

The Leadership Influence on the Performance of Village-Owned Enterprise (BUMDesa) Employees of Lontar Sewu Gresik Regency

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Abstract

The aim of this research is to determine leadership influence on the performance of Village-Owned Enterprise (BUMDesa) Employees of Lontar Sewu Gresik Regency. The research used quantitative methods because it suits the purpose of this research, which aims to measure the leadership influence on the performance of BUMDesa Lontar Sewu employees, Hendrosari Village, Menganti District, Gresik Regency. Based on the results of processing, analysis, and discussion of research data, several points can be concluded as follows: coefficient of determination value on the influence between leadership variables and employee performance is 0,55. Correlation coefficient value for the relationship between leadership variables and employee performance variables is 0,74 which interpreted as a strong level of relationship. It can be concluded that the better the leadership of the BUMDesa director, the better the performance of BUMDesa Lontar Sewu employees. The average value of the measurement components based on descriptive analysis of the leadership variable is 4,4 with a very successful interpretation; and the average value of the measurement component of the employee performance variable is 4,6 with a very high interpretation.

Keywords: BUMDesa; Leadership Influence; Lontar Sewu Gresik Residence

1. Introduction

The formation of BUMDesa is strengthened by various government programs to advance villages, one of which is through Government Regulation Number 11 of 2021 concerning BUMDesa. Regulations regarding BUMDesa are also issued at the regional level in the form of Regional Regulations (PERDA) which regulate BUMDesa, one of which is the Gresik Regency Government through Regional Regulation Number 3 of 2017 which regulates the establishment, administration and management, capital, allocation of business results, bankruptcy, cooperation, until the dissolution of the Village-Owned Enterprise.. The government is actively pursuing economic and community empowerment using various methods. Many economic mobilization efforts and community activities are implemented based on the natural landscape conditions and local cultural wisdom of the respective village. Village-owned enterprise or BUMDesa is a village micro-enterprise institution that is jointly owned by the community together with the government as an effort to improve the economy and foster closeness and social cooperation in village communities. Ayuningtyas & Wibawani (2022) stated that BUMDes was established to increase socialization efforts and experience economic benefits, such as opening job opportunities and creating market expansion.

The Lontar Sewu Village Owned Enterprise/BUMDesa is quite phenomenal in terms of development and has made several achievements. BUMDesa Lontar Sewu has been established since 2017. One of the efforts of the Village Government together with BUMDesa was appreciated by winning the Indonesian Tourism Village Award in 2021. Another award was received by the Director of BUMDesa Lontar Sewu, who won and was named Local Hero in the Indonesia Sustainable Development Goal Award (ISDA) in 2021. BUMDesa Director Lontar Sewu won second place at national level in the 2021 ISDA Local Hero event.

The award above describes the excellent leadership of the Director of BUMDesa Lontar Sewu, that he is able to mobilize the residents of Hendrosari Village and develop BUMDesa Lontar Sewu. This is in line with the statement by Robbins & Judge (2015), that leadership is an individual's willingness to influence a group in achieving predetermined goals and vision. Good leadership in an organization will make it easier to achieve goals effectively

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and efficiently (Badu & Djafri, 2020). The better the leadership applied to the organization, the better the subordinates it leads, including in terms of employee performance.

Fairchild in Taufiqurokhman (2017) defines leadership as the attitude of a leader, who creates social behavior by carrying out several efforts, such as arranging, organizing, providing direction, and evaluating other people with power, prestige, or position. As for Thoha in Badu & Djafri (2020:32) defines leadership as the activity or art of influencing individual or group behavior. As for Chitam et al. (2020), leadership is an effort to influence numerous people through a series of means. Managing human resources with good, quality skills, and creating good employee performance that will require leaders with effective leadership and are able to influence employees. The leadership belong to the leader must be able to mobilize his subordinates or employees to mobilize all employees to carry out their duties. Hicks and Deep Gullet Hermanto & Srimulyani (2020:10) mentioned that the role of a leader to be successful requires various characteristics, namely (1) being fair, (2) giving suggestions, (3) supporting the achievement of goals, (4) catalyst, (5) creating a sense of security, (6) representative of the organization, (7)) source of inspiration, and (8) be respectful. The good performance of an organization depends on the performance of its employees. As organizational human resources, employees are the company's main assets that determine the success and achievement of organizational goals. In the institutions or companies, employees have an active role as planners, actors, and implementers of various tasks and activities (Ratnasari & Musadad, 2022). Hayati & Yulianto (2021) stated that employees are the most important aspect that must be managed professionally. Including BUMDesa performance, good BUMDesa performance illustrates the active role of employees in all organizational activities in an effort to achieve organizational goals.

