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## Sustainability of Village-Owned Enterprises for Economic Development of Lombok Utara

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#### Abstract

This research aims to analyze the direct and indirect effects of managerial competency characteristics, marketing mix, social capital, and the sustainability of *Badan Usaha Milik Desa* (Village-Owned Enterprises, BUM Desa) enterprises on economic development in Lombok Utara Regency. Additionally, examines the social capital determinants that moderate the impact of managerial competency on the sustainability of BUM Desa enterprises in Lombok Utara Regency. This study employs an associative quantitative research design. This research was carried out in 43 villages within Lombok Utara Regency, with a total sample of 215 from 43 BUM Desas across these villages. The SEM-PLS method is employed for data analysis. The research findings indicate that management competency, marketing mix, social capital, and the sustainability of BUM Desa enterprises do not significantly influence the performance of village development in Lombok Utara Regency. Social capital significantly moderates the impact of managerial ability on the success of BUM Desa. The findings of this research are anticipated to enhance theoretical understanding of the mechanisms of social capital, particularly how prolonged retention greatly moderates the impact of managerial competency on the performance of BUM Desa.

Keywords: Competence, Marketing mix, Social Capital, Sustainability of BUM Desa businesses, Village Economic Development

#### Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh langsung dan tidak langsung karakteristik kompetensi manajerial, bauran pemasaran, modal sosial, dan keberlanjutan usaha BUM Desa terhadap pembangunan ekonomi di Kabupaten Lombok Utara. Selain itu, mengkaji determinan modal sosial yang memoderasi dampak kompetensi manajerial terhadap keberlanjutan usaha BUM Desa di Kabupaten Lombok Utara. Penelitian ini menggunakan desain penelitian kuantitatif asosiatif. Penelitian ini dilakukan di 43 desa di Kabupaten Lombok Utara, dengan jumlah sampel sebanyak 215 orang dari 43 BUM Desa yang tersebar di desa-desa tersebut. Metode SEM-PLS digunakan untuk analisis data. Temuan penelitian menunjukkan bahwa kompetensi manajemen, bauran pemasaran, modal sosial, dan keberlanjutan usaha BUM Desa tidak berpengaruh signifikan terhadap kinerja pembangunan desa di Kabupaten Lombok Utara. Modal sosial secara signifikan memoderasi dampak kemampuan manajerial terhadap keberhasilan BUM Desa. Temuan penelitian ini diharapkan dapat meningkatkan pemahaman teoretis tentang mekanisme modal sosial, khususnya bagaimana retensi yang berkepanjangan dapat memoderasi dampak kompetensi manajerial terhadap kinerja BUM Desa.

Kata kunci: Bauran pemasaran, Kompetensi, Keberlanjutan usaha BUM Desa, Modal Sosial, Pembangunan Ekonomi Desa

#### **INTRODUCTION**

The problem of HDI inequality levels is a problem faced by all provinces in Indonesia. As felt by West Nusa Tenggara Province. Judging from the HDI level of West Nusa Tenggara Province (NTB) by category, the HDI of NTB Province is still in the medium achievement category. NTB's HDI is ranked 29<sup>th</sup> out of 34 provinces in Indonesia. In other words, NTB's HDI is ranked sixth from the

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bottom. Even though it continues to increase every year, in 2021, the NTB HDI increased slowly from 63.83 in 2020 to 64.49 in 2021 and 69.46 in 2022. This means that there was growth in the NTB Province HDI in 2021. 2021 of 0.59 percent. This does not change the level of welfare of the people of NTB Province, as can be seen from the still low level of HDI. (Adnyana et al., 2021). It can be said that the socio-economic conditions of the population in NTB Province are relatively inadequate. This statement is supported by Human Development Index (HDI) statistics; only three regions, namely the cities of Mataram, Bima, and West Sumbawa (30%), out of a total of ten districts/cities showed HDI values above the average, while seven regions representing (70%) were below the average, with Lombok Utara Regency which recorded the lowest HDI figure in NTB Province (Wira Hendri & Taufan Iswandi, 2022). Issues related to poverty and economic disparities between various demographics and regions (rural versus urban) provide excellent opportunities for scientific discourse. Overcoming these challenges requires joint efforts involving collaboration between government agencies, local communities, and the private sector in the development of inclusive and sustainable policy frameworks (Suzanti et al., 2021).

Sustainable development, as stated by Emil Salim (2010), includes many goals: eradicating poverty, eliminating hunger, advancing public health, providing high-quality education, realizing gender equality, providing clean water and sanitation, facilitating economic growth, encouraging industrial progress, encouraging innovation, and increasing infrastructure development based on Sustainable Development in Oxygen Fuels, 2023. The Government and social environment are starting to spread awareness of the importance of sustainable development. One of the stages that need to be taken in developing a village is strengthening economic organizations (institutions). By strengthening institutional organizations, we can carry out industrial development that is highly competitive and sustainable.

To facilitate the formation of villages, the Government is actively encouraging the formation of BUM Desa as important economic entities within the village framework. As a result, BUM Desa experienced significant expansion throughout Indonesia. Based on data obtained in 2023, the number of BUM Desa will reach 50,199 in various villages in Indonesia. The existence of BUM Desa is closely related to the principles of decentralization and the grassroots development process. The main responsibility of BUM Desa is to effectively manage and optimize the use of all accessible resources in the village context. Thus, the success of BUM Desa not only contributes to local economic growth but also improves community welfare and strengthens social resilience at the village level (Rizqi Yulisa & Rahmi, 2022).

The enactment of Law Number 6 of 2014 concerning Villages and Minister of Home Affairs Regulation Number 39 of 2010 in Chapter II concerning the Establishment of BUM Desa (Permendagri, 2010) describes the legal framework for BUM Desa as collective bodies tasked with supervising the utilization of BUM Desa. Village resources to improve the welfare of its people (Rosmaida & Handayani, 2022). The institutionalization of BUM Desa can be considered an important element in village development, which aims to foster independent communities capable of managing their affairs effectively, thereby reducing dependence on village budgets allocated by the central government.

The existing situation shows that the establishment of BUM Desa is much more complex than initially thought. There are many challenges faced in this field, both technical and non-technical. In general, challenges in advancing BUM Desa are rooted in communication problems between BUM Desa, village governments, and local communities, which are exacerbated by a lack of transparency and accountability. The very rapid increase in the number of BUM Desa is not only felt by the Indonesian people. A massive increase in the number of BUM Desa also occurred in West Nusa Tenggara Province. Based on the data obtained, the number of BUM Desa in NTB Province will reach 1005 in 2023, covering every existing village. Data related to the quantity of BUM Desa can be seen in Table 1, which provides an illustration that the NTB Provincial Government continues to implement and promote the BUM Desa initiative in each district or village area, to achieve equal distribution of community welfare throughout the region.

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No.	<b>Regency/City</b>	Number of	Number of	Number of
		Districts	Villages	BUM Desas
1	Lombok Barat	10	119	119
2	Lombok Utara	5	43	43
3	Lombok Tengah	12	127	127
4	Lombok Timur	21	239	239
5	Sumbawa Barat	8	57	57
6	Sumbawa	24	157	157
7	Dompu	8	72	72
8	Bima	18	191	191
9	Mataram	6	0	0
10	Bima	5	0	0
Nusa Te	a Tenggara Barat 117 1005 100			1005

#### Table 1 Number of BUM Desas in Nusa Tenggara Barat Province as of 2024

The data presented highlights the importance of studying the existence of BUM Desa in Lombok Utara Regency. Lombok Utara Regency has the lowest HDI level among the ten districts in NTB province. The low level of HDI in Lombok Utara is not in line with its natural potential.

