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**Abstract**

Village-Owned organisations (BUMDes) are one of the efforts to expand the village economy. BUMDes are set up on the basis of the wishes and capability of the village as an attempt to enhance the welfare of the network community. Therefore, it is very important in an effort to make sure the achievement of BUMDes with the intention to gain superior overall performance. This look at goals to decide the impact of leadership style and entrepreneurial orientation on the performance of BUMDes in Bengkalis Regency. Facts became accrued the usage of a questionnaire dispensed to the BUMDes director, BUMDes secretary or treasurer and BUMDes supervisors. Data was amassed with the aid of distributing questionnaires given to 303 respondents, however most effective 261 (86.14%) of respondents filled out the questionnaire completely and can be processed. The analytical device used is multiple linear regression analysis the usage of SPSS version 23. This observe uses quantitative statistics. The supply of data used in this study is primary statistics and data series is carried out directly using a questionnaire that is measured using a Likert scale. The outcomes of this examine suggest that the variables of management style, and entrepreneurial orientation have an effect at the overall performance of BUMDes.

**Keywords:** Leadership Style; Entrepreneurial Orientation; BUMDes Performance

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## 1. Introduction

One of the national improvement desires is to build the economy thru rural regions. that is a part of the 9 nawacita that have been set by President Joko Widodo. via President Joko Widodo’s NAWACITA he is committed to building Indonesia from the outer edge a good way to boom the development of villages in Indonesia, which can be nonetheless within the underdeveloped category. As inside the case in Bengkalis Regency, in which BUMDes in Bengkalis Regency are still not able to increase numerous business gadgets, and the supervision of present BUMDes is still now not absolutely powerful. This proves that the overall performance of BUMDes in Bengkalis Regency nonetheless has shortcomings and needs to make improvements, in particular within the leadership style and entrepreneurial orientation of BUMDes that are still susceptible and useless.

Just like the corruption case, several performances of BUMDes in Bengkalis Regency were unable to develop their enterprise gadgets due to village price range constraints. The BUMDes in Bengakalis Regency, which was previously a UED-SP program, best managed savings and mortgage services, inside the implementation of this financial savings and mortgage commercial
enterprise also has diverse types of boundaries along with the variety of folks who are caught of their payments.

In step with law no. eleven of 2020 Village-Owned firms (BUMDes) are felony entities set up by using villages and/or collectively with villages to control companies, utilize property, expand investment and productivity, provide services, and/or offer different forms of companies for an quantity of -the significance of the welfare of the village community. In its management, BUMDes have cooperative, participatory, transparent and responsible ideas in order that village communities can independently control their capability. financial establishments engaged in social activities together with BUMDes also can stimulate the network and village authorities in enhancing their financial system. growing the network's financial system thru Village Owned enterprises (BUMDes) can be achieved if the control is finished professionally (Ridwan, 2014).

As one of the economic establishments running in rural regions, village-owned businesses BUMDes should be special from economic establishments in fashionable. BUMDes, that's a priority software, is one of the village monetary institutions that is completely managed via the community.

In step with Adisamita (2014) explains that the gear used to discover approximately the monetary development of a location are as follows: (1) The growth in PAD (Village original income) in which the status quo of BUMDes can boom PAD, which later the benefits may be felt with the aid of the village community itself via service improvements and infrastructure improvements according with the cultural and social conditions of the village, (2) usage of village capability wherein the village authorities and network shape BUMDes based totally on village potential. The ability of the village itself is the capability of human sources (HR) and natural assets (SDA), (3) Ease of get admission to in society in which humans can have convenience in meeting their each day needs, along with getting smooth access in carrying out financial, social and cultural activities, (4) modifications within the economic structure where the status quo of BUMDes will boom funding so that it will form financial growth in rural areas, (5) job possibilities are created in which activity possibilities will develop so that you can lessen unemployment thru all enterprise sectors.

