of the implementation of the organization's mission in achieving the goals and objectives that have been set. Accountability reflects the obligation of the leader or manager to answer and explain the performance and actions that have been taken to stakeholders. One of the reasons why BUMDes financial management becomes accountable is the leadership role within the organization. The essence of a transformative leader is to turn existing potential into energy to increase the value of the organization, in this case BUMDes.

The idealized influence, which is the emotional component of a leader, emphasizes the example given by the leader to his subordinates so that positive values are then created in organizational activities. If it is related to the financial management of BUMDes Au Wula, the role of idealized influence of a BUMDes chairman is to set an example for BUMDes managers and community members who are involved in it so that there is a feeling of pride and respect, and has high trust in their leaders. A leader who has positive charisma will use all his abilities to realize optimal accountability in the financial management of BUMDes for stakeholders. One of the examples by BUMDes leaders is to explain every performance carried out at each stage of BUMDes financial management to stakeholders. Nando Watu, as the Head of Detusoko Barat Village and former Chairman of BUMDes, is able to become a role model

and as a “young person” who excelled in developing BUMDes Au Wula and managed to account for the achievement of the BUMDes mission well. By doing so, he becomes the right figure not only to be the former Chairman of BUMDes Wula but also the current Head of Detusoko Barat Village.

Inspirational motivation means the character of a leader who is able to arouse optimism and high enthusiasm in his subordinates. The expectations-that have been spread to the managers of BUMDes Au Wula in particular and to the people of Detusoko Barat Village in general-are those that may be too high for some people. However, Nando Watu with his transformative leadership style is able to prove that all these hopes can be realized by providing motivation and support to all community members and the managers of BUMDes Au Wula to work together in achieving a common goal, namely community welfare. When associated with the financial management of BUMDes Au Wula, leaders who have inspirational motivation will instill enthusiasm and motivation in BUMDes managers to be able to account for every plan made, implementation of the results of the plan, and financial reporting and accountability. He must be able to meet the needs of stakeholders so that if stakeholders are satisfied with the performance of BUMDes managers, one of the driving factors is the role of BUMDes leadership.

Intellectual stimulation shows the character of a leader who is able to encourage his subordinates to be able to solve every existing problem carefully and rationally, one of which is by having a creative and innovative character. The former Chairman of BUMDes Au Wula, who is currently the Head of Detusoko Barat Village, provides a stimulus to BUMDes managers to continue to increase creativity and innovation in the financial management of BUMDes, one of which is through digitizing products and tourism potential, especially from the financial side in responding to the challenges that occurred during the Covid-19 pandemic. Creative and innovative ideas related to digitization initiated by the former Chairman of BUMDes Au Wula are also a form of accountability for BUMDes activities and financial management. Assistance in the form of applications and information systems can support a fast and timely financial recording system. This is also supported by the existence

of supporting documents for transactions that allow stakeholders to clearly see the performance of BUMDes managers.

Individual consideration is the character of a leader who is able to understand the differences in his subordinates and create a supportive climate in an organization. BUMDes leaders must be willing to listen to aspirations, educate, train and provide consultation to other BUMDes managers in need. This can also support the realization of the accountability of BUMDes financial management. The financial performance of BUMDes depends not only on one or two people, but also on all parties involved, especially the BUMDes managers. If there are obstacles in achieving financial performance, the Chairman of BUMDes Au Wula will use his capacity as a leader to provide assistance, consultation, and solutions to any problems that occur, with the aim that the financial management of BUMDes can be accounted for optimally.

Essentially, it can be said that the role of transformational leadership always prioritizes the interests of the population and the organization they lead by empowering the community. The main goal is to transform the thoughts, paradigms, and values of the organization, so as to be able to build optimism and confidence in their subordinates. Furthermore, if applied in village communities, especially in BUMDes, transformational leadership is essential in the process of inspiring, developing, and empowering rural communities so that BUMDes management becomes accountable and able to account for all funds and work programs that have been determined with stakeholders for the welfare of the village community.