Lombok Utara Regency occupies a significant geographical position in the Golden Triangle area and is recognized as a major tourist destination. The maritime corridor crossing the Lombok Strait is increasingly experiencing congestion, thereby strengthening the transit of fuel oil from the Middle East and the transportation of metallic minerals from Australia to the Asia-Pacific region. Lombok Utara Regency is famous for its beautiful beaches; the ones that stand out are the famous small islands such as Gili, Gili Air, Gili Meno, and Gili Trawangan. Lombok Utara Regency shows great potential, especially in the field of agricultural food production with diverse results, including rice, corn, cassava, sweet potatoes, peanuts, and green beans. The plantation sector consists of various products, including cashew nuts, coffee, cloves, vanilla, chocolate, and coconut. The supportive natural conditions in Lombok Utara Regency are inversely proportional to the quality of life experienced by its residents. Although the region is rich in natural resources and economic potential, challenges such as infrastructure accessibility and limited education often hinder the development of local communities. Meanwhile, sustainable development efforts and infrastructure improvements are the keys to improving the quality of life of the community and optimal utilization of existing potential (Kambu et al., 2022).

Lombok Utara Regency has quite a large potential for the advancement of the BUM Desa program in each village, which aims to increase community and village income in line with village development goals. From data obtained in 5 sub-districts in 2023, 43 BUM Desa were recorded from 43 villages in Lombok Utara Regency. The performance of 43 BUM Desa in Lombok Utara Regency has not met expectations. BUM Desa institutions still face several challenges, including (1) lack of management participation, (2) ineffective internal control, (3) inadequate planning, (4) unsupportive business climate, (5) limited access to information and market, (6) substandard performance due to low technology, (7) capital constraints, and (8) low entrepreneurial spirit among employees. This problem dramatically affects the sustainability of BUM Desa and has an impact on the economic conditions in the village.

To overcome these challenges, the village government must develop a strategy for the sustainability of BUM Desa in Lombok Utara Regency. The first thing that must be considered regarding the competence of the Village BUM Management is an important consideration. In the current globalization landscape, competition between companies is increasingly fierce, and one of the important factors for success in this competitive environment is the need for quality human resources (Eva Yunita & Ade Yunita Mafruhat, 2022). According to the perspective of human capital

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theory, human capital can be understood as individuals and teams in an organization, which includes the abilities, knowledge, commitment, and personal experience of those who contribute to the company. Human capital includes all human capabilities that enable an individual to generate value for an organization and fulfill its goals (Spirin et al., 2021)

Increasing human resources through continuous training and development will greatly determine the success of BUM Desa in facing challenges and exploiting opportunities in the global market. Therefore, organizations need to be more careful in selecting human resources who have competencies that are in line with optimal performance and sustainability. Competencies include skills and behaviors used to improve performance, conditions, or quality to adequate or extraordinary standards and involve the ability to carry out certain technological roles, as stated (Sedarmayanti, 2017). Several studies, including those conducted by (Shalahuddin, 2018), (Darmaileny et al., 2022), (Adi Kurniawan SAPUTRA et al., 2021)), (Ekaningrum, 2021), (Mulang, 2023), (Prastiwi & Ningsih, 2021), (Sika et al., 2022), (Sriyono, 2020). Shows that competence has a positive effect on the performance and sustainability of BUM Desa. Although the challenges of management competency at BUM Desa in Lombok Utara Regency are important to pay attention to, there is an argument that the main focus should not only be on increasing managerial competency. Many BUM Desa already have local potential and uniqueness that can be exploited without having to rely on complicated managerial strategies (Siahaan et al., 2022). Rather than investing in ongoing training and increasing access to information, BUM Desa can be more effective by utilizing existing local resources, such as local wisdom and existing community networks. Collaboration with external parties can also be risky because it can obscure the initial goals and vision of BUM Desa. Alternatively, a simpler community-based approach may be more beneficial, where BUM Desa can focus on developing local products and marketing directly to consumers. In this way, they can adapt more quickly to changes without getting bogged down in managerial complexity that is not necessarily effective.

Apart from the competency factor, there are marketing mix factors that have an important influence on the sustainability of BUM Desa in Lombok Utara Regency. The Marketing Mix has an important role in the development of Lombok Utara. Empirical results show that there is still a shortage of products offered by each existing Village BUM. Most BUM Desa only have more than one product. Judging from the price perspective at BUM Desa, which operates in the trade sector, the prices of goods offered are not very different from the prices in nearby shops. Judging from their location, it was found that several existing BUM Desa do not have strategic locations that make it easy for customers to reach them. Judging from the promotion carried out by each existing BUM Desa, it is still very lacking, which means that most people do not understand the existence of BUM Desa, so this has an impact on the development of BUM Desa and even has an impact on the economy. Development in every village. This is in line with several studies conducted by (Yaarozatulo Harefa, 2021), (Aribowo & Sari, 2023), (Wafda & Anggraini, 2022), (Wahyu, 2019), which stated that the marketing mix influences the sustainability of BUM Desa.

There is a view that the marketing mix does not always have a significant effect on the sustainability of a business. Many other factors, such as effective management, product innovation, and adaptation to market changes, also play an important role. Additionally, in some cases, businesses that have a less-than-optimal marketing mix can still survive and thrive thanks to other competitive advantages, such as product quality or superior customer service. Therefore, even though the marketing mix is an important aspect, it cannot be guaranteed that business continuity depends entirely on it (Uripi et al., 2023).

Apart from the factors above, Social Capital support is also needed to increase the sustainability of BUM Desa and advance the village economy. In their research (Kirowati & Setia, 2018), they highlight the importance of social capital in managing BUM Desa. This includes elements such as trust, a network characterized by a sense of responsibility towards rent, which fosters close social relationships, thereby increasing cooperation, as well as norms that facilitate mutual cooperation, all of which have been effectively implemented in the management of BUM

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Desa. Lombok Utara Regency also shows strong social capital. The social capital in question is the social capital of rent-seeking groups determined by the community in Lombok Utara Regency. The existence of the people of Lombok Utara Regency is characterized by diversity, which includes various ethnicities and religions. This community, which consists of individuals from various religious backgrounds, shows a harmonious social life, and there are no recorded disputes or conflicts between its members. Lent functions as a liaison between religious communities in Lombok Utara Regency.

There are ten guiding principles for encouraging harmony in the society of Lombok Utara. (Ha et al., 2020). In this case, the term "brother" is used. This interest rate is called "brother" by residents of Lombok Utara in the eastern region. Residents of western Lombok Utara use the term "brother." convinced that they share a bond of brotherhood with each other. The people of Lombok Utara use the term "mempolong merenten" to express a sense of solidarity and respect for others (Iwan Suyadi, 2019).

