



THE MCKINSEY MODEL IN BUMDES INSTITUTIONAL CAPACITY BUILDING STRATEGY

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Abstract:

This study aims to analyze and understand the role of the McKinsey Model as a strategy for developing institutional capacity for Village Owned Enterprises (BUMDes) in Alastengah Village, Paiton, Probolinggo. The research model is a descriptive research following the strategy of the McKinsey model. The data collection was through observation, interviews and documentation. The results of the study found that programs and business fields managed by BUMDes by regulating business operations and livestock can increase community welfare. The results of the managed business are marketed outside the village so that it helps improve the economy of the Alastengah community. Institutional Capacity Building Development following the McKinsey Model is divided into four stages, these are; a) aspirations: actualizing community welfare through developing economic enterprises, animal husbandry and exploring the potential of village youth human resources. The hope is that the community can become skilled and develop to develop village progress and reduce village unemployment through the formation of BUMDES. b) Strategies: the community is entrusted by the BUMDes to manage livestock with a 'livestock fattening system', in regard to feed for livestock fattening, the food has been provided and specially made by the local BUMDes. The human resources managing BUMDES collaborate with the community to formulate the food so that livestock get fat quickly and harvest quickly. c) Organizational skills: government organizations such as BUMDes need to form management that is truly qualified in their field so that the organization can run smoothly. d) Systems and infrastructure; the institutional development of BUMDES really needs people who are responsible, able to protect the community and competent in carrying out the tasks and functions of daily activities in BUMDES.

Keywords: *Institutional Capacity, BUMDes, Mckinsey Model*

INTRODUCTION

Exploring the potential of economic resources and prioritizing economic activity in the village is very important for the progress of the village. one of the things that must be done for village progress is strengthening community economic organization institutions which need to be focused on and accompanied by experienced people, so that the government's task through the Community Empowerment and Village Development Agency forms a financial body, namely Village-Owned Enterprises (BUMDes) According to the Law that have been set can function properly in their respective regions (Suparji, 2019).

The organization of financial institutions in rural areas, in this case Bumdes, is a benchmark for village progress in the context of efforts to achieve village economic independence and prosperity. If one observes the existence of cooperatives, especially the Village Unit Cooperative (KUD), which has been active for a long time with its ups and downs, its achievements are still relatively small. Therefore, systematic efforts are still needed to encourage village institutions to be able to manage the capacity of strategic

economic resources in the village, as well as develop networks to increase resilience and possibly even economic competitiveness. It needs to be deeply understood that a financial institution in a village where the main goal is to provide welfare and the community can establish efforts to improve the community's economy. This is intended so that the existence and performance of BUMDes is able to make a positive contribution to improving the welfare of villagers so they can live independently and not only rely on receiving assistance provided by the government (Arindhawati & Utami, 2020) .

The community institutional strategy in the village is assisted by the Village Youth (Pemda) where this village youth has an important role in carrying out village activities as an application of Bumdes activities, in this case already in government regulation number 72 of 2005 says that villages has the right to regulate rights and authorities in regulating to be able to generate village income sources in this case is village business to provide welfare to village communities.

The Village Movement has become an important icon in realizing community independence to become a prosperous society, from this law in terms of the concept it is still spelled out that there are still many villages that have not implemented the concept so that the village becomes prosperous and the people prosperous, in this case how does the village really think about it to make a village that has an independent community, therefore with the existence of this Bumdes institution, many do not understand that the establishment of Bumdes is not like the existence of a BUMN which is only for income for the State as a business field for the income of a State, this Bumdes is intended not only to just for the development of village government income (village APBD) only, but the aim is to prioritize the welfare of village communities so that they become an advanced society, the community must know that Village Owned Enterprises (BUMDes) are independent and professional bodies as drivers of economic activities for welfare (Febryani et al., 2019) and village progress begins with independent community activities because they are aware of progress.

Institutional Village-Owned Enterprises (BUMDes) have an important role to support community welfare, in this case, BUMDes need awareness among the people in the village to be aware that they can progress with Bumdes empowerment (Pradana & Fitriyanti, 2019) . In terms of village awareness, a village youth organization (Pemda) was formed, this regional government was descended from Bumdes which played a lot of roles in carrying out activities at bumdes, the local government was formed based on this initiative from village youths who often gathered (hanging out) every night in Cangkruan village, finally had the initiative to make regional government organizations, youth in villages able to join in all to take part in activities or training as an application of village-owned enterprises activities. From this organization there is always a discussion that the village has a lot of potential, both in terms of natural resources (SDA) and human resources (HR) that need to be explored and developed with the goal of a prosperous society.

