



Non-Financial KPIs: The Relationship Between BUMDes Personnel Performance and Financial KPIs

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Abstract. *This research aims to examine the influence of BUMDes personnel performance on financial KPIs, with non-financial KPIs serving as a mediator. The sample for this research consists of BUMDes in Bengkulu Province, with a total of 60 observations. The data used is primary data collected through questionnaires. The independent variable is BUMDes personnel performance, which is measured using four indicators: work quality, quantity of work, timeliness of work, and work effectiveness. The mediating variable is the non-financial KPI, measured by three indicators: customer satisfaction metrics, the ratio of repeat customers to new customers, and market share. The dependent variable in this research is the financial KPI, which is measured using three indicators: Gross Profit Margin, Net Profit Margin, and Current Assets. The results prove that: (1) BUMDes personnel performance has a positive and significant effect on financial KPIs; (2) BUMDes personnel performance has a positive and significant effect on non-financial KPIs; (3) financial KPIs have a positive and significant effect on financial KPIs; and (4) non-financial KPIs fully mediate the influence of BUMDes personnel performance on financial KPIs. The findings of this research strengthen stewardship theory and the balanced scorecard approach. Therefore, it is hoped that the follow-up to the results of this research will provide important insights for BUMDes managers in Bengkulu Province in designing strategies to improve organizational performance.*

Keywords BUMDes Personnel Performance, Non-Financial KPIs, Financial KPIs

1. INTRODUCTION

The Village-Owned Enterprises (BUMDes) is a strategic initiative launched by the Indonesian government to promote economic growth at the village level. As an economic institution owned and managed by the village community, BUMDes aims to optimize the utilization of local resources and enhance the welfare of the community. According to the Regulation of the Minister of Village, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia No. 4 of 2015, BUMDes is expected to serve as a driving force for the village economy by providing services and products that meet the needs of the community (Kemen Desa, 2015). BUMDes not only focuses on financial gains but also needs to pay attention to social impact and the quality of services provided. This highlights the importance of measuring BUMDes performance through non-financial indicators, which will ultimately affect their financial performance. BUMDes that neglect non-financial aspects may face challenges in retaining customers and creating long-term value.

BUMDes was born as a new approach to improving the village economy based on the needs and potential of the village, in accordance with policies issued by the government. However, these policies require oversight and evaluation by the appropriate authorities to ensure that both the outputs and outcomes are achieved optimally. There is a need for

encouragement to enhance creativity and innovation to develop superior and economically valuable village potentials. If BUMDes in the villages cannot be maximized, it will lead to the failure of village independence, resulting in continued dependence on government assistance (Alfianto, 2019). The Stewardship Theory describes a condition in which managers are motivated by the primary outcomes aligned with the interests of the organization rather than their personal interests (Donaldson & Davis, 1991). This condition is based on a strong service-oriented attitude fostered by the steward. A service-oriented attitude replaces personal interests with a commitment to serving as the foundation for the ownership and exercise of power. This theory aims to convey the concept that a leader should prioritize the common good over personal interests, as it is founded on trust and professionalism (Keay, 2017).

Non-financial performance refers to various aspects that are indirectly related to financial figures, such as customer satisfaction, service quality, and product innovation. According to Kumar & Gupta (2022), non-financial performance plays a crucial role in enhancing customer satisfaction, which is a key factor in the long-term success of an organization. Satisfied customers tend to be loyal, provide positive reviews, and recommend services to others, thereby increasing BUMDes revenue. In the context of BUMDes, customer satisfaction can be measured through surveys and feedback collected from the community members using the services. Additionally, good service quality can strengthen the reputation of BUMDes in the eyes of the community. Tsotsou & Goldsmith (2021) argue that a strong reputation contributes to increased public trust, which ultimately leads to a rise in the number of customers and sales. This positive reputation is particularly important in the village context, where relationships among residents and community trust play significant roles. On the other hand, innovation in products and services is essential to meet the ever-changing needs of the community. BUMDes that can adapt and innovate will be better prepared to face competition and challenges in the market. Thus, enhancing non-financial performance is not merely an option but an urgent necessity for BUMDes to survive and thrive.