Polong Renten's social capital has a significant influence on the sustainability of development initiatives and the operational effectiveness of BUM Desas in the Lombok Utara Regency. This emphasizes the importance of social capital that fosters cooperation and solidarity between groups, which is intrinsically linked to traditional policies that include integrity, adherence to commitments, interaction, communication, and collaborative efforts regardless of individual religious beliefs or background. Race or ethnic identity. This is in line with various studies conducted by (Ha et al. 2020), (Joo, 2020), (Jung, 2020), (Sudharma Santosa et al., 2020), (Alfirdausi & Riyanto, 2020), (Aritenang, 2021), (Muslikah et al., 2018), (Suranto & Hardianto, 2019), (Anwar, 2021), (Kafabih, 2019), (Chafai, 2023), and (Patacchini & Zenou, 2016). This confirms that social capital impacts all aspects of an individual's life, including the professional environment, organizations, and community involvement. This facilitates collaboration between all current BUM Desa managers to jointly foster a conducive and peaceful work and social environment so that they can improve the performance of BUM Desa, which ultimately has an impact on village development performance in Lombok Utara Regency.

However, several arguments state that social capital does not always have a positive impact on all aspects of a person's life. In some cases, strong social interactions within a community can lead to the elimination of individuals or groups who do not conform to existing social norms. Apart from that, collaboration between BUM Village managers could be ineffective if the management lacks transparency and accountability. A work environment that is considered conducive and peaceful may only benefit a few people while others feel marginalized. (Suryani & Daurrohmah, 2023). Therefore, although social capital has the potential to improve the performance of BUM Desa, it is important to remember that not all collaborations will produce the expected results, and several risks need to be watched out for in village social and economic development in Lombok. North County.

Theoretical and argumentative considerations, as well as interesting aspects from the previous explanation, encourage the desire to investigate and study the elements that influence the institutional sustainability of BUM Desa in improving the village economy in Lombok Utara Regency. This research aims to analyze the influence of management competency characteristics, marketing mix, and social capital on interest rates, which influence the sustainability of BUM Desa businesses in Lombok Utara Regency. Analyzing the influence of management competency characteristics, marketing mix, rent-seeking social capital, and sustainability of Village BUM businesses on economic development in Lombok Utara Regency. Analyzing the indirect impact of managerial competency elements and the marketing mix on the sustainability of BUM Desa businesses and their influence on economic development in Lombok Utara Regency. Analyzing the rent-seeking social capital variable moderating the impact of managerial competence on the sustainability of Village BUM businesses in Lombok Utara Regency.

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To bridge the gap in studies regarding the sustainability of BUM Desa in Lombok Utara Regency, it is important to contextualize research within the framework of existing literature. Previous research has highlighted various factors that influence the success and sustainability of community-based enterprises, including management competence, marketing strategies, and social capital. Research by (Hazzan et al., 2009) emphasizes that effective management skills are essential for the growth and sustainability of local companies. Competent management can result in better decision-making and resource allocation, which is critical to the long-term success of BUM Desa. This research aims to analyze how these competencies specifically influence the sustainability of BUM Desa in Lombok Utara. The role of the marketing mix in improving small business performance has been well documented. According to (Sofyani et al., 2019), a strategic marketing approach can significantly influence customer engagement and sales growth. This study seeks to explore how adapted marketing strategies can influence the operational sustainability of BUM Desa, thereby contributing to the local economy. By understanding local market dynamics and consumer preferences, BUM Desa can design more effective marketing initiatives to attract customers and increase loyalty. Social capital factors, especially in rural areas, have been shown to facilitate collaboration and resource sharing among community members (Handoyo, 2014). The current research will investigate how rent-seeking social capital moderates the relationship between managerial competence and the sustainability of BUM Desa. Therefore, it is important to identify the right strategy for utilizing this social capital to increase managerial effectiveness and encourage the long-term sustainability of BUM Desa. In this context, a community-based approach that involves the active participation of village residents can be the key to creating synergy between managerial competence and social capital, thereby strengthening the operational sustainability of BUM Desa (Diansari et al., 2023). Previous research has also identified the indirect influence of management competence and marketing strategy on business sustainability. For example, Lee's (2021) research found that strong managerial practices indirectly influence profitability through improving operational efficiency. This research aims to analyze these indirect impacts in the context of BUM Desa and their broader implications for economic development in Lombok Utara. By integrating insights from previous research, the current research can clearly define the interaction mechanisms of management competence, marketing strategy, and social capital to influence the sustainability of BUM Desa. This comprehensive approach not only fills existing research gaps but also provides valuable recommendations for policymakers and practitioners aimed at strengthening the economic foundations of rural communities in Lombok Utara.

#### **METHODS**

The research design used in this research is associative quantitative research. Associative research aims to determine the relationship or influence between two or more variables. A causal relationship is a relationship that is cause-and-effect in nature; the variable that influences it is called the independent variable, and the one that is influenced is the dependent variable or dependent variable. The hypothesis is tested based on the data collected, and conclusions are drawn. The analysis technique used is structural equation analysis (SEM) with the alternative Partial Least Square PLS (*component-based* SEM).

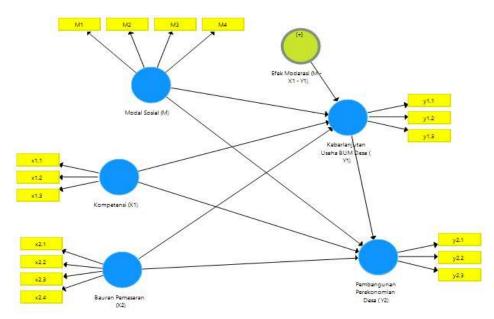
This research was conducted in Lombok Utara Regency, one of the districts in Nusa Tenggara Barat Province. The district has excellent and strategic natural and regional potential, but it does not have a human development index (HDI) or the lowest level of community welfare among the districts/cities in Nusa Tenggara Barat Province.

This research has a minimal sample size of only 43 BUM Desa. To gather information to obtain valid results regarding the sustainability of BUM Desa businesses and Village economic development, a quota for each Village/ BUM Desa is set at 5 (five) people as sample respondents. The 5 people chosen as sample respondents in each BUM Desa/Village must meet specific criteria,

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including an understanding of BUM Desa performance and village development performance. The total number of sample respondents in this study was 215 individuals.

This research involves five variables that visualized in Figure 1, namely: (1) the Competency variable, (2) the Marketing Mix variable, (3) the social capital polong renten variable and (4) the BUM Desa business sustainability variable and (5) the Village economic development variable as and endogenous variable. Of the five variables, the data type is quantitative data, namely data in the form of numbers obtained using instruments (questionnaires). The data collection method used in this research uses three methods, namely: observation method, structured interviews, and indepth interviews. The research uses two analytical techniques: descriptive analysis and inferential analysis. This analysis technique tests the direct and indirect influence between the dependent variable and the independent variable using structural equation analysis (SEM) with the Partial Least Square PLS alternative. (*component-based* SEM).



#### Figure 1. Hierarchical Component Research Model Analysis of Factors That Influence the Sustainability of Village-Owned Enterprises in Improving Village Economic Development In Lombok Utara Regency

Using the PLS technique specifies the relationship between variables, including 1) *outer model*, 2) *inner model*, 3) indirect effects, and 4) testing moderating variables. However, before using the PLS technique, the validity and reliability of the research instrument must first be tested.

#### Hypothesis

Based on the background and problem formulation above, the hypothesis formulation that can be made includes:

- 1. There is a positive and significant influence of management competency factors, marketing mix, and social capital *Polong Renten the interest rate* towards the sustainability of BUM Desa businesses in Lombok Utara Regency.
- 2. There is a positive and significant influence of management competency factors, marketing mix, social capital *Polong Renten the interest rate,* and the sustainability of BUM Desa businesses towards village economic development in Lombok Utara Regency.