In general, although the leadership role in BUMDes Au Wula is able to realize the accountability of BUMDes financial management, there are still obstacles within the institution. Up to the time of this research, BUMDes Au Wula still has not had a permanent chairman yet and this position was still held by the day-to-day executive. Meanwhile, the former Chairman of BUMDes Au Wula was elected as the Head of Detusoko Barat Village. They expected that even though he is no longer the Chair of BUMDes, the principles related to transformational leadership can still be realized in village financial management, especially in BUMDes financial management.

## 5. CONCLUSION, IMPLICATION, SUGGESTION AND LIMITATION

This study concludes that the former Chairman of BUMDes Au Wula has a transformative leadership type that focuses on changing for the better, especially in turning the existing potential into positive energy for BUMDes. In addition, the results of this study indicate that leader who has a transformative leadership type in BUMDes Au Wula has a role in realizing BUMDes financial management accountability. For example, he can be a role model, an inspiratorion, a stimulator of creativity and innovator, and a consultant for BUMDes managers. Financial reports which are the final product of BUMDes financial management can be finished on time. The integration of business units in it shows that accountability for financial performance can be shown to stakeholders, in addition to other supporting documents at each stage of BUMDes financial management. So far, the obstacle related to the leadership role in BUMDes Au Wula has been the absence of a BUMDes Chair after the former chairman was elected as Head of Detusoko Barat Village, Ende Regency, East Nusa Tenggara Province.

The theoretical implication of this research is the use of the stages of village financial management as regulated in the Minister of Home Affairs Regulation Number 20 of 2018 as a reference in looking at the financial management of BUMDes. For regulators, this needs to be a focus to be followed up into a special regulation for BUMDes. The practical implication of this research is that the results of this study have an impact on BUMDes Au Wula to continue to improve its financial management accountability, one of which is supported by the role of a leader who is still held by day-to-day executive..

The limitation in this study is that this research was conducted during the Covid-19 pandemic so that the meetings with BUMDes Au Wula were still limited. Meanwhile, the implementation of the FGD was also limited because it coincided with the preparation of Detusoko Barat Village in the national level village competition activity. It is recommended that for the future research, the researchers should conduct quantitative testing of the community in general regarding the role of leadership in realizing accountability, both in villages and in Village-Owned Enterprises (BUMDes). In addition, a comparison of the results with similar studies in several Village-

Owned Enterprises (BUMDes) in one Sub-District can also be carried out.

## REFERENCES

- Abdulla, J., Djebarni, R., & Mellahi, K. (2011). Determinants of job satisfaction in the UAE: A case study of the Dubai police. *Personnel Review*, 40(1), 126-146. <https://doi.org/10.1108/00483481111095555>
- Ahmad, R., & Mohamed, A. M. (2019). Hubungan pengaruh gaya kepemimpinan transformasional terhadap pelaksanaan program pelan penggantian pembangunan kerjaya dalam perkhidmatan awam Malaysia. *Jurnal Pengurusan*, 55, 1-15. <https://doi.org/10.17576/pengurusan-2019-55-13>
- Asmunda, A. (2021). *Korupsi Rp332 Juta, Eks Ketua BUMDes di Aceh Diciduk*. Merdeka.Com.
- BPKP. (2015). Petunjuk pelaksanaan bimbingan dan konsultasi pengelolaan keuangan desa. In *Juklak Bimkon Pengelolaan Keuangan Desa*.
- Fitriana, R. L., Utami, I., & Hapsari, A. N. S. (2018). Pengelolaan dana: sisi akuntabilitas Badan Usaha Milik Desa. *Konverensi Regional Akuntansi V*, 5, 1-29.
- Hapsari, A. N. S., Utami, I., & Kean, Y. W. (2020). Accountability in governance: will and can traditional village-owned enterprises achieve it? *The Indonesian Accounting Review*, 10(2), 1-8. <https://doi.org/http://dx.doi.org/10.14414/tiar.v10i2.2165>
- Hasibuan, M. S. P. (2007). *Manajemen Sumber Daya Manusia* (Revisi). Bumi Aksara.
- Imawan, A., Irianto, G., & Prihatiningtias, Y. W. (2019). Peran akuntabilitas pemerintah desa dalam membangun kepercayaan publik. *Jurnal Akuntansi Multiparadigma*, 10(1). <https://doi.org/10.18202/jamal.2019.04.10009>
- Jufrizen, J., & Lubis, A. S. P. (2020). Pengaruh kepemimpinan transformasional dan kepemimpinan transaksional terhadap kinerja pegawai Dengan locus of control sebagai variabel moderating. *Maneggio: Jurnal Ilmiah Magister Manajemen*, 3(1), 41-59. <https://doi.org/10.30596/maneggio.v3i1.4874>