Although many studies have identified the importance of non-financial performance in supporting financial performance across various sectors, there are still several gaps that need to be addressed, particularly in the context of Village-Owned Enterprises (BUMDes). First, most existing studies tend to focus more on large companies or other commercial sectors, while BUMDes, as a unique economic entity in villages, has its own characteristics and challenges that have not been fully researched (Hassan & Nand, 2022). Second, while

the relationship between non-financial performance and financial performance has been demonstrated in several studies, few have explored the role of Non-Financial KPIs as mediators in the context of BUMDes. This opens up opportunities for a deeper analysis of how non-financial aspects can affect financial outcomes both directly and indirectly (Kumar & Gupta, 2022).

Furthermore, each village has different social and economic contexts that can influence BUMDes performance. However, existing research often fails to consider specific local factors, resulting in findings that may not be generalizable to all BUMDes in Indonesia (Tsiotsou & Goldsmith, 2021). Additionally, many previous studies tend to focus on only one type of KPI, whether financial or non-financial, without integrating both perspectives. This research aims to fill the gap by examining how these two types of KPIs interact and contribute to the success of BUMDes. Finally, although innovation and service quality are often recognized as important factors in non-financial performance, there has been limited research measuring the specific impact of these two factors on the financial performance of BUMDes. By identifying this research gap, this study seeks to make a significant contribution to the literature on BUMDes and its performance, while providing practical recommendations for the management of BUMDes in Bengkulu.

Village independence is established through an approach and commitment to carrying out the tasks assigned to village managers (Permana, 2020). The list of BUMDes that have achieved an A rating is presented in Table 1. below:

Tabel 1. BUMDes Peringkat A

No	Nama BUMDes	Kabupaten
1	Maju Bersama	Bengkulu Tengah
2	Harapan Maju	Kepahiang
3	Kuto Aur Jaya Mandiri	Kepahiang
4	Bogor Berkarya	Kepahiang
5	Suka Sari	Kepahiang
6	Mandiri	Kepahiang
7	Giri Arta	Kepahiang
8	Karya Tanjung	Muko Muko
9	Karya Usaha	Muko Muko
10	Berkah	Muko Muko
11	Urip Jaya	Rejang Lebong
12	Sari Tani	Rejang Lebong
13	Al – Ikhtisah	Seluma
14	Kemuning Raya Mandiri	Seluma
15	Sinar Baru	Seluma
16	Manfaat	Seluma
17	Bahari Sejahtera	Seluma

18	Sinar Jaya	Seluma
19	Rukun Makmur	Seluma
20	Andalas	Seluma

Source: DPMD Bengkulu Province, 2022

Table 1 shows that A-level BUMDes is predominantly represented by Seluma Regency, which has 8 BUMDes compared to other regencies. Agunggunanto et al. (2016) highlight the challenges faced in developing BUMDes, including limited human resources, a restricted range of businesses, and low community participation in BUMDes initiatives. Rural communities often lack an entrepreneurial mindset. The managers of BUMDes still hold dual roles as independent entrepreneurs and BUMDes managers. Additionally, rural residents perceive BUMDes funds as a source of loans without the obligation to repay, viewing them as government grants.

2. LITERATURE REVIEW

Stewardship Theory

Stewardship Theory is a concept that posits that managers act as stewards or representatives of the owners in managing organizational resources. This theory emphasizes the importance of managers' responsibilities to protect and enhance the value of the organization by acting in the interests of the owners. It describes a condition where managers are not motivated by individual goals and personal interests but are instead focused on primary outcomes and the interests of the owners or stakeholders (Davis & Donaldson, 1991). Stewardship Theory assumes a strong relationship between the success of an entity and the satisfaction of those who own that entity. Stewards will safeguard and optimize the owner's wealth by managing the entity's resources effectively and efficiently. This theory also assumes a close link between satisfaction and organizational success (Sudaryo et al., 2017).