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- 3. There is a positive and significant indirect influence between management competency factors, and marketing mix, through the sustainability of BUM Desa businesses on village economic development in Lombok Utara Regency.
- 4. There is social capital *polong renten the interest rate* positively moderating the influence of manager competency on the sustainability of BUM Desa businesses in Lombok Utara Regency.

#### **RESULTS AND DISCUSSION**

#### **Research Results**

#### **Structural Model Evaluation (Inner Model)**

The assessment of the structural model fit for the inner model is conducted through the GoF value (goodness of fit), which serves to evaluate the quality of the resulting model. The GoF value is quantified on a scale from 0 to 1, where a value approaching 1 signifies enhanced model performance. A GoF value greater The suitability of alternative models can be assessed through various methods, one of which is the model determination coefficient ( $R^2$ ).

### Table 2 Index *Goodness of Fit* (GoF) Note: The communality value is taken from the AVE value

Variable	Communality	R <sup>2</sup>
Management competency (x1)	0.752	
Marketing Mix (X2)	0.835	
Social Capital <i>polong renten</i> (M)	0.96	
BUM DesaBusiness Sustainability (Y1)	0.686	0.793
Village Economic Development (Y2)	0.806	0.827
Amount	4.039	1.62
Rate-rate	0.8078	0.81
Index (GoF)	0.809	

The coefficient of determination for the model is derived from the aggregation of all individual coefficients of determination (R2) present within the model. The R value2 for the sustainability variable of BUM Desa Enterprises stands at 0.793. The data indicates that 79.3 percent of the variations in the sustainability of BUM Desa businesses can be attributed to Management Competence, marketing mix, and social capital, with the remaining percentage accounted for by other variables. The coefficient of determination for the village economic development variable is 0.827. The data indicates that 82.7 percent of the variations in village economic development can be attributed to factors such as manager competence, marketing mix, social capital, Polong Renten interest rate, and the sustainability of BUM Desa businesses, with the remaining percentage accounted for by other variables.

(Hair et al. 2014) indicated that the coefficient of determination is typically considered high when it reaches 0.20 or above. In this model, the average coefficient of determination is 0.81, which exceeds the 0.20 threshold. The assessment of model fit can be conducted by calculating goodness of fit indices. The goodness of fit (GoF) index is determined by calculating the geometric mean or the square root of the mean commonality alongside the average R2 for all endogenous constructs, as specified by Tenenhaus et al. (2005). A GoF value approaching 1, with a threshold of 0.33, indicates a robust path model estimate (Akter, D'Ambra, and Ray, 2011). The GoF index for this research model is 0.809, derived from this computation:

$$GoF = \sqrt{AVE} \times R^2 = \sqrt{0.808 \times 0.81} = \sqrt{0.65448} = 0,809$$

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The structural model demonstrating the relationship among the five variables exhibits strong predictive capabilities (fit).

#### Direct Influence, Moderation, and Indirect Influence Among Variables

The examination of direct, indirect, and total influence provides insight into the relationship among research variables (latent variables). This research examines the following variables: manager competency, marketing mix, social capital Polong Renten, interest rate, sustainability of BUM Desa businesses, and village economic development.

The coefficient of all arrows with one end addresses direct influence while moderating influence serves as a variable that can either amplify or diminish the effect of an independent variable on a dependent variable. In contrast, indirect influence manifests through the involvement of one or more intermediate variables. This research identifies the social capital variable Polong interest rate (M) as a moderating factor that influences the relationship between the competency variable (x1) and the sustainability of BUM Desa businesses (Y1). This research presents four hypotheses. All hypotheses are validated according to the presentation of the coefficient test results within the inner model. The results of value analysis path coefficients, presented in Table 3, illustrate the direct influence among construct variables. The analysis of Table 4 elucidates the relationship between the variables in the following manner.

<b>Relationship Between</b>	<b>Original Sample</b>	Standard Deviation	Т	P Values	
Variables	(0)	(STDEV)	Statistics		
X1 -> Y1	0.582	0.061	9.541	0.000	
X1 -> Y2	0.709	0.066	10.780	0.000	
X2 -> Y1	0.162	0.082	1.972	0.049	
X2 -> Y2	-0.215	0.071	3.040	0.002	
M -> Y1	0.198	0.076	2.610	0.009	
M -> Y2	0.264	0.098	2.684	0.008	
Y1 -> Y2	0.425	0.074	5.728	0.000	
Moderating Effect _X2 - Y1 - > Y2	0.057	0.037	1.865	0.004	

#### **Table 3 Direct Influence Between Construct Variables**

Table 4 Mark Indirect Effects (indirect influence)						
Relationship Between Variables	Mediation Variables	Original Sample (O)	Standard Deviation (STDEV)	T Statistics	P Values	SAY
X1 -> Y2	Y1	0.247	0.049	5.057	0.000	Significant
X2->Y2	Y1	0.069	0.040	1.740	0.083	Not Significant

- 1. The First Hypothesis (H1) posits that Manager Competence, marketing mix, and social capital positively influence the sustainability of BUM Desa enterprises in Lombok Utara Regency. This hypothesis pertains to the outcomes of the three route coefficient analyses about the performance of BUM Desa. The calculation results indicate that the path coefficients for Management Competence (b = 0.582; p = 0.000), marketing mix (b = 0.162; p = 0.005), and social capital polong renten (b = 0.198; p = 0.000) demonstrate a significant positive influence of manager competency, marketing mix, and social capital polong renten on the sustainability of BUM Desa enterprises. This indicates that hypothesis H1 is conclusively validated.
- 2. The second hypothesis (H2) posits that managerial competency, marketing mix, social capital, and the sustainability of BUM Desa enterprises positively influence economic development in

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Lombok Utara Regency. This hypothesis pertains to the outcomes of the four route coefficient analyses regarding village development performance. The calculation results indicate the path coefficients for Manager Competence (b = 0.709; p = 0.000), marketing mix (b = -0.215; p = 0.002), Social Capital Polong Renten (b = 264; p = 0.008), and the sustainability of BUM Desa businesses (b = 0.425; p = 0.000). These findings suggest that, collectively, the independent variables—management competence, marketing mix, Social Capital Polong Renten, and the sustainability of BUM Desa's business—exert a significant positive influence on village economic development. However, the marketing mix variable exhibits a significant negative influence, which affects the overall impact. This indicates that hypothesis H2 is not conclusively validated.

- 3. The third hypothesis (H3) posits that the sustainability of BUM Desa enterprises mediates the impact of managerial competency and marketing mix on economic development in Lombok Utara Regency. This hypothesis pertains to the findings of assessments about the indirect influence of managerial competence and marketing mix on rural economic growth via the sustainability of BUM Desa enterprises. The calculation findings indicate that the indirect influence coefficient is derived from manager competency (b = 0.247; p = 0.000) and marketing mix (b = 0.069; p = 0.083). The results indicate that the BUM Desa business sustainability variable effectively mediates the impact of managerial competency on village economic development. It has been unable to moderate the impact of the marketing mix on rural economic development. The findings of this test indicate that H3 has not been conclusively validated.
- 4. Hypothesis four (H4) posits that the social capital polong renten variable (M), positively moderates the effect of the management competency variable (X1) on the sustainability of BUM Desa businesses (Y1). The results indicate a path coefficient of 0.057 and a p-value of 0.004, which is considered significant as it is less than 0.05. The social capital polong renten variable greatly enhance the impact of the manager competency variable (X1) on the sustainability of BUM Desa enterprises (Y1). Social capital significantly influences the relationship between managerial competency and the sustainability of BUM Desa enterprises. This indicates that H4 is conclusively established.