Employee performance is the achievement of job requirements, which is a manifestation of the employee's real results or work output (Solong, Sartika, & Dzulqarnain, 2022). Performance can also be defined as a description of the level of achievement of program implementation carried out by an organization in realizing its goals legally based on the formulation of planning strategies (Budiyanto & Mochklas, 2020). In addition, Moehariono (2020:114) also states that there are six indicators in measuring employee performance, namely, (1) effectiveness, (2) efficiency, (3) quality, (4) timeliness, (5) productivity, and (6) safety.

Director leadership of BUMDesa Lontar Sewu can be said that this leadership has played a great role in achieving the goals and quality performance of BUMDesa employees for their efforts to build BUMDesa Lontar Sewu since 2017. This is also supported by the theory of Pfeffer (1977) in Sintani et al. (2022:6) that the relationship between leadership and organizational performance is a form of cause and effect. In line with this, Bormasa (2022:4-5) states that leaders are closely related to the performance of their employees. The trait theory of leadership also states that good leadership can be realized when the leader has positive traits so that he is able to form good employees or followers (Hasnawati et al., 2021). In the context of this research, it is possible that the leadership of the BUMDesa Director has an urgent role in influencing employee performance.

The gaps in this research are based on previous research regarding employee performance at BUMDesa Lontar Sewu, which was carried out by Masyhur & Atmajawati (2022). The research results found that there were several problems with the performance of BUMDesa Lontar Sewu employees where they were unable to focus on work and complete tasks according to organizational procedures. based on this literature, the aim of this research is to find out the leadership influence on the performance of BUMDesa lontar sewu employees in Gresik regency.

2. Research Methods

The research used quantitative methods because it suits the purpose of this research, which aims to measure the leadership influence on the performance of BUMDesa Lontar Sewu employees, Hendrosari Village, Menganti District, Gresik Regency. Surveys were the selected method of collecting data by distributing questionnaires to BUMDesa Lontar Sewu employees in order to obtain research information. The research included two variables, namely the leadership variable as an independent variable (X) with eight indicators, namely (1) being fair, (2) giving suggestions, (3) supporting the achievement of goals, (4) catalyst, (5) creating a sense of security, (6)) organizational representative, (7) source of inspiration, and (8) be respectful, meanwhile the performance of BUMDesa employees as the dependent variable (Y) with six indicators, namely, (1) effectiveness, (2) efficiency, (3) quality, (4) timeliness, (5) productivity, and (6) safety. Variable measurement utilized a 5 score Likert scale. The research population included 103 employees of BUMDesa Lontar Sewu. The sample was selected using saturated sampling so that the entire population was selected as the sample as well as research respondents. The research data sources were from primary data, namely research questionnaires and secondary data of documentation by requesting the necessary data from the BUMDesa Lontar Sewu office and conducting literature studies through previous research. The research data was processed in several stages with the process of the validity test, that was carried out with Product Moment in the SPSS

application to ensure the validity of the instrument. The reliability test was carried out with Cronbach's Alpha in the SPSS application to ensure the consistency of the instrument used. The Spearman correlation test was used calculate the correlation between X variable (Leadership) and Y variable (Employee Performance). The coefficient of determination test and hypothesis testing were carried out with the SPSS application using the t-test.

3. Results and Discussion

This research involved 103 (one hundred and three) employees of BUMDesa Lontar Sewu as research respondents. The research data was processed in several stages, namely descriptive analysis, validity test, reliability test, Spearman correlation test, coefficient of determination test, and t-test.

3.1. Validity Test

Table 1. Validity Test Result

Variable	Significance Value in each Indicator	Interpretation
Leadership	0.000	Valid
Employee Performance	0.000	Valid

Source: Processed Data by SPSS, 2024

The table 1 describes the results of validity testing on all measurement components. The leadership variable produces results where all measurement components are valid, while the employee performance variable produces results where all measurement components are also valid. Thus, testing the correlation and influence between variables can be continued.