The Influence of BUMDes Personnel Performance on Financial KPIs

Stewardship Theory reveals that stewards will behave in accordance with mutual interests. When the interests of the steward do not align with those of the owner, the steward is more likely to choose collaboration over confrontation, as they perceive shared interests and act according to the owner's behaviors as a rational consideration, focusing on efforts to achieve organizational goals (Kumar & Sivaramakrishnan, 2008). The personnel performance of BUMDes can serve as an indicator for assessing the success of financial Key Performance Indicators (KPIs) essential for the sustainability of enterprises that benefit

the village community. Haholongan et al. (2022) state that the contribution of company performance can enhance KPIs by managing and aligning employee performance, which serves as a solution to provide information on the extent of success in achieving predetermined work targets, identifying and monitoring success metrics, and demonstrating clear, specific, and measurable performance indicators. This aligns with research by Iveta (2012), which indicates that enhanced performance can lead to the effective implementation of KPIs, encouraging employees to fulfill their assigned tasks and responsibilities. The personnel performance of BUMDes can also yield additional effects, such as increased motivation and discipline among employees, which are crucial for improving financial KPIs. Research by Wicaksono & Sari (2010) shows that the personnel performance of BUMDes can assist managers in achieving organizational goals by implementing financial KPIs. Referring to the theory and empirical evidence from previous studies, the hypothesis of this research is:

H1: The personnel performance of BUMDes has an impact on financial KPIs.

The Influence of BUMDes Personnel Performance on Non-Financial KPIs

Stewardship Theory states that success in achieving organizational goals relies on the establishment of effective cooperation between both parties to create prosperity for the village community through efforts that have been and will be undertaken for mutual benefit (Kumar & Sivaramakrishnan, 2008). Non-financial KPIs are performance measurement systems that can enhance the personnel performance of BUMDes.

Bayhaqi (2020) found that company performance can improve non-financial KPIs, which aligns with research conducted by Fahrudin (2020), indicating that organizational performance can enhance KPIs measured using the balanced scorecard method. Research by Rahardja et al. (2012) demonstrates that the implementation of strategic management systems, such as KPI-based Balanced Scorecards, can serve as a performance measurement system that continuously monitors the success of strategy implementation in educational institutions, providing a comprehensive and balanced assessment of resource performance. This approach prioritizes quality over quantity, allowing for clear insights into the institution's performance at all times. Based on this discussion, this research develops the following hypothesis:

H2: The personnel performance of BUMDes has an impact on non-financial KPIs.

The Influence of Non-Financial KPIs on Financial KPIs

Stewardship Theory states that there is a collaborative relationship between BUMDes personnel and the community to achieve organizational goals without personal interests,

using rational considerations for the success of the efforts undertaken (Kumar & Sivaramakrishnan, 2008). Non-financial Key Performance Indicators (KPIs) can serve as indicators of the success of financial KPIs based on the efforts made by BUMDes personnel that benefit community welfare. Research indicates that non-financial KPIs positively impact financial KPIs through the balanced scorecard (BSC) approach. Sari et al. (2019) found that improvements in service quality and customer satisfaction (non-financial KPIs) lead to increased revenue and profitability (financial KPIs) in BUMDes. This finding is consistent with the study conducted by Aji et al. (2020), which showed that enhanced employee engagement and satisfaction as non-financial KPIs positively affect financial performance. BUMDes can identify the relationship between employee engagement and financial outcomes, such as productivity and service quality, indicating that high job satisfaction reduces turnover and recruitment costs, contributing to profitability. Astiti (2018) found that non-financial KPIs can enhance financial KPIs, aligning with research by Rahardja et al. (2012), which indicated that the performance of an organization in relation to individual performance is not an easy process; thus, systematic approaches are required for effective management. Furthermore, research by Kusumanto & Lubis (2018) utilized comparative KPI calculations based on time and competitors, identifying several areas meeting KPI value standards: efficiency in raw material usage, optimization of raw material costs, training numbers, new cake variations, addition of production equipment, skilled human resources, and production timeliness. Based on the theory and empirical evidence from previous studies, the hypothesis of this research is:

H3: Non-Financial KPIs have an impact on Financial KPIs.