#### DISCUSSION

### The influence of manager competency, marketing mix, and social capital *polong renten* to Sustainability of BUM DesaBusinesses in Lombok Utara Regency

### The influence of management competence on the sustainability of BUM Desa businesses in Lombok Utara Regency

BUM Desa will run optimally because the monitoring and mentoring functions can run rhythmically. However, this cannot be achieved if the BUM Desa itself does not have superior and professional human resource capabilities in managing the Village BUM. It must also start with superior Human Resources managers to have superior BUM Desa. The research found that manager competency influences the sustainability of BUM Desa businesses in Lombok Utara Regency. The higher the role of management competence, the higher the sustainability of BUM Desa businesses in Lombok Utara Regency. The competency of BUM Desa managers in Lombok Utara Regency is based on innovation, proactiveness, and ability to solve problems. Innovation and proactiveness are work behaviors that create, introduce, and implement new ideas or thoughts within the BUM Desa organization aimed at the community. If the innovation possessed by good managers impacts the continuity of the managed BUM Desa, the community will quickly understand its existence. Another thing demonstrated by BUM Desa managers' competence is their proactive attitude.

As a BUM Desa Manager, you do not just have to sit back and work through orders from your superiors. As a BUM Desa manager, you must actively look at existing opportunities. How can we create new opportunities as material for creating new products that, in the future, can meet the

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living needs of the existing community? Suppose the proactive attitude shown by the BUM Desa management is good. In that case, it will have an impact on the sustainability of the BUM Desa business with the quality of the services provided getting better, the quality of the products offered to the community more profitable, and some ideas can be given to the community to be used as a basis for creating a business. New.

According to (Rassanjani et al., 2021) in their Journal "Innovation Strategy and Entrepreneurial Creativity in the Era of Revolution 4.0", there are several stages that reflect an entrepreneur's proactive and innovative ability. This stage includes the ability to start a business (*start-up*), the ability to do something new (creative), the ability and willingness to look for opportunities (*opportunity*), the ability and courage to bear risks (risk-bearing) and the ability to develop ideas and manage existing resources. At least with this innovation, an entrepreneur is able to (1) Implement new processes or techniques (*the new technique*), (2) Produce new products or services (*the new product or new service*), (3) Generate new added value (*the new value-added*), (4) Starting a new market-oriented business, and (5) Developing a new organization (*the new organization*).

The competence of BUM Desa managers in Lombok Utara Regency is actually visible, although not yet optimal overall. The ability to develop new ideas and find new perspectives when looking at problems and opportunities has been felt so that the quality of service and product quality offered can at least meet the needs of the surrounding community, such as the formation of BUM Desa Mart, which was an idea from the existing managers so that BUM Desa Mart was formed in Anyar Village, Bayan District, Winner Barat Village, Winner District, Gondang Village, Gangga District, and Sokong Village, Tanjung District, in the Gili Trawangan tourist attraction. BUM Desa Mart is a modern retail company owned by the village, not an individual, and what is sold is a variety of MSME products, as well as agricultural and industrial commodity products. Therefore, BUM Desa Mart is designed to keep shops, kiosks, and stalls alive.

Other forms of innovation and proactivity can be seen from BUM Desa managers such as BUM Desa collaborating with PT Pertamina to form the Anyar village Petshop, BUM Desa participating in market management, village clean water management (PAMDes), management of tourist villages in several sub-districts, and product management non-timber forest (NTFP) with products in the form of coffee, clove cocoa and vanilla. This was confirmed by the results of the interview with Mr. Saharman, who stated that.

In line with the competency theory put forward, Wibowo (2016) in (Christine et al., 2021) states that competence is the ability to carry out a job or task based on skills and knowledge supported by the work attitude required by the job. BUM Desa is an institution established by the village government to improve the village economy. It is one of the programs launched by the government for village development. Therefore, adequate human resources are needed in its management in order to achieve good sustainability for BUM Desabusiness. This can be interpreted as management competence that can be said to have an influence on the sustainability of BUM Desa businesses. The better the management competence of the Village BUM, the better the goals, vision, and mission of the BUM Desacan will be achieved, which will have an impact on the sustainability of the Village BUM's business.

This is supported by several studies conducted by (Soetrisno & Gilang, 2018), and (Dwiyanti et al., 2020) stated that competence influences business performance. This means that the better management competence a company has, the better the company's performance will be.

### The influence of the marketing mix on the sustainability of BUM Desa businesses in Lombok Utara Regency

The research results show that the influence of the marketing mix on the sustainability of BUM Desa businesses has a coefficient in positive direction. The higher the marketing mix, the better the sustainability of BUM Desa businesses in Lombok Utara Regency. Marketing strategy is a

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component that is feasible, appropriate, and consistently carried out by a company to achieve its long-term target market and short-term company goals in certain competitive conditions. The marketing mix is a set of marketing instruments used by a company to continuously achieve its marketing objectives in the target market, which is divided into 4 (four) components such as price, promotion, place, and product Kotler and Armstrong, (2012) ((Suryaningsih & Kartika, 2019).

Looking at the reality in the field, the marketing mix strategy has begun to be implemented in several BUM Desa in Lombok Utara Regency. Like the BUM Desa in Anyar Village, Bayan District, Juara Barat Village, Juara District, Gondang Village, Gangga District, and Sokong Village, Tanjung District, it has been seen that they have implemented their marketing mix well. Starting from the products they offer most of the products they offer are of great interest to the local community. We know that products have a significant role in a business. A good product will have an impact on consumers' interest in buying or using the product, which directly affects the income level and continuity of BUM Desa. This matter was confirmed from several interviews with the community as consumers of BUM Desa.

In line with the theory of Kotler and Armstrong (2012) (Suryaningsih & Kartika, 2019), whose theory states that marketing strategy is very important to implement in a business, the purpose of which is to achieve the company's goals of seeking market share in society. This means that if the marketing mix goes well, it will affect the condition of business income, especially BUM Desa, to increase, which indirectly also influences the sustainability of BUM Desa's business to become better. This is in line with several studies conducted by (Sudarti & Wardhiani, 2021), (Yaarozatulo Harefa, 2021), ((Aribowo & Sari, 2023), (Wafda & Anggraini, 2022), and (Wahyu et al., 2019) which state that the marketing mix has an influence on the sustainability of a business.

### Influence of Social capital *Polong Renten* on the Sustainability of BUM Desa businesses in Lombok Utara Regency

As an institution, BUM Desa functions as a social institution as well as a commercial institution. As a social institution, all final results produced through BUM Desa are aimed at the interests of the community through their contribution in providing various social needs and services. Meanwhile, as a commercial institution, BUM Desa is profit-oriented through a mechanism for managing village potential as an exchangeable resource.

The research results found that social capital *polong renten* on the sustainability of BUM Desa businesses has a coefficient in a positive direction. Social capital *polong renten* has a significant positive effect on the sustainability of BUM Desa businesses. The better the social capital *polong renten*, the better the sustainability of BUM Desa businesses in Lombok Utara Regency.

Social capital *polong renten* The management of BUM Desain Lombok Utara Regency includes four elements, namely trust, togetherness, social networks, and norms and sanctions. Networks are facilities that can support the creation of trust and strengthen a particular community or group through forms of communication or community interaction (Aji Ratna Kusuma, Muhammad Ali Adriansyah, 2013). Collaboration Social capital *polong renten* in the form of a network at BUM Desa in Lombok Utara Regency is one of the social capital that is very important in developing existing BUM Desa. So, before forming a new BUM Desa, the first thing to do is build a network.