Related to this, youth plays an important role in determining the future of village development in Indonesia (Nurma Jaya, 2020) . Village youth or Millennials as children nowadays are also expected to become Agents of Change because they have the power of creativity, innovation, and burning energy and enthusiasm. Where according to the historical track record of the struggle movement, youth are at the forefront including when fighting for Indonesian independence. President Soekarno also described how youth has great power in driving change, "Give me 1,000 parents, I will definitely uproot Semeru from its roots. Give me 10 youths, surely I will shake the world"

From this background, the researchers took the initiative to raise " *McKinsey's Model in Strategy for Bumdesa Institutional Capacity Building in Alastengah Paiton Village, Probolinggo* ". So that in the future this village will become a fostered village in developing the institutional capacity of Bumdesa Desa Alastengah Paiton Probolinggo.

The formulation of the problem in this study is what is the role of the McKinsey Model in the Strategy for Institutional Capacity Building (Capacity Building) Bumdesa in Alastengah Paiton Village, Probolinggo

RESEARCH METHODS

This research took place in the village of Alastengah Paiton, Probolinggo Regency. The choice of this place was to find out the "McKinsey Model in Strategy for Institutional Capacity Building (Capacity Building) Bumdesa in Alastengah Paiton Village, Probolinggo".

This research uses descriptive research using the McKinsey model. Research that produces descriptive data in the form of written or spoken words from people or observed behavior (Moleong, 2012). The focus of the study is a description of Bumdesa Institutional Capacity Building in Alastengah Paiton Village, Probolinggo.

So that the focus can be described comprehensively and in depth, the research method uses a qualitative approach. The type of research used in this study is a case study, according to Yin, a study based on the consideration that the focus of the study is a contemporary phenomenon, namely the development of institutional capacity in accordance with current conditions.

Research data obtained from the field is then checked to ensure the validity of the data using four techniques according to Denzin and Lincoln: credibility, transferability, dependability, and confirmability. Furthermore, the research results are narrated descriptively in accordance with the results of the data analysis obtained.

Primary data sources were obtained through direct field observations and interviews with selected key informants. Primary data sources are data taken directly by researchers to their sources without intermediaries by digging up original sources directly through respondents while secondary data sources are obtained through documentation and literature study with the help of print media and internet media as well as field notes. Secondary data sources are indirect data sources capable of providing additional data and strengthening the research data.

Data collection techniques are a way of obtaining the data needed in research. In this study the techniques used include the following:

Observation is a research activity in order to collect data related to research problems through a process of direct observation in the field. Observation is a data collection method in which the researcher records all information as witnessed during the study. Observations made are expected to obtain data that is appropriate or relevant to the research topic.

Interviews are conversations with a specific purpose. The conversation was conducted by two parties, namely the interviewer who asked questions and the interviewee who provided answers to the questions (Moleong, 2012). It was through these interviews that the researcher explored data, information, and a description of the research subject. The interview technique used was guided free interview, meaning that the questions asked were not fixed on the interview guidelines and could be deepened or developed according to the situation and conditions in the field.

There is documentation to support the data. The use of documents as data sources is because many documents as data are used to test, interpret, and even predict (Moleong, 2012).

RESULTS AND DISCUSSION

Programs and Business Sector of Bumdes Alastengah Village

Bumdes are part of the village government's economic organization to realize the welfare of its people (Baderan & Napu, 2020). In addition, the business model that is worked on through Bumdes in Alastengah Paiton Village, Probolinggo, is to regulate business and livestock operations in order to realize community welfare and can be marketed outside. Hasan as Bumdes supervisor in an interview on 8 June 2022 said regarding the Bumdes mechanism in managing community potential, namely it is driven by village youths who happen to have many high school graduates (SMA) and some even bachelor graduates (S1), so that from them the initiative arose to advancing this village so that it is not looked down upon by other villages, the youth of this village want to be able to explore the potential that exists in the village with the provision of knowledge they had during high school and college to apply in this village, including the Bumdes