3.2. Reliability Test

Table 2. Reliability Test Results

Variable	Cronbach Alpha Value
Leadership	0.965
Employee Performance	0.893

Source: Processed Data by SPSS, 2024

The table 2 illustrates the results of reliability testing on all variables. The leadership variable and the employee performance variable get results where all of them are reliable. Thus, the questionnaire is declared reliable and consistent in measuring

3.3. Spearman Rank Correlation Test

Spearman rank correlation testing in this research is intended to calculate the relationship or correlation of X variable (Leadership) with Y variable (Employee Performance). Testing was carried out using Spearman Rank correlation analysis in the form of the following formula:

$$r_s = 1 - \frac{6\sum d_i^2}{n(n^2 - 1)}$$

Based on calculations with the help of Microsoft Excel, it is known that the value is 47034.5 and n is 103. Thus, the following calculation can be carried out:

$$r_s = 1 - \frac{6(47034,5)}{103 (103^2 - 1)}$$

$$r_s = 0,741716$$

The calculation above provides the results of Spearman correlation analysis in the form of a correlation coefficient of 0.74. So, it can be interpreted as a strong level of relationship. This means that there is a relationship or correlation

between X variable (Leadership) and Y variable (Employee Performance) with a relatively strong level of relationship.

3.4. Determination Coefficient Test

Then, to be able to calculate the influence of X variable and Y variable, the coefficient of determination can be used with the following formula:

$$\begin{aligned} \text{koefisien determinasi} &= r^2 \times 100\% \\ &= (0,74)^2 \times 100\% \\ &= 0,548 \times 100\% \\ &= 55\% \end{aligned}$$

The calculation above provides the analysis results of the coefficient of determination in the form of 0,55 value. Thus, it can be interpreted that there is an influence of X variable (Leadership) on Y variable (Employee Performance) with an influence level of 55%. Meanwhile, the remaining of 45% is influenced by other variables not studied in this research.

3.5. T-test

Table 3. Hypothesis Test Result

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	9.150	1.643		5.569	.000
X	.378	.014	.935	26.589	.000

a. Dependent Variable: Y

Source: Processed Data by SPSS, 2024

The table 3 describes the results of hypothesis testing with the t-test. The t-count value in the table above is 26,589 with a significance of 0,000. So, it can be interpreted that the significance of the effect is smaller than 0,05. This means that there is an influence of X variable (Leadership) on Y variable (Employee Performance) for BUMDesa Lontar Sewu employees.

Table 4. Description of Leadership Variable

Measurement Component	Average	Interpretation
LP1	3.8	High
LP2	4.0	High
LP3	4.5	Very High
LP4	4.5	Very High
LP5	4.3	Very High
LP6	4.4	Very High
LP7	4.6	Very High
LP8	4.4	Very High
LP9	4.4	Very High
LP10	4.7	Very High
LP11	4.3	Very High
LP12	4.5	Very High
LP13	4.4	Very High
LP14	4.4	Very High
LP15	4.5	Very High
LP16	4.5	Very High
LP17	4.4	Very High
LP18	4.4	Very High

Measurement Component	Average	Interpretation
LP19	4.6	Very High
LP20	4.5	Very High
LP21	4.4	Very High
LP22	4.6	Very High
LP23	4.4	Very High
LP24	4.6	Very High
LP25	4.4	Very High
LP26	4.2	Very High
Average of Leadership Variable	4.4	Very High

Source: Processed Data by SPSS, 2024

The table 4 illustrates the description of leadership variables. The average value of the measurement components for the leadership variable is 4,4 with a very successful interpretation. This means that research respondents felt that the leadership aspects and traits were felt to exist in the leadership of the director of BUMDesa Lontar Sewu.

3.6. Description of Employee Performance Variable

Table 5. Description of Employee Performance Variable

Measurement Component	Average	Interpretation
EP1	4.6	Veri High
EP 2	4.6	Veri High
EP 3	3.9	High
EP4	4.6	Veri High
EP5	4.5	Veri High
EP6	4.6	Veri High
EP7	4.7	Veri High
EP8	4.8	Veri High
EP9	4.5	Veri High
EP10	4.6	Veri High
EP11	4.6	Veri High
EP12	4.7	Veri High
Average of Employee Performance Variable	4.6	Veri High

Source: Processed Data by SPSS, 2024

The table 5 depicts a description of employee performance variables. The average value of the measurement components based on the employee performance variable is 4,6 with a very high interpretation. This means that research respondents feel that BUMDesa Lontar Sewu employees have good performance and fulfill various aspects of employee performance.