A network built in the system *polong renten* this could be said to be very strong. The principles that exist in this network are based on a powerful family basis. There are no differences between one group and another; they feel one, and there is a sense of shared destiny so that a strong determination exists within them to build and revive Lombok Utara Regency. So it can be seen that building a network system, whether in the formation of a new BUM Desa or cooperation between one BUM Desa and another, looks very good. For example, BUM Desa Polah Palih Polos, Bentek Village, is one of the new BUM Desa that was inaugurated in 2021. In its formation, it was not just about forming without considering what had to be prepared. The Bentek village head and his staff made a comparison with BUM Desa, which had previously developed. By making this comparison,

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ideas emerge regarding what products will be made at BUM Desa Bentek, how to manage BUM Desa properly and correctly so that continuity can be maintained, and what needs to be prepared. The network component provides benefits to the development of BUM Desa Polah Palih Polos in the form of obtaining important information for the development of BUM Desa to make it better.

Apart from the network, there is a social capital system *polong renten*, in Lombok Utara, which is based on a sense of trust or confidence. It can be seen in daily activities that occur in community life or in the management of BUM Desa. The sense of mutual trust between the BUM Desa management and the community is quite well established. The next foundation in the social capital system *polong renten*, is the existence of the norm. Norms in social capital systems *joint pods* have a very important role. Norms can be interpreted as rules or regulations. In managing BUM Desa, rules must be made by the BUM Desa leadership, which must be agreed upon by all BUM Desa managers.

This is no less important in the kinship system *polong renten* is a strong principle of togetherness that is embedded in every community in Lombok Utara. The power of philosophy *Polong renten Interest* embedded in the dynamics of Lombok Utara community life. Anyone who lives, is born, and grows up, with any religious background and belief is a brother. The strength of fraternity strengthens the interwoven togetherness that is able to remove barriers in everyday relationships.

This is in line with the views of Coleman's 1988 social capital theory (Hauberer, 2011), which states three forms of social capital, namely: (1) Liability structure (*obligations*), expectations, and beliefs. In this context, the form of social capital depends on two key elements: the trustworthiness of the social environment and the actual extent of fulfilled obligations (*obligation held*). This perspective shows that individuals who live in social structures with high levels of mutual trust have better social capital than the opposite situation, (2) Information networks (*information channels*). Information is very important as a basis for action, but it must be realized that information is expensive and not free. Of course, individuals who have a wider network will find it easier (and cheaper) to obtain information, so it can be said that their social capital is high, and vice versa, and (3) effective norms and sanctions (*norms and effective sanctions*). Norms in a community that support individuals in achieving achievement (*achievement*) can be classified as a very important form of social capital. Another example is norms that apply strongly and effectively in a community that can influence young people and has the potential to educate the young generation to make the most of their time.

These findings are in line with the conclusions made by several previous researchers such as (Kirowati & Setia, 2018), (MAretha, 2015), and (Suryosumunar et al., 2023) who both stated that social capital has an influence positive impact on business performance. Without strong social capital in a company, it is believed to have a negative impact on the company. So, social capital has a strong influence on improving a company's performance.

# Influence of Manager Competence, marketing mix, social capital *polong renten*, and the sustainability of BUM Desa businesses towards village economic development in Lombok Utara Regency

#### The influence of competency on village economic development in Lombok Utara Regency

The research results show that manager competence has a positive coefficient on village economic development. Manager competency has a significant positive effect on village development performance. The role of Manager Competence can improve village economic development in Lombok Utara Regency.

In order to improve the village's economic development, adequate competence is needed from both village officials and the community. Every village in Lombok Utara Regency has sufficient human resource competence. Look at the competence of the existing village government, such as

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the village head, village secretary, BPD, and some of the community already have an education level equivalent to a bachelor's degree. Even though the existing data shows that the level of public education in Lombok Utara Regency is dominated by high school education, at least the Government program proclaiming 12 years of education has been implemented. An adequate level of education can at least increase the competency of human resources. Apart from education, it was found that in improving the competency of existing human resources, village, and regional governments always provide training and counseling regarding increasing competency, such as training on MSMEs, BUM Desa management, and entrepreneurship.

Overcoming village development problems in Lombok Utara Regency requires competent people. Human resources or village officials are needed to overcome the issues that occur in every village in Lombok Utara Regency, such as the problem of lack of employment opportunities, high unemployment rates, health, decent housing, and problems of improving the village economy. Here we need human resources who have good innovation. With good innovation, at least they can find ideas that can overcome existing problems, such as ideas for providing MSME and entrepreneurship training to the community.

In line with the views of the competency, theory put forward, Wibowo (2016) in (Adawiyah, 2018) states that competence is the ability to carry out or carry out a job or task that is based on skills and knowledge and is supported by the work attitude required by the job. To achieve the desired village's economic development, adequate managers are needed. The management figures here are the village head, village secretary, village staff, and village community, who at least have adequate knowledge and skills. Without competence, village development will not proceed as expected. Competence is the most important center of development in every village in Lombok Utara Regency.

From the presentation of the findings above, it can be concluded that HR competency has a positive influence on village economic development in Lombok Utara Regency. HR competency, which refers to being innovative, proactive, and solving problems, has a positive impact on village economic development, which can be seen in increasing employment opportunities, developing village infrastructure, reducing inequality, and creating a peaceful and prosperous environment. This is supported by the results of research conducted by (Nurjaya et al., 2021), which states that competence and the internal control system influence the accountability of village fund management. The same results from research conducted by (Fikri et al., 2022) noted that the high competency of village officials can come from the level of education pursued by village officials. Apart from that, competencies are also formed through training held by the regional and central governments to train village officials in managing village funds. Through this effort, the competence of village officials will increase and influence the accountability of village fund management.

### The influence of the marketing mix on village economic development in Lombok Utara Regency

The research results show that the marketing mix for village economic development has a negative coefficient. This means that implementing a marketing strategy in the form of a marketing mix does not have a significant influence on the development of village economic development. Especially in Lombok Utara Regency, it was found that the government, in this case, the regional Government and the village government, regarding the marketing mix strategy, were not used as a Government strategy to improve the village economy to achieve a prosperous society. The Government tends to prioritize improving infrastructure, facilities, and several forms of business that are used to overcome problems that occur in people's lives.

In this case, the marketing mix strategy has an indirect influence on the village's economic development in Lombok Utara Regency. It is said indirectly because the marketing mix strategy is a strategy used by business actors to gain market share of the products they sell. In particular, BUM Desa in several villages in Lombok Utara Regency are still active today, one of which is the impact of a marketing mix strategy that is implemented correctly. BUM Desa managers always try to

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develop products to attract consumers. Always carry out market research, choose the right marketing channels, and determine appropriate promotional strategies. In this way, the existence of BUM Desa in several villages in Lombok Utara Regency continues to exist today and the level of income generated has increased, which has an impact on the existing economic turmoil which will also increase.

### The Effect of Social Capital *polong renten* towards village economic development in Lombok Utara Regency

The research results show that the influence of social capital *polong renten* on village economic development has a coefficient in a positive direction. Social capital *polong renten* has a significant positive effect on village economic development. The stronger social capital *polong renten* in community life, the better the village economic development will be felt by the community in Lombok Utara Regency.