The Regency of Bengaklis has applied the coverage of Village Owned establishments (BUMDes) in nearby law No. 18 of 2007 regarding BUMDes. on this regional regulation it is explained that the Village Owned company (BUMDes) is a village commercial enterprise group managed with the aid of the community and the village authorities itself which has the targets of (1) can earn income to bolster village original income (PAD), (2) can increase and promote the village economy, (3) can enhance the welfare of the village community, (4) offer and be capable of meet the desires of the community and (5) can improve the control of current property within the village.

Thousands of BUMDes in Indonesia are stalled and underperforming, even though the village fund price range continues to boom every 12 months. This became conveyed by President Jokowi in chairing a limited meeting concerning the distribution of village funds. From these problems, there are 2.188 BUMDes now not running and 1.670 BUMDes working however have not contributed to village earnings. In order that BUMDes should be revitalized as an economic motive force within the village in order that governance is higher, responsible and transparent.

As in the case in Bengkalis Regency, wherein BUMDes in Bengkalis Regency are nevertheless not able to broaden various commercial enterprise units, and the supervision of existing BUMDes continues to be not absolutely effective. This proves that the performance of BUMDes in Bengkalis Regency nevertheless has shortcomings and desires to make improvements, especially within the management style and entrepreneurial orientation of BUMDes which might be nonetheless vulnerable and useless.

Just like the corruption case, several performances of BUMDes in Bengkalis Regency had been not able to broaden their enterprise gadgets due to village price range constraints. The BUMDes in Bengkalis Regency, which become previously a UED-SP program, simplest
controlled financial savings and loan offerings. within the implementation of this savings and mortgage commercial enterprise additionally has numerous varieties of limitations consisting of the wide variety of those who are stuck in their payments.

There are several elements that affect the overall performance of village-owned firms (BUMDes), including leadership fashion. management style in step with Rivai (2014) states that leadership fashion is a set of characteristics utilized by leaders to steer subordinates in order that organizational desires are done.

Then the performance of BUMDes can also be motivated via entrepreneurial orientation elements. Entrepreneurial orientation in line with Lumpkind & Dess (1996), entrepreneurial orientation is the orientation of companies which have principles in an effort to identify and make the most opportunities. In a dynamic surroundings, entrepreneurial orientation is surely very essential for the survival of an organisation.

Similarly, the entrepreneurial orientation variable has been studied at the performance of BUMDes by means of Jiwa (2019). The results of his research said that there was a fantastic and good sized affect of entrepreneurial orientation on the performance of BUMDes in Buleleng Regency, in order that this studies turns into my reference in engaging in research once more within the BUMDes of Bengkalis Regency by means of including a new variable, specifically leadership style. because within the research on management style variables there are inconsistent consequences. So this is the incentive of the author to behavior a have a look at entitled the affect of leadership style and entrepreneurial orientation at the performance of village-owned firms (BUMDes) in Bengkalis Regency.

Based totally at the above heritage, the method of the studies trouble is as follows: (1) Does leadership style have an effect on the overall performance of village-owned establishments (BUMDes)?, (2) Does entrepreneurial orientation have an effect on the performance of village-owned enterprises (BUMDes)? The objectives of this studies are: (1) test and examine the affect of leadership style on the performance of village-owned organisations (BUMDes), (2) test and analyze the impact of entrepreneurial orientation on the performance of village-owned organizations (BUMDes).

2. Research Method

Path Goal Theory

Path Goal Theory is a theory or about leadership that was coined by Martin Evans in 1970 which was later developed by Robert House in 1970 and then revised in 1996. Path Goal Theory is best described as a process of leaders choosing a certain leadership style based on their needs, workers and the work environment, so that leaders can bring workers towards the expected goals (Northhouse, 2013). The essence of this theory is that BUMDes managers are obliged to carry out and be responsible for their duties, provide information, and other resources needed by village communities so that they can achieve the performance goals of BUMDes. Good and effective BUMDes managers in this theory can show the way and eliminate various risks that exist in order to achieve the performance objectives of BUMDes.