Influence of Personal Performance in BUMDes on Financial KPI Mediated by Non-Financial KPI

The stewardship theory reveals that stewards feel a shared interest and behave in accordance with the owner's behavior, which is a rational consideration because stewards focus on efforts to achieve organizational goals (Kumar & Sivaramakrishnan, 2008). Non-financial KPIs play a role in enhancing financial KPIs and the personal performance of BUMDes. Research by Rahardja et al. (2012) shows that KPIs moderate the effect of performance on the utility of Enterprise Resource Planning (ERP). Fahrudin (2020) demonstrates that organizational performance can improve KPIs measured using the balanced scorecard method. This aligns with Aditya's (2019) research, which indicates that the implementation of strategic management systems like KPI-based balanced scorecards can serve as a performance measurement system that continuously monitors the success of

strategy implementation in an organization. Based on this discussion, the study develops the following hypothesis:

H4: Personal performance in BUMDes has an effect on financial KPIs, mediated by non-financial KPIs.

Conceptual Frame Work

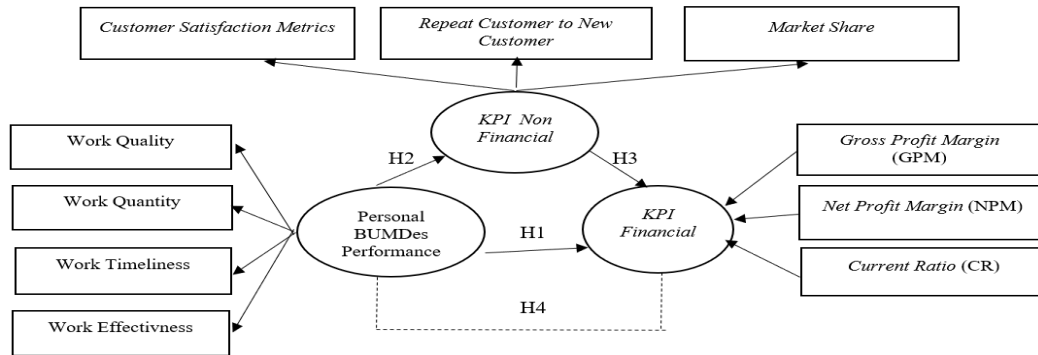


Figure 1. Conceptual Frame Work

3. METHODS

Type of Research

This research design is descriptive quantitative in nature, employing an associative research method aimed at understanding the relationships between two or more variables. The results of this study can be used to build a theory that functions to explain, predict, and control a phenomenon (Anshori & Iswati, 2017).

Data Sources

This study employs a survey method using questionnaires as the data collection tool. The data collected through the distribution of the questionnaires includes information on key financial performance, key non-financial performance, and personal performance of BUMDes.

Population and Sample

The population refers to the generalization area consisting of subjects that possess specific qualities and characteristics defined by the researcher for study, from which conclusions are drawn (Anshori & Iswati, 2017). In this study, the population consists of BUMDes in Bengkulu Province, totaling 1,158 BUMDes. A sample is a subset of the population that possesses specific characteristics (Anshori & Iswati, 2017). In this study, sampling was conducted using purposive sampling, which involves selecting samples based on specific criteria. The sample consists of 20 Level A BUMDes, with respondents including the Directors, Secretaries, and Treasurers, totaling 60 respondents.