Lombok Utara Regency has strong social capital until now, the social capital in question is networks *polong renten* implemented by the community in Lombok Utara Regency. Life The society of Lombok Utara Regency is very diverse, consisting of various tribes and religions. Even though the community consists of adherents of various religions, in social life, the community appears to be harmonious, and there has never been any dispute or conflict between religious believers. *Pods are pretty* as a bond of kinship between religious communities in Lombok Utara Regency.

The polong renten rate is a unifying medium between religious communities in Lombok Utara Regency and functions as a spirit for carrying out community activities involving interfaith community components. *Polon the interest* functions as a guide for the community in behaving, respecting each other between people, implementing a life of mutual cooperation, and helping each other in the lives of the people in Lombok Utara Regency. Mempolong merenten is the motto of harmony among the people of Lombok Utara. These two words both mean "brothers". *The interest rate* is the word "brother" used by the people of Lombok Utara in the eastern part. Meanwhile *pod* is the word "brother" used by the people of western Lombok Utara. People strongly believe that they all have a brotherly relationship with each other. Mempolong merenten is a vocabulary used by the people of Lombok Utara to express respect and brotherhood towards other people (iwan suyadi, 2019).

Social capital *polong renten* is social capital that refers more to togetherness based on a sense of brotherhood, trust, networks, and the norms of life of the people of Lombok Utara. This will open up the possibility of resolving complex problems more easily. With mutual trust, tolerance, and cooperation, they can build togetherness both within their community groups and with other community groups. This can be seen in the daily lives of the people and the diversity of renten pods in the well-knit daily lives of Lombok Utara residents. In fact, the existence of kepatihan mepolong merenten values has become a strong kinship that integrates and solidifies the peaceful reasoning of people of different religions (SARA).

In line with the views of Coleman's Social Capital theory in 1988 (Hauberer, 2011), social capital is a resource inherent in social relationships. Individuals involved in social relationships can use these social resources for personal and group interests.

The results of this research are in line with research conducted by Haridison (2013) in (Fathy, 2019) which states (1) Social capital can increase individual awareness of the many opportunities that can be developed for the benefit of society, for example the ability to solve the complexity of various problems together, encouraging rapid change in society. , foster collective awareness to improve the quality of life and look for opportunities that can be utilized for prosperity. (2) In economic development, social capital has a very high influence on the development and progress of various economic sectors. Another research conducted by

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(Setyobakti, 2017) stated that based on network dimensions, Donowarih Village already has network potential with related agencies, although it is not yet optimal.

### The influence of the sustainability of BUM Desa businesses on village economic development in Lombok Utara Regency

The research results show that the influence of the sustainability of BUM Desabusinesses on village economic development has a coefficient in a positive direction. The sustainability of BUM Desa businesses has a significant positive effect on village development performance. This means that the better the sustainability of BUM Desa businesses, the better the village economic development will be felt by the community in Lombok Utara Regency.

The progress of the village economy is an achievement that the village wants to achieve in improving the quality of life of its people by meeting basic needs, providing facilities and infrastructure and developing the local economy by utilizing the resources it has. To achieve this, appropriate planning and strategies are needed that prioritize good cooperation between the government and society.

The development carried out by the Government is essentially aimed at building independence, including rural development. One of the Government's missions is to develop rural areas which can be achieved through community empowerment. The development targets are to increase the productivity and diversity of businesses in rural areas, the availability of facilities and facilities to support the rural economy, build and strengthen institutions that support the production and marketing chain, and optimize resources as the basis for rural economic growth.

The essence of all village economic development is to provide opportunities for regional and rural capabilities and independence as the backbone of the regional and national economy. Seeing this, the government is implementing a new approach which is expected to be able to stimulate and move the wheels of the economy in rural areas, namely through the establishment of economic institutions that are fully managed by village communities, namely Village-Owned Enterprises (Bum Desa), as one of the mainstay programs in increasing village economic independence.

Seeing this, Lombok Utara Regency has great potential to develop the BUM Desa program in every existing village. The existence of Law No. 6 of 2014 concerning Villages provides a legal umbrella for BUM Desa as economic actors who manage village potential collectively to improve the welfare of village residents. Looking at the existence of BUM Desa in Lombok Utara, the number of BUM Desa in 2018 continues to increase from 2018 to only 33 BUM Desa, and until now in 2023 the number of BUM Desa has increased to 43 BUM Desa. This shows that BUM Desa in Lombok Utara has begun to be accepted by its people. The benefits of having a BUM Desa have been felt by the local community. Through the quality of products, the quality of services provided, and their impact on the village economy, the community begins to understand the role and function of BUM Desa. Even though it is not optimal, at least the existence of BUM Desa can improve and change the economy and life of existing village communities.

Apart from that, the form of BUM Desa benefits that can be seen as BUM Desa being formed can increase employment opportunities and job opportunities for people who are not yet working. The results of this research are in line with research conducted by (Paramita, 2021), (Zahruddin et al., 2023), and (Kerap et al., 2021) stated that the existence of BUMDes is able to provide benefits to the Kepil community in general, Beran Village and Ropoh Village in particular, in terms of welfare and increasing community income. This can be proven based on the programs and performance of BUMDes, which help improve village development for the better.

The sustainability of BUM Desa businesses mediates the influence of management competency and marketing mix on village economic development in Lombok Utara Regency

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### The sustainability of the BUM Desa business mediates the influence of management competence toward village economic development in Lombok Utara Regency

The research results show that the indirect influence of Manager Competence on village economic development through the sustainability of BUM Desabusinesses has proven to be significant. The contribution of this high indirect influence is interpreted to mean that good village economic development is an effect of the sustainability of BUM Desabusinesses, which is caused by good managerial competence.

Problem Human resources are still the focus of BUM Desa and villages in Lombok Utara Regency to remain able to survive in the era of globalization. Even though it is supported by excessive facilities infrastructure and resources, without the support of reliable human resources, BUM Desa activities will not be completed properly. For this reason, in achieving organizational goals, adequate human resource competence is needed to encourage the performance of BUM Desa. Adequate management competence will enable the completion of the work well according to the time and targets set in the work program.

Looking at the competence of BUM Desa managers in Lombok Utara, it can be said to be quite adequate. Even though it cannot be said to be professional in managing BUM Desa, at least there is a willingness to increase professionalism through training organized by the government. Through this training, managers gain additional knowledge regarding the actual management of BUM Desa.

The competency of BUM Desa managers in Lombok Utara Regency is based on three components, including innovation, proactiveness, and problem-solving. Innovation and proactiveness are the creation, introduction, and implementation of new ideas or ideas within the BUM Desa organization that are aimed at the community. The innovation shown by the managers is quite good; there are changes that occur which are shown to have an impact on the continuity of the BUM Desa that is managed, and the community quickly understands the existence of the BUM Desa. Another thing that is demonstrated by the competence of BUM Desa managers is their proactive attitude.

Proactivity is the ability of BUM Desa managers to look ahead by involving the introduction of new products/services to anticipate changes in demand in the future. The proactive attitude of the management has been demonstrated in every BUM Desa in Lombok Utara Regency. As a BUM Desa Manager, you don't just have to sit back and work through orders from your superiors.

As a BUM Desa manager, you must actively look at existing opportunities. How can we create new opportunities as material for creating new products that, in the future, can meet the living needs of the existing community? If the proactive attitude shown by the BUM Desa management is good, it will have an impact on the sustainability of the BUM Desa business with the quality of the services provided getting better, the quality of the products offered to the community more profitable, and there are ideas that can be given to the community to be used as a basis for creating a business. New.