3.7. Discussion

BUMDesa Lontar Sewu is a village-owned business entity located in Hendrosari Village, Menganti District, Gresik Regency. BUMDesa Lontar Sewu has implemented an organizational structure with leadership held by the director, namely Mr. Aristoteles. The influence of director leadership on employee performance is the topic of this research, which involves a research sample of 103 respondents, who are employees at BUMDesa Lontar Sewu.

The Spearman correlation analysis carried out found that the correlation coefficient value of the correlation between the two variables is 0,74. So, it can be interpreted as a strong level correlation between the leadership variable of the BUMDesa director and employee performance variables at BUMDesa Lontar Sewu with a relatively strong level of relationship. Ratnaningtyas et al. (2020) also found consistent results that leadership has a relationship with employee performance. Leadership in an organization can influence other parties, including moving employees to have awareness and work better. In line with these results, research by Efkelin et al. (2023) and Sumolang et al. (2019) also found that a leader's leadership can encourage employees to be creative in their work and improve the quality of their work, so that leadership and employee performance could be interconnected. Erlangga (2018) states that leaders are

the main determinants of the success or failure of an organization. Thus, the manifestation of leadership possessed by BUMDesa director Lontar Sewu is in line with this theory. The leadership quality of BUMDesa directors is proven to have a strong correlation as a determinant of high employee performance, which will ultimately create organizational success. The existence of a BUMDesa director who is able to manage the organization well, influence BUMDesa employees constructively, and work together that has been proven to improve employee performance.

Analysis of the coefficient of determination carried out found that it is 0,55. Therefore, it can be interpreted that there is a positive influence between the BUMDesa director leadership variable on employee performance variables with an influence level of 55%. This means that the leadership attitudes of the director of BUMDesa Lontar Sewu have an influence on the performance of his employees. Nurman et al. (2019) found consistent results that the leadership of the director of a BUMDes had an effect on employee performance. A leader's leadership can control employee work to always be positive and focused on the goals and mission the organization wants to achieve. In line with these results, research by Safitri et al. (2024) and Wijaya & Anoraga (2021) also found that the leadership of a director or head can have a positive influence on improving employee performance.

The analysis results of the coefficient of determination by Pfeffer's (1977) statement in Sintani et al. (2022:6) states that leadership has a causal relationship with organizational performance. The leadership of the director of BUMDesa Lontar Sewu has been proven to have positive consequences or impacts in improving employee performance. It is also in line with the statement by Bormasa (202) that leaders are closely related to the performance of their employees. The ability of the director of BUMDesa Lontar Sewu to influence, mobilize, direct, motivate, supervise, and evaluate his subordinates is effective in giving employees enthusiasm and the desire to work well and improve their performance.

The hypothesis testing carried out found that the t-count value for the influence of leadership on employee performance is 26,589 with a significance of 0,000. This means that there is an influence of BUMDesa director leadership variables on employee performance variables for BUMDesa Lontar Sewu employees. Mutmainnah et al. (2022) found consistent results that there is a significant influence of leadership on employee performance. In line with these results, research by Khoiri & Oktavia (2019) and Rahyono & Alansori (2021) also found that the quality of a director's leadership directly correlates with the natural improvement of employee performance.

The descriptive analysis of the variables carried out found that the average value of the measurement components of the leadership variable is 4,4 with a very successful interpretation. This means that research respondents feel that the leadership aspects and traits have been felt to exist in the leadership of the director of BUMDesa Lontar Sewu, where employees feel that the director of BUMDesa has a fair attitude, gives suggestions, supports goals, becomes a catalyst, creates a sense of security, becomes a representative and source of inspiration, as well as be respectful. Furthermore, the average value of the measurement components of the employee performance variable is 4,6 with a very high interpretation. This means that research respondents feel that BUMDesa Lontar Sewu employees have good performance, which is manifested in work that is effective, efficient, quality, timely, productive and safe.

4. Conclusion

Based on the results of processing, analysis, and discussion of research data, several points can be concluded as follows: 1) The coefficient of determination value on the influence between leadership variables and employee performance is 0,55. There is a positive influence between the BUMDesa director leadership variable on employee performance variables with an influence level of 55%; 2) The correlation coefficient value for the relationship between leadership variables and employee performance variables is 0,74 which interpreted as a strong level of relationship. It can be concluded that the better the leadership of the BUMDesa director, the better the performance of BUMDesa Lontar Sewu employees; 3) The average value of the measurement components based on descriptive analysis of the leadership variable is 4,4 with a very successful interpretation; and 4) The average value of the measurement component of the employee performance variable is 4,6 with a very high interpretation.

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