Data Analysis Techniques

The data analysis technique used in this research employs quantitative analysis, with path analysis as the analytical tool. This study utilizes WarpPLS version 7.0 for data processing. The analysis stages consist of the outer model (used for evaluating the measurement of reflective indicators) and the inner model (used for structural model evaluation) (Ghozali & Latan, 2014). The outer model comprises three types of evaluations. The validity test is based on the correlation between the component scores and the outer loading factor. An outer loading factor greater than 0.70 for each indicator is considered valid (Hair et al., 2014). Solimun and Ratmono (2013) explain that if the outer loading factor is less than 0.40, the indicator will be removed. However, if the outer loading factor is between 0.40 and 0.70, consideration is needed to decide whether to retain the model. Indicators with loading factors between 0.40 and 0.70 may be removed if their removal leads to an increase in average variance extracted (AVE) and composite reliability (CR) that exceeds the predetermined thresholds. The threshold values are AVE = 0.50 and CR = 0.70 (Ghozali & Latan, 2014; Hair et al., 2014). After measuring the outer model, the inner model is assessed to test the relationships between variables using R². Results of 0.70, 0.45, and 0.25 indicate strong, moderate, and weak relationships, respectively (Ghozali & Latan, 2014). The hypothesis testing design is structured based on the research objectives, which aim to determine the separate effects of the independent variables. The confidence level is set at $\alpha = 5\%$ (0.05), such that: If the p-value is greater than α (0.05), then H₀ is accepted and H_a is rejected. If the p-value is less than α (0.05), then H₀ is rejected and H_a is accepted. The tests used are: 1) Direct effect test, which compares the evaluation model's p-value with the significance level or R². When the p-value obtained from PLS is greater than the significance level, a significant effect is indicated; conversely, if it is lower, there is no significant effect. 2) Indirect effect test, which estimates the indirect impacts collectively through a triangular approach in PLS SEM. Mediation is supported if the path coefficient from the independent variable to the dependent variable remains significant after the mediation variable is included. Mediation is not supported if the path coefficient from the independent variable to the dependent variable decreases but remains significant; this indicates partial mediation. If the path coefficient decreases and becomes non-significant after including the mediation variable, full mediation is indicated (Solimun & Ratmono, 2013).

4. RESULTS

Description of Data and Respondents

Primary data is the main data used in this research, obtained through the distribution of questionnaires. The details of the distribution and collection of the questionnaire data are presented in Table 2 below.

Table 2. Results of Questionnaire Data Collection

Description	Total	Percentage
Distributed Questionnaire	60	100%
Questionnaires Not Returned	0	0
Questionnaires That Can Be Processed	60	100

Source: Processed Data (2024)

Results of the Outer Model

The outer model test is used to measure reflective and formative indicators. This research employs reflective indicators. Reflective indicators are based on factor loading, with a factor loading greater than 0.70 being strongly recommended.

Table 3. Results of the Outer Model Test

Variable	Indicator	Outer Loading	p value	Conclusion
Performance of BUMDes Personnel	Work Quality1	0.687	< 0.01	Significant
	Work Quality2	0.718	< 0.01	Significant
	Work Quality3	0.667	< 0.01	Significant
	Work Quality4	0.752	< 0.01	Significant
	Work Quantity1	0.669	< 0.01	Significant
	Work Quantity2	0.753	< 0.01	Significant
	Work Quantity3	0.748	< 0.01	Significant
	Work Quantity4	0.837	< 0.01	Significant
	Timeliness1	0.536	< 0.01	Significant
	Timeliness2	0.676	< 0.01	Significant
	Timeliness3	0.783	< 0.01	Significant
	Timeliness4	0.748	< 0.01	Significant
	Work Effectiveness1	0.653	< 0.01	Significant
	Work Effectiveness2	0.776	< 0.01	Significant
	Work Effectiveness3	0.744	< 0.01	Significant
	Work Effectiveness4	0.702	< 0.01	Significant
Non Financial KPIs	Customer Satisfication1	0.661	< 0.01	Significant
	Customer Satisfication2	0.660	< 0.01	Significant
	Customer Satisfication3	0.662	< 0.01	Significant