The ability to develop new ideas and find new views when looking at problems and opportunities has been felt so that the quality of service and product quality offered can at least meet the needs of the surrounding community, such as the formation of BUM Desa Mart, which was the idea of the existing managers. Other forms of innovation and proactivity can be seen from BUM Desa managers such as BUM Desa collaborating with PT Pertamina to form the Anyar village Petshop, BUM Desa participating in market management, village clean water management (PAMDes), management of tourist villages in several sub-districts, and product management non-timber forest (NTFP) with products in the form of coffee, clove cocoa and vanilla.

From the above, it can be concluded that management competency has an influence on the sustainability of BUM Desa businesses and directly impacts village economic development in Lombok Utara Regency. This finding is in accordance with the results of research conducted by (Setyobakti, 2017), which states that the competence possessed by village officials is good for

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carrying out service and development tasks within the village scope based on knowledge, skills, and work attitudes so that previously set goals can be achieved. The results of this research show that competence has a positive and significant influence on organizational performance both in managing BUM Desa and in village services and development. The results of this research are strengthened by the opinions of several experts in theoretical studies that officials will improve their performance if they have high competence, have high interest in work, and are confident that their goals will be achieved. The next research was conducted by (Lestari et al., 2023). shows that the competence of managers is a determinant of performance variables. This can be interpreted to mean that the performance of Village-Owned Enterprises is largely influenced by the competence of the managers, and the managers in BUM Desa are mostly village officials, so they indirectly influence village development.

### The sustainability of BUM Desa businesses mediates the influence of the marketing mix on village economic development in Lombok Utara Regency

The results of the research show that the indirect influence of the marketing mix on village economic development through the sustainability of BUM Desa businesses has proven to be insignificant. The contribution of this indirect influence is interpreted to mean that good village economic development in Lombok Utara Regency is an effect of the sustainability of BUM Desa businesses, which is not solely caused by a good marketing mix. In theory, a good marketing mix will be able to increase the sustainability of BUM Desabusinesses in Lombok Utara Regency and be able to have an impact on increasing village economic development felt by the community.

However, in this case, it was found that the indirect influence of the marketing mix on economic development through the sustainability of BUM Desa businesses was very low. This is due to the fact that several BUM Desa, according to the survey results, have experienced a slight decline in terms of income, which is due to several factors, one of which is the entry of modern retail, which can increase competitiveness in business development in Lombok Utara district. The presence of modern retail in the Lombok Utara region hurts businesses run by the community. Previously, from 2018-2021, modern retailers were not allowed to open businesses in the Lombok Utara area. The government's goal is to ensure that businesses run by local communities can run and develop. The indirect marketing mix strategy through the sustainability of BUM Desa businesses on village economic development in Lombok Utara Regency has an insignificant positive effect. It is not because the marketing mix strategy implemented is wrong, but the unbalanced competition between modern retail and community businesses that use very strong management systems and marketing mix strategies that are already working very well has a negative impact on community businesses and even the sustainability of BUM Desa in Lombok district. North. Moreover, indirectly, it has an impact on the village's economic development, which is not going according to expectations.

### The Role of Social Capital *polong renten rate* moderating the Influence of manager competency on the sustainability of BUM Desa Businesses in Lombok Utara Regency.

The statistical analysis results show that management competence has a significant positive influence on the sustainability of BUM Desa's business. The direct influence of social capital *polong renten* on the sustainability of BUM Desa businesses is significantly positive. Moreover, the direct influence of the moderating effect of social capital *polong renten* with competency towards the sustainability of BUM Desa's business is significantly positive. This shows that the role of social capital *polong renten* in moderating the influence of competence on the sustainability of BUM Desa businesses is very strong. In line with the reality found in the field that, social capital *polong renten* is a guide to life for the people of Lombok Utara. *polong renten rate* which means brotherhood, is

not only found in the social life of existing communities but is also found in the world of work in an organization and in the lives of its people.

Philosophy *Polong Interest* manifested in the dynamics of the lives of the people of Lombok Utara. Anyone who lives, is born, and grows up, with any religious background or belief, is a brother. The strength of this brotherhood has proven to be able to remove the barriers of community life in everyday social interactions. Social status has recognized the well-connected diversity of renten pods in the daily lives of Lombok Utara residents. The existence of the kepatihan mepolong merenten values is a strong combination of togetherness and kinship that prioritizes tolerance to integrate and consolidate the peaceful reasoning of citizens with different beliefs.

Social capital is a series of resources inherent in social relationships between social actors that can be expressed as valuable assets and are able to guarantee profits for social actors, both individuals and organizations (Ha et al., 2020). This is in line with Coleman's views on social capital theory in 1988 (Hauberer, 2011), which states three forms of social capital: (1) Liability structure (*obligations*), expectations, and beliefs. In this context, the form of social capital depends on two key elements: the trustworthiness of the social environment and the actual extent of fulfilled obligations (*obligation held*). In this case, kinship *polong renten* is a positive, educative, and transparent communication tool, without mistrusting or justifying each other. This is applied at various levels of community life to the management of Village BUM. The attitude shown by managers through competence can develop products and product quality, which has an impact on improving the village economy and improving the sustainability of BUM Desa businesses.

These findings are in line with research conducted by (Suryosumunar et al., 2023) stated that the results of the moderation test show that social capital is appropriate to use as a moderating variable, which plays a moderating role in the relationship between empowerment and employee performance. (Darma, 2016), The results of the analysis show that capital and labor have a positive and significant influence, and social capital plays a very important role in moderating the influence of capital and labor on farmer productivity in Sukawati District. (Anwar, 2021) research results show that locus of control and self-efficacy have a positive and significant effect on the performance of agricultural instructors. Then, social capital as a moderating variable can strengthen the influence *of locus of control* and *self-efficacy* on the performance of agricultural instructors.

#### CONCLUSION

Based on the results of the research and discussion previously described, it can be concluded that, Superior managerial competence, effective marketing mix strategies, and the strength polong renten social capital are proven to be the main foundations for the success of BUMDes business sustainability in Lombok Utara Regency. The three form an important synergy to support the competitiveness and resilience of the village economy. The sustainability of BUMDes businesses has not fully answered the challenges of village economic development. Even though BUMDes show significant potential, challenges in maximizing the role of the strategic marketing and management mix still hinder the acceleration of Village economic development. BUMDes business sustainability has been proven to mediate the influence of management competence on an entire Village's economic development, emphasizing the importance of quality human resources. However, the marketing mix has not been able to show optimal results in influencing Village economic development through the sustainability of BUMDes. Polong Renten social capital as a local social network provides significant moderating power, especially in the relationship between management competence and business sustainability. This underlines that social capital is one of the unique strengths of Lombok Utara Regency in maintaining the continuity of BUMDes businesses and strengthening the sense of community togetherness and collaboration.

The novelty that can be discovered is the influence of local wisdom polong renten in the lives of the people of Lombok Utara, it has a very important role. The research results show that local wisdom polong renten can have a positive influence in improving the performance of BUM Desa

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and village development performance in Lombok Utara. Therefore, we can suggest that all components of the society in Lombok Utara maintain the social traditions that were built long ago by parents as a way of life for the people in Lombok Utara. This emphasizes the importance of togetherness based on strong brotherhood. There are no different flavors from one to another. Therefore, polong renten can bind ties of brotherhood between one community and another even though they have differences in race, religion, and ethnicity.

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