The Influence of Leadership Style on BUMDes Performance

Leadership as part of the activities of a manager that can influence the behavior of individuals and groups towards the expected results. Organizational leaders can deal with a number of different entities. Each entity has a number of needs that must be met.

The leader is an aspirational force, a spirit power, and a creative moral force and is able to influence members to change attitudes in accordance with the leader's expectations. The success of a BUMDes performance is very dependent on the quality of leadership contained in a BUMDes concerned.

Previous research has used a lot of leadership style as an independent variable associated with the performance of BUMDes. As in Furqon and Qudbi's (2018) research on the Influence of Leadership Style on Community Performance at the BUMDes of Rombasan Sumenep. The results
of the study stated that the leadership style variable had an effect on community performance at BUMDES in Rombasan Village, Sumenep. This means that the leadership style has a function for BUMDes managers to be able to improve their work and produce good performance. Based on this framework, the following hypotheses can be found:

H1: Leadership Style has an effect on BUMDes Performance.

The Effect of Entrepreneurship Orientation on BUMDes Performance

Entrepreneurial orientation can be determined based on 3 dimensions, namely: innovative, risk-taking and proactive. Entrepreneurship orientation is a creative, innovative ability that is used as the basis, tips, and resources to find opportunities for success. Innovativeness refers to an attitude of managing BUMDes to be creatively involved in the process of experimenting with new ideas that allow generating new production methods so as to produce new products and services in BUMDes.

As in Permana's research (2020) on the business performance of BUMDes in Bekasi Regency, it is influenced by Entrepreneurship Orientation, Entrepreneurial Digital Technology and Business Motivation. The results showed that entrepreneurial orientation had an effect. Thus, if a BUMDes manager applies an entrepreneurial orientation, it will affect the performance of the BUMDes through the entrepreneurial orientation dimension. Based on this framework, the following hypotheses can be found:

H2: Entrepreneurship Orientation has an effect on the performance of BUMDes.

This study uses the dependent variable, namely the performance of BUMDes and the independent variable, namely the leadership style and entrepreneurial orientation in Bengkalis Regency. This study aims to examine the effect of leadership style and entrepreneurial orientation on the performance of BUMDes. The population in this study was 136 BUMDes in Bengkalis Regency. The sampling technique used the slovin formula. The sample in this study was 101 BUMDes in Bengkalis Regency. Sources of data used in this study is primary data. The primary data collection technique in this study was using a questionnaire. The questionnaire contains data statements that must be filled out by respondents using a Likert scale. The data analysis model used is multiple linear regression analysis. With the following formula:

\[ Y = a + b_1 X_1 + b_2 X_2 + e \]

Information:

\( Y \) = BUMDes Performance
\( a \) = Constant
\( b_1,2 \) = Regression Coefficient
\( X_1 \) = Leadership Style
\( X_2 \) = Entrepreneurship Orientation
\( e \) = Disturbance Error

Operational Definition and Measurement of Variables

This study uses the dependent variable, namely the performance of BUMDes and the independent variables, namely leadership style and entrepreneurial orientation. In BUMDes Performance (Y), performance is a description of the level of achievement, implementation of an activity or program or policy in realizing the goals, objectives, mission, and vision of the organization contained in the strategic planning of an organization (Judge et al, 2016). The performance of BUMDes in this study was examined using the Qomariyah et al (2018) instrument which consisted of 14 question items. The measurement scale used is a 5-point Likert scale. Leadership Style (X1) Leadership style is behavioral patterns applied by a leader in working with other people as perceived by people (Kartono, 2016). The leadership style in this study was examined using the Kartono’s instrument (2016) which consisted of 6 question items. The measurement scale used is a 5-point Likert scale. Innovative Entrepreneurship Orientation (X2) refers to an entrepreneurial attitude to be creatively involved in the process of experimenting with
new ideas that allow generating new production methods so as to produce new products or services, both for current markets and new markets (Sinarasri, 2013). The entrepreneurial orientation in this study was examined using the Pramesti & Giantari (2016) instrument which consisted of 7 question items. The measurement scale used is a 5-point Likert scale. Overview of Research Objects This research was conducted at BUMDes in Bengkalis Regency which consists of 101 BUMDes. A total of 303 questionnaires were distributed and the number of returned questionnaires was 261.