program that is already running, namely: a) Implementation of the Women's Empowerment Program Through a product sales program - products produced by the community in the form of Rengginang, Patuolo, Banana Crackers and Cassava Crackers, all of these products are expected so that the community can build and develop businesses that are being initiated or starting by obtaining capital loans provided by The Bumdes in Alastengah Village is going through a savings and loan program with the hope that the Bumdes position can be used as a private bank there. b) Implementation of the Agricultural Program Through this program, rural communities engaged in agriculture can take advantage of the village government's concern through Bumdes to develop the economy of the agricultural sector in Alastengah village. Apart from that, the community can also take advantage of natural resources such as Bumdes also providing seeds and fertilizers to buy. c) Implementation of the livestock fattening program Through this program it is hoped that the public will be able to find out the right and fast way how to fatten livestock does not require a long time (no waiting in the annual period). The livestock fattening program is as follows: Panin cattle fattening program for four (4) months, Broiler duck program with a period of 40 days and fattening program for four (4) months. d) The program for providing livestock feed is processed directly by BUMDES members with a profit sharing system, if the farmer buys it from BUMDES, the BUMDES will get a profit of every 1 kg. In this case, 1 kg of animal feed Rp. 3,500 was sold to farmers for Rp. 4,000. this, it doesn't take long and doesn't waste a lot of time and energy, for example, still taking care of livestock and also taking care of feed.

The Bumdes program has helped the community a lot, such as assisting in the business development program they are already running and there is also developing and capitalizing on the community to build a business from scratch. From the results of the interviews that the village head and village officials in Bumdes activities play a very important role in advancing programs implemented by the community, especially if the goal is related to a prosperous community. From some of these village-owned enterprises activities, many innovations have emerged, new activities that have created business opportunities that did not previously exist and potential from the village has begun to emerge, this is according to what the community has proposed. finally, some of the proposed activities cannot be carried out in the near future, so they are accommodated first so that they maximize existing activities, so from the institutional concept the role of the village head, village officials, BUMdes members, village youth and village communities coordinate with each other regarding matters related to village activities.

McKinsey Model Institutional Capacity Development

In Problem Based Learning (PBL) research choose the theory put forward by Mc.Kinsey and Co. as outlined in the Bumdesa Institutional Capacity Building framework. This theory divides Bumdesa institutional capacity development into four levels, a) aspirations, b) strategies, c) organizational skills, and d) systems and infrastructure. Referring to this theory and from the research that has been carried out on Bumdesa Institutional Development (Capacity Building) in Alastengah Paiton Village, Probolinggo, the results of interviews were obtained from the chairman of the Bumdes, Mr. Very and Mr. Saihu, a beef cattle breeder on 8 June 2022 to the following:

First Level (Aspirations), The management of the Bumdesa institutional development in Alastengah Paiton Probolinggo village has been determined through the Bumdes Vision, namely Realizing community welfare through developing economic businesses, animal husbandry and exploring the potential of village youth human resources, this vision makes the community able to be skilled and develop to develop village progress and reduce village unemployment through this vision of Bumdes, the village of Alastengah is currently starting to appear less unemployed than before, Bumdes before changing management to Mr. Veri as Chair of Bumdes, can still be said to be less cohesive and there are not many activities that can inspire the community like the current Bumdes management As has been implemented, programs that explore community potential, the formulation of the vision involves elements of village-owned enterprise management and socializes this vision to stakeholders, namely village heads, community leaders and the community. As for the socialization in several forms a)

socialization through YouTube media by distributing it through the Alastengah village youth WA group whenever there is information or the latest activity the community immediately knows about the activities that have been carried out in this village, b) an elaboration in the form of a time plan in one year what activities will be carried out of course, c) informed through routine sweet Friday activities where many people take part in this activity. The objectives of this village-owned enterprise are: 1) to develop village funds to become a driving force for the economic activities of the Alastengah community, 2) to encourage creative small businesses and household businesses to develop with the support of capital financing, 3) to increase the welfare of rural communities by involving the community in unit activities. BUMDes business through business cooperation, 4) Increasing Village Original Revenue (PAD) through BUMDes Business activities. In line with the vision and mission that have been set by the Village-Owned Enterprises and have been agreed upon by village stakeholders and the mission of the Village-owned Enterprises are Improving the village economy, Increasing community efforts in managing village economic potential, Increasing village community income and Village Original Income for the purpose of making the village developed and prosperous.