- Katadata.co.id. (2020). *Digitalisasi UMKM di Tengah Pandemi Covid-19*. Katadata. Co.Id.
- Kementerian Dalam Negeri Republik Indonesia. (2010). *Peraturan Menteri Dalam Negeri Republik Indonesia Nomor 39 Tahun 2010 tentang Badan Usaha Milik Desa*.
- Kementerian Dalam Negeri Republik Indonesia. (2018). *Peraturan Menteri Dalam Negeri Republik Indonesia Nomor 20 Tahun 2018 tentang Pengelolaan Keuangan Desa*.
- Mardiasmo. (2006). Pewujudan transparansi dan akuntabilitas publik melalui akuntansi sektor publik. In *Jurnal Akuntansi Pemerintah* (Vol. 2, Issue 1).
- Marlina, L. (2013). Tipe-Tipe Kepemimpinan Dalam Manajemen Pendidikan. *Ta'dib : Journal of Islamic Education*, 18(02), 215–227. <https://doi.org/10.19109/tjie.v18i02.47>
- Menteri Negara Badan Usaha Milik Negara. (2011). *Peraturan Menteri Negara Badan Usaha Milik Negara (BUMN) No: PER-01/MBU/2011 Tentang Penerapan Tata Kelola Perusahaan yang Baik (Good Corporate Governance) Pada Badan Usaha Milik Negara* (pp. 1–19).
- Northouse, P. (2013). *Leadership: Theory and practice*. In *Sage Publications* (6th Editio).
- Pakpahan, A. K. (2020). Menyelamatkan Penjualan Ritel di Tengah Pandemi Covid-19. *Covid-19 Dan Implikasi Bagi Usaha Mikro, Kecil, Dan Menengah*, 1(April), 5.
- Patiran, M. V., & Utami, I. (2020). Mampukah Badan Usaha Milik Desa menerapkan keadilan prosedural? *Ultima Accounting*, 12(1), 68–85. <https://doi.org/https://doi.org/10.31937/akuntansi.v12i1.1567>
- Pemerintah Republik Indonesia. (2010). *Peraturan Pemerintah Republik Indonesia Nomor 71 Tahun 2010 tentang Standar Akuntansi Pemerintahan* (pp. 2–203).
- Pemerintah Republik Indonesia. (2014a). *Peraturan Pemerintah Republik Indonesia Nomor 43 Tahun 2014 tentang Peraturan Pelaksanaan Undang-Undang Nomor 6 Tahun 2014*.
- Pemerintah Republik Indonesia. (2014b). *Undang-Undang No 6 Tahun 2014 tentang Desa*. In *Pemerintah Republik Indonesia*.
- Randy, M., Agung, S., & Kuraesin, E. (2019). Pengaruh kepemimpinan transformasional dan motivasi kerja terhadap kinerja karyawan. *Manager : Jurnal Ilmu Manajemen*, 2(2), 69. <https://doi.org/10.32832/manager.v2i2.2562>
- Ratnasari, S. L., Fitri, D., Zulkifli, Z., Nasrul, H. W., & Supardi, S. (2020). Analisis Manajemen Perubahan, Kepemimpinan Transformasional, Struktur Organisasi, Budaya Organisasi Dan Disiplin Kerja Terhadap Kinerja Karyawan. *Jurnal Benefita*, 5(2), 225. <https://doi.org/10.22216/jbe.v5i2.5303>
- Rofidah, N., & Rochayatun, S. (2020). Implementasi pengelolaan keuangan Badan Usaha Milik Desa (Studi Desa Gondowangi Kecamatan Wagir Kabupaten Malang). *El Muhasaba Jurnal Akuntansi*, 11(1), 60. <https://doi.org/10.18860/em.v11i1.7599>
- Rorimpandey, L. (2013). Gaya kepemimpinan transformasional, transaksional, pelayanan dan autentik terhadap kinerja pegawai kelurahan di kecamatan bunaken Kota Manado. *Jurnal EMBA*, 1(4), 2233–2244.
- Rosita, R. (2020). Pengaruh Pandemi Covid-19 Terhadap Umkm Di Indonesia. *Jurnal Lentera Bisnis*, 9(2), 109. <https://doi.org/10.34127/jrlab.v9i2.380>
- Seff, S. M. (2010). Demokrasi Ekonomi Dalam Hukum Ekonomi Syari'ah. *Risalah Hukum*, 6(2).
- Sjabadhyni, B., Graitto, I., & Wutun, R. P. (2001). *Pengembangan kualitas SDM dan perspektif PIO*. Bagian Psikologi Industri dan Organisasi Fakultas Psikologi Universitas Indonesia.
- Suherni, N. (2021). *Korupsi Dana Desa, Mantan Kades hingga Pengurus BUMDes Bonder Loteng Ditahan*. Ntb.Inews.Id.
- Tantri, M. D., & Utami, I. (2019). Pengelolaan dana bumdes bersama "utama": kajian aspek transparansi dan responsibilitas. *Equilibrium Jurnal Bisnis & Akuntansi*, Volume XII(1), 1–17.