3. Results and Discussions

Descriptive Statistics Test

Used to provide an overview or description of a data seen from the minimum, maximum, mean, and standard deviation on the variables of leadership style, entrepreneurial orientation, and BUMDes performance which can be seen in the following table:

<table>
<thead>
<tr>
<th>Table 1. Descriptive Statistics of Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>BUMDes Performance</td>
</tr>
<tr>
<td>Leadership Style</td>
</tr>
<tr>
<td>Entrepreneurship Orientation</td>
</tr>
</tbody>
</table>

Valid N (listwise) 261

Source: SPSS 23 Output Data, 2021

Data Quality

Test Validity Test

In this study, the validity test was carried out using Pearson correlation analysis through the SPSS application. Validity test is done by looking at r table. The value of r table is searched for significant 0.05 with a two-sided test and the amount of data (n) = 261, then the r table is 0.1215. Based on the results of the validity test using SPSS, all questions in the study were declared valid. This can be seen from the calculated r value of all variable indicators is greater than r table.

Reliability Test

<table>
<thead>
<tr>
<th>Table 2. Reliability Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
</tr>
<tr>
<td>BUMDes Performance</td>
</tr>
<tr>
<td>Leadership Style</td>
</tr>
<tr>
<td>Entrepreneurial Orientation</td>
</tr>
</tbody>
</table>

Source: SPSS 23 Output Data, 2021

In testing the reliability using the SPSS program cronbach alpha coefficient. A question can be said to be reliable if the alpha value is greater than 0.60. Based on the results of the reliability test, it can be justified that the overall statements used to measure the variables analyzed in this study were declared reliable. This can be seen from the Cronbach alpha value of all the variables studied that are greater than 0.60.
Classic Assumption Test Results
Data Normality Test Results

![Normal PP Plot](image)

Figure 1. Normal PP Plot

The data normality test is used to test whether the regression model used in the study has a normal distribution or not. The following is a picture of a normal pp plot graph. From the picture above, it can be seen that the points spread around and follow the diagonal line. This shows that the data is normally distributed.

The Multicollinearity Test Results

Multicollinearity test was used to test whether the regression model found a correlation between the independent variables. Multicollinearity test was carried out by looking at the tolerance value and VIF using SPSS. Based on the table below, all tolerance values are above or more > than 0.1 and the VIF value is below or < 0.10. So it can be concluded that the regression model used is free from multicollinearity.

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.612</td>
</tr>
<tr>
<td>Leadership Style</td>
<td>.612</td>
</tr>
<tr>
<td>Entrepreneurial Orientation</td>
<td>.612</td>
</tr>
</tbody>
</table>

a. Dependent Variable: BUMDes Performance

Source: SPSS 23 Output Data, 2021

Heteroscedasticity Test Results

![Scatterplot](image)

Figure 2. Heteroscedasticity Test Results
Heteroscedasticity test is used to test whether in the regression model there is an inequality of variance from the residual of one observation to another observation. The heteroscedasticity test can be seen in the resulting scatter plot pattern. Based on the picture from the heteroscedasticity test, it can be seen that the points spread randomly and do not form a certain pattern, it can be concluded that the regression modal in this study is free from heteroscedasticity.

**Multiple Linear Regression Analysis Test Results**

Multiple linear regression analysis is used to determine how much influence the independent variable has on the dependent variable namely leadership style and entrepreneurial orientation to the dependent variable, namely the performance of BUMDes.