	Customer Satisfaction4	0.686	< 0.01	Significant
	Repeat Customer1	0.632	< 0.01	Significant
	Repeat Customer2	0.723	0.023	Significant
	Repeat Customer3	0.793	< 0.01	Significant
	Repeat Customer4	0.564	< 0.01	Significant
	Market Share1	0.713	< 0.01	Significant
	Market Share2	0.638	< 0.01	Significant
	Market Share3	0.703	< 0.01	Significant
	Market Share4	0.683	< 0.01	Significant
Financial KPIS	Gross Profit Margin1	0.752	< 0.01	Significant
	Gross Profit Margin2	0.774	< 0.01	Significant
	Net Profit Margin1	0.767	< 0.01	Significant
	Net Profit Margin2	0.573	< 0.01	Significant
	Current Ratio1	0.666	< 0.01	Significant
	Current Ratio2	0.659	< 0.01	Significant

Source: Processed Data (2024)

Table 3 above shows that all indicators are deemed suitable to reflect each related variable.

Results of Validity and Reliability Measurement

The validity test in this research employs convergent validity and discriminant validity. Convergent validity is measured by the AVE (Average Variance Extracted) value, with a variable considered valid if the AVE value is greater than 0.5 (Solimun & Ratmono, 2013).

Table 4. Results of Convergent Validity Measurement

Variable	AVE
Performance of BUMDes Personnel	0.422
Non-Financial KPIS	0.365
Financial KPIS	0.433

Source: Processed Data (2024)

Table 5. Results of Discriminant Validity Measurement

Variable	Performance of BUMDes Personnel	Non-Financial KPIS	Financial KPIS
Performance of BUMDes Personnel	(0.649)	0.902	0.980
Non-Financial KPIS	0.902	(0.604)	0.884
Financial KPIS	0.980	0.884	(0.658)

Source: Processed Data (2024)

Table 4 and Table 5 show that the convergent validity and discriminant validity tests have values greater than 0.5, leading to the conclusion that all variables are valid. Once the

variables have been deemed valid, reliability testing is conducted for all variables used in this study. The reliability of the variables is tested using composite reliability coefficients and Cronbach's alpha values above 0.70 as the criterion for reliability (Solimun & Ratmono, 2013; Hair et al., 2014). The results of the composite reliability and Cronbach's alpha measurements that have been analyzed are presented in Table 6 below

Table 6. Results of Composite Reliability and Cronbach's Alpha Measurement

Variable	Composite Reliability	Cronbach Alpha
Performance of BUMDes Personnel	0.777	0.658
Non-Financial KPIs	0.878	0.855
Financial KPIs	0.887	0.854

Source: Processed Data (2024)

Table 6 shows that all variables have composite reliability and Cronbach's alpha values greater than 0.60. Based on these results, it can be concluded that all variables in the study are reliable and can be used for further analysis testing.

Results of the Inner Model

The inner model measurement is conducted to determine the level of influence of the relationships among variables, as well as the overall influence of the relationships within the constructed system. The inner model measurement for testing the relationships among variables in the study uses the adjusted R² value. Based on the adjusted R², a model can be classified as strong (≥ 0.70), moderate (≥ 0.45), or weak (≥ 0.25). The results of the inner model testing are presented in Table 7 below:

Table 7. Results of the Inner Model Test

Variable	Adjusted R Square	Q Square
Non-Financial KPIs	0.779	0.772
Financial KPIs	0.965	0.965

Source: Processed Data (2024)

Table 7 shows that the financial KPI has an Adjusted R-Square (Adjusted R²) value of 0.965 (96.5%). This indicates that the financial KPI can be predicted by the performance of BUMDes personnel and the non-financial KPI by 96.5%, while the remaining 3.5% is predicted by other variables not included in this study. The non-financial KPI has an Adjusted R-Square (Adjusted R²) value of 0.779 (77.9%). This indicates that the non-financial KPI can be predicted by the financial KPI by 77.9%, while the remaining 2.1% is predicted by other KPI variables not included in this study. The Q² value suggests that the

independent variables in this research have good predictive validity, as the Q^2 value is greater than zero.