- Titania, N. K., & Utami, I. (2021). Apakah bumdes sudah taat pada good governance? *Jurnal Akuntansi Aktual*, 8(1), 77-84. <https://doi.org/10.17977/um004v8i12021p077>
- Utami, I. (2018). *Audit Internal: pendekatan kontemporer*. Smart Indana Parama.
- Utami, I., Hapsari, A. N. S., & Kean, Y. Y. W. (2020). Synergy of local wisdom values and governmental programs in cultural village social enterprises. *International Journal of Engineering Research and Technology*, 13(12), 4585-4590.
- Utami, S. S. (2018). Gaya Kepemimpinan Gubernur DKI Jakarta Berdasarkan Prinsip Tata Kelola Pemerintahan Yang Baik (GCG). *Liquidity*, 2(2), 160-169. <https://doi.org/10.32546/lq.v2i2.118>
- Waseso, R. (2021). *Ada 15.768 BUMDes Tutup Selama Pandemi Covid-19*. Insight. Kontan.Co.Id.
- Wicaksono, A. (2020). *Corona, Mendes akan revitalisasi 27 ribu BUMDes mati suri*. <https://www.cnnindonesia.com/>.
- Widiastuti, H., Putra, W. M., Utami, E. R., & Suryanto, R. (2019). Menakar tata kelola badan usaha milik desa di Indonesia. *Jurnal Ekonomi Dan Bisnis*, 22(2), 257-288. <https://doi.org/10.24914/jeb.v22i2.2410>
- Wijayanto, D. (2012). *Pengantar Manajemen*. PT. Gramedia Pustaka Utama.
- Yulk, G. (2010). *Kepemimpinan dalam organisasi* (Edisi keli). Penerbit Indeks.