Based on the calculation results, the multiple linear regression equation is obtained:

\[ Y = 43,164 + 0,571X + 1,091X + e \]

The regression equation above can be explained as follows:

1. The constant value = 43,164 indicates that if the variable (X) is 0 (zero) then (Y) is worth 43,164
2. The value of the variable regression coefficient (X1) is 0.571 and is positive. This means that every one unit increase in the variable (X1) with the assumption that the other variables are fixed, it will increase the variable (Y) by 0.571.
3. The value of the variable regression coefficient (X2) is 1.091 and is positive. This means that every one unit increase in the variable (X2) assuming the other variables are fixed, it will increase the variable (Y) by 1.091.

The data processing in this study is shown in the following table:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>43.164</td>
</tr>
<tr>
<td>Leadership Style</td>
<td>.571</td>
<td>.111</td>
</tr>
<tr>
<td>Entrepreneurship Orientation</td>
<td>1.091</td>
<td>.100</td>
</tr>
</tbody>
</table>

a. Dependent Variable: BUMDes Performance

Source: SPSS 23 Output Data, 2021

**Coefficient of Determination**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.760²</td>
<td>.578</td>
<td>.575</td>
<td>4.86530</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Entrepreneurship Orientation, Leadership Style

b. Dependent Variable: BUMDes Performance

Source: SPSS 23 Output Data, 2021

The table above is the calculation of the coefficient of determination, the coefficient of determination is used to find out how much influence the independent variable has on the dependent variable. The table shows that the presentation of the influence of the independent variable on the dependent variable is 57.5% while the rest is influenced or explained by other variables not observed in this research model.
Hypothesis Testing Result

To partially test the hypothesis, the t test is used. The t-test aims to determine the effect of each independent variable individually on the dependent variable. This study uses the help of SPSS version 23.

Hypothesis Test (t test), the hypothesis is accepted, then t count > t table. The formula t table, 
\[ t \text{ table} = \frac{n - k}{\sqrt{2 \cdot \frac{0.05}{2}}} \]
\[ = \frac{261 - 2}{0.05/2} \]
\[ = 259 : 0.025 \]
\[ = 1.9692 \text{ (at t-table)} \]

description:
n: the amount of data
k : number of independent variables

Hypothetical decisions that can be concluded:
1. The significance value of leadership style is 0.000 <0.05 with t count of 5.160 > t table 1.9692. Thus, the formulated hypothesis 1 is accepted with the results that leadership style has a significant effect on the performance of BUMDes.
2. The significance value of entrepreneurial orientation is 0.000 <0.05 with t count of 10.928 > t table 1.9692. Thus, the formulated hypothesis 2 is accepted with the result that entrepreneurial orientation has a significant effect on the performance of BUMDes.

First Hypothesis Testing

The results of the influence of government leadership style on the performance of BUMDes have a of 0.571 which is indicated by a positive sign with a significance level of 0.000 which is below or less than the value of = 0.05, which means accepting the first hypothesis. The results of these tests can be concluded that the first hypothesis (H21 in this study is accepted that leadership style has a significant effect on the performance of BUMDes. Performance in an organization is carried out by all human resources in the organization, both from the leadership and employees. Each worker has the ability based on the knowledge and skills, competencies that are in accordance with the worker. As for one of the leader's efforts to improve the performance of their employees, it can be done by knowing there are deficiencies in performance, where the leader can identify problems through data and information collected regarding the results of their performance on the given task, identify problems with decreasing performance through other employees, and leaders must be able to identify personal problems experienced by employees that cause a decrease in their performance so that further action is needed regarding what things cause the decrease in performance.

Leadership style is a thing in an organization. Leadership style is an act of behavior from organizational leaders to be implemented and applied in the interaction of leaders with their subordinates as the main supporting factor in a leadership. This is if the BUMDes managers who work have the possibility of using this leadership style as their motivation or support in their work, so that this will have an impact on the performance of the organization. This is also in line with what was conveyed by Fahmi (2012), that leadership style can be an attitude in influencing others to do tasks according to planned orders. So that the better the leadership applied by someone in leading the BUMDes, it will significantly affect the performance of the BUMDes. These results are in line with research conducted by Furqon and Qudbi (2018) that leadership style has a function for BUMDes managers to be able to improve their work and produce good performance.