Second level (Strategies), Broadly speaking, Village Owned Enterprises (BUMDes) are village economic empowerment instruments with several types of empowerment according to the potential of the village according to the community's ability to explore this potential. This capacity building has the aim of improving the economy and welfare of villagers through developing economic businesses and exploring human resources in the village of Alastengah Paiton, Probolinggo. Head of Bumdes Mr. Veri said that in this case for the welfare of the community there are several stages that have been carried out by Bumdes to improve the economy in Alastengah Village, the community is given the trust by Bumdes to manage livestock with a fattening system and related to eating to fatten livestock has been specially provided which has been developed by Bumdes therefore this is the community being invited to think about how to fatten cattle with the fast panin system, finally at this time there are several cattle that have been managed by the community, many have been successful and BUMdes officers only have to sell them to markets that need them, this is interrelated between Bumdes and the community village for the sake of the progress of Alastengah village.

Mr. Saihu in an interview said that cattle farmers in Probolinggo are currently still experiencing turmoil since the occurrence of foot and mouth disease (PMK) which caused the price of cattle to become cheap and drop, usually selling for 15,000,000 – 20,000,000 at this time the selling price is not as usual and the middlemen Even cows don't want to buy because many people avoid consuming beef, therefore the health government is currently still looking for solutions to prevent and treat disease outbreaks that are attacking livestock at this time and Alhamdulillah, many cows in Alastengah village are already immune by taking herbal medicine, namely turmeric herb.

Third level (Organization Skill), In running a government organization such as Bumdes Desa Alastengah, it is necessary to form management that is properly qualified in their field so that the organization can run smoothly, there is management for the preparation of the division of labor in work units and their functions and the placement of people to occupy these functions. This is properly carried out by dividing all work or tasks by forming a number of work units or units, which collect similar work into work units. Then proceed with establishing the authority and responsibility of each followed by managing good working relations. Village-Owned Enterprises (BUMDes) in Alastengah Village have a management structure consisting of the village head as adviser, head of Bumdes, treasurer, secretary, supervisor and executor of activities in the community. This arrangement is produced in village meetings so that every administrator involved in BUMDes management understands their respective duties and responsibilities so that goals can be achieved to the maximum. the business unit which will rearrange the management plans for the main tasks in the established mass vision.

From the several years of activities that have been carried out after the change in the BUMDes organizational structure, there are several points that must be considered in implementing the organization, including : 1. The work ethic of the BUMDes

management must really be people who have high discipline to run this organization for the welfare of society 2. The coordination of Bumdes heads and stakeholders needs to be improved to establish good cooperation and run the Bumdes organization 3. Honesty is an important key in the implementation of the organization, especially the management of Bumdes, in the view of the community, Bumdes are the holders of organizational control that can prosper the village, especially in terms of funding 4. The leadership character of the Bumdes chairman to run the BUMdes organization is needed to determine goals and change in achieving the vision and mission of the Bumdes in Alastengah Paiton Village.

Fourth Level: System and Infrastructure, people are really needed who are responsible, able to protect the community and competent in carrying out the tasks and functions of daily activities within BUMDES. In this case, in choosing the person in charge of this structure, the village head as the person in charge and advisor has been carefully selected so that problems do not occur as before, namely the Bumdes exists but there is no role played in the village, there is no movement or activity from the Bumdes, so One of the strategic steps taken by the village head to increase efficiency is to streamline the organization. This downsizing does not require a lot of people but chooses people who are competent to run BUMdes with the main focus on community service.

CONCLUSION

Problem Based Learning (PBL) in the theory of Mc. Kinsey and Co. as outlined in the Bumdesa Institutional Capacity Building framework which is divided into four levels, a) aspirations, b) strategies, c) organization skills, and d) system and infrastructure. Of the four levels, in carrying out institutional capacity, good cooperation is needed from the local government, Bumdes administrators and the community for the purpose of developing a beloved village. developed village. Villages that are advanced and have good institutional management are also good where we can see when coordination between BUMDES management, village officials and village heads have one vision and mission to advance the village together.

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