Results of the Model Fit Test

The model fit test uses four measures: Average Path Coefficient (APC), Average R-Squared (ARS), Average Adjusted R-Squared (AARS), and Average Block Variance Inflation Factor (AVIF). APC, ARS, and AARS are used to measure the average values of path coefficients, R-squared, and adjusted R-squared produced in the model. These three model fit measures are assessed based on a p-value of ≤ 0.05 . Meanwhile, AVIF is used to address issues of collinearity within the PLS model, with a recommended value of ≤ 3.3 (Ghozali & Latan, 2015).

Table 8. Results of the Model Fit Test

<i>Average Path Coefficient (APC)</i>	0.628; p <0.001
<i>Average R-Square (ARS)</i>	0.874 ; p <0.001
<i>Average Adjusted R- Square (AARS)</i>	0.872; p <0.001
<i>Average Block Variance Inflation Factor (AVIF)</i>	1.588

Source: Processed Data (2024)

Table 8 shows that the model in this study is considered fit, with APC, ARS, and AARS having p-values ≤ 0.1 . The AVIF value of ≤ 3.3 indicates that there are no multicollinearity issues between the indicators and the variables used.

Table 9. Hypothesis Test

Direct Influence Before Including the Mediating Variable			Description
Relationship Between Variables	Path Coefficient	p-value	
BUMDes Personnel Performance → Financial KPIs	0.904	<0.01	H1 Accept
Direct Influence After Including the Mediating Variable			
Relationship Between Variables	Path Coefficient	p-value	
BUMDes Personnel Performance → Financial KPIs	0.172	0.080	H4: Full Mediation
BUMDes Personnel Performance → Non-Financial KPIs	0.885	<0.001	H2: Accept
Non-Financial KPIs → Financial KPIs	0.828	<0.001	H3: Accept

Source: Processed Data (2024)

Table 9 shows that the direct influence before including the mediating variable indicates that BUMDes Personnel Performance has a significant positive effect on the

Financial KPIs. This is evident from the p-value, which is < 0.05 . This suggests that BUMDes Personnel Performance will enhance the Financial KPIs. The first hypothesis (H1) in this study is accepted. BUMDes Personnel Performance also has a significant positive effect on Non-Financial KPIs, as indicated by a p-value of < 0.05 , concluding that BUMDes Personnel Performance will improve Non-Financial KPIs. The second hypothesis (H2) in this study is accepted. Non-Financial KPIs also has a significant positive effect on Financial KPIs, as indicated by a p-value of < 0.05 , concluding that Non-Financial KPIs will improve Financial KPIs. The second hypothesis (H3) in this study is accepted. Non-Financial KPIs mediates the effect of BUMDes Personnel Performance on the Financial KPIs. This is supported by the p-value of the indirect effect, which is < 0.05 , specifically 0.03, indicating that Non-Financial KPIs mediates the effect of BUMDes Personnel Performance on the Financial KPIs. Therefore, the third hypothesis (H4) in this study is accepted.

5. DISCUSSION

Hypothesis 1 (H1) states that the performance of BUMDes personnel affects financial KPIs, which is accepted. The results of this study, using statistical tests, indicate that the performance of BUMDes personnel has a significant positive effect on financial KPIs. This suggests that an increase in the performance of BUMDes personnel can enhance financial KPIs. The acceptance of this hypothesis indicates that the performance of BUMDes personnel can improve financial KPIs. Stewardship theory posits that stewards will behave in accordance with the shared interests to achieve organizational goals (Kumar & Sivaramakrishnan, 2008). The results of this study align with stewardship theory, as the performance of BUMDes personnel has been able to enhance financial KPIs. This research reinforces the stewardship theory, indicating that the performance of BUMDes personnel is a key indicator in assessing the success of financial KPIs. The results support the statement by Haholongan et al. (2019), which asserts that the contribution of financial KPIs in managing and aligning employee performance provides a solution to gauge the extent of success in achieving set work targets, identifying, and monitoring success metrics, particularly by demonstrating clear, specific, and measurable performance indicators. Iveta (2012) notes that the application of financial KPIs enables employees to perform better in accordance with their assigned tasks and responsibilities. KPIs can also have additional effects, such as increased motivation and discipline to achieve assigned work targets. Wicaksono & Sari (2010) found that KPIs assist managers in achieving company objectives.

Hypothesis 2 (H2) states that the performance of BUMDes personnel affects non-financial KPIS, which is accepted. The results of this study, using statistical tests, indicate that the performance of BUMDes personnel significantly impacts non-financial KPIS. This suggests that as the performance of BUMDes personnel increases, non-financial KPIS will also improve. Stewardship theory states that success in achieving organizational goals is facilitated by good collaboration between both parties to promote the welfare of the village community through efforts aimed at mutual benefit (Kumar & Sivaramakrishnan, 2008). Non-financial KPIS represent a performance measurement system that can enhance the performance of BUMDes personnel.

The findings indicate that BUMDes personnel have effectively implemented non-financial KPIS to improve their performance. This research supports the assertion by Bayhaqi (2020) that non-financial KPIS can enhance company performance. Fahrudin (2020) showed that KPIS measured using the balanced scorecard method can improve organizational performance. Rahardja et al. (2012) found that the implementation of strategic management systems, such as KPI-based balanced scorecards, can serve as a performance measurement system that continuously monitors the success of strategy implementation in educational institutions and measures their resource performance comprehensively and balanced, emphasizing quality over quantity, allowing for clear insights into the institution's performance at all times.

Hypothesis 3 (H3) states that non-financial KPIS significantly impact financial KPIS, which is accepted. The results of this study, using statistical tests, indicate that non-financial KPIS have a significant effect on financial KPIS. This suggests that as non-financial KPIS increase, financial KPIS also improve. The acceptance of this hypothesis indicates that non-financial KPIS, measured by three dimensions—customer satisfaction metrics, repeat customer rates, and market share—positively influence financial KPIS.

Stewardship theory posits that the success of achieving organizational goals relies on good collaboration between both parties to promote the welfare of the village community through efforts aimed at mutual benefit (Kumar & Sivaramakrishnan, 2008). Non-financial KPIS serve as a performance measurement system that can enhance the performance of BUMDes personnel. This research supports the assertion by Bayhaqi (2020) that non-financial KPIS can improve company performance. Fahrudin (2020) demonstrated that KPIS measured using the balanced scorecard method can enhance organizational performance. Rahardja et al. (2012) found that implementing strategic management systems, such as KPI-based balanced scorecards, can serve as a continuous performance measurement system to

monitor the success of strategy implementation in educational institutions and comprehensively assess their resource performance, emphasizing quality over quantity, thus providing clear insights into the institution's performance at all times.

Hypothesis 4 (H4) that non-financial KPIs can mediate the influence of BUMDes personnel performance on financial KPIs, indicating full mediation, as the statistical data shows a decrease and insignificance in the dependent variable's values. In this case, BUMDes personnel performance can enhance financial KPIs through non-financial KPIs.

The research indicates that personnel performance in managing BUMDes has been effectively implemented to improve financial KPIs. This is evidenced by descriptive statistical analysis showing that most BUMDes have made efforts to enhance financial KPIs by increasing sales of products generated by BUMDes. Descriptive statistical analysis also indicates that the primary focus of BUMDes personnel is their extensive knowledge of future strategies, integrating market perspectives and technology, and developing and controlling BUMDes strategies. Stewardship theory non-financial KPIs serve as a performance measurement system that can enhance the performance of BUMDes personnel. This research supports stewardship theory