Second Hypothesis Testing

The results of the influence of entrepreneurial orientation on the performance of BUMDes have a of 1.091 which is indicated by a positive sign with a significance level of 0.000 which is below or less than the value of = 0.05, which means that the second hypothesis is accepted. The results of these tests can be concluded that the second hypothesis (H2) in this study is accepted
that entrepreneurial orientation has a significant effect on the performance of BUMDes. In this study, entrepreneurial orientation uses three indicators in its measurement, namely innovation, being proactive and daring in taking risks. The results of the hypothesis test show that entrepreneurial orientation has a positive and significant effect on the performance of BUMDes. This means that the better the entrepreneurial orientation of BUMDes in Siak Regency, such as innovative behavior, proactive behavior and risk taking, the better the performance of BUMDes will be. With a stronger entrepreneurial orientation, it will help BUMDes in creating new ideas, opening up opportunities by utilizing the village's potential to penetrate the market and conduct experiments even though it is risky, so that in the end it can become a market leader by implementing long-term strategies and goals.

This finding illustrates that BUMDes is important in implementing entrepreneurial orientation as the basis for carrying out BUMDes activities. Through this process, BUMDes will be proven to be able to respond to environmental changes through the application of a good entrepreneurial orientation so that they can survive. The results of this study are in line with Permana’s research (2020), entrepreneurial orientation significantly affects the performance of BUMDes. This study found that entrepreneurial orientation is the key to organizational success and profitability achievement. Companies that adopt an entrepreneurial orientation will have better performance than those that do not. Entrepreneurial orientation is very important for improving the company's performance and competitive advantage. Companies must innovate to meet the needs of potential customers, engage in new exploration, support new ideas, test and simulate creatively. So that the entrepreneurial orientation is one of the important internal factors in managing the entrepreneurial resources that the company already has in order to be able to gain a competitive advantage.

4. Conclusions

This study aims to determine the effect of leadership style and entrepreneurial orientation on the performance of BUMDes in Bengkalis Regency. Based on the results of this study, In accordance with the formulation of the problem and hypothesis, this study is useful for testing the effect of leadership style and entrepreneurial orientation on the performance of BUMDes in Bengkalis Regency. Based on the results of testing the data from respondents' answers to the inclusion in the questionnaire which was distributed to 303 respondents from 101 BUMDes in Bengkalis Regency, several conclusions were obtained as follows: (1) Leadership style affects the performance of BUMDes in Bengkalis Regency. The results of this study indicate that the leadership style of BUMDes in Bengkalis Regency can affect the performance of BUMDes. (2) Entrepreneurial orientation affects the performance of BUMDes in Bengkalis Regency. The results of this study indicate that the entrepreneurial orientation of BUMDes in Bengkalis Regency can affect the performance of BUMDes.

Results limitations Several limitations in this study are: (1) The object of research in this study only uses BUMDes in Bengkalis Regency, so researchers have not been able to provide an unclear picture of the performance of BUMDes, (2) The limitations of respondents in answering questionnaire statements as well as the Covid-19 pandemic and Government policies with the PPKM have caused this study not to conduct interviews directly with respondents. Therefore, the answers given by respondents cannot describe the actual situation, (3) In this study, researchers only used two independent variables, namely leadership style and entrepreneurial orientation on one dependent variable, namely the performance of BUMDes, (4) This study did not use moderating or intervening variables, suggestions: (3) In future research, researchers are expected to conduct research on a wider scope and add research populations and samples, (2) Further research is expected to be able to develop further research by adding other variables that can affect the performance of BUMDes, such as governance, information systems, etc, (3) Further research can use analytical methods other than questionnaires, such as direct interviews or other
observations on the performance of BUMDes to be able to provide more accurate answers,
(4) Further researchers can develop research on the performance of BUMDes by using moderating
variables and intervening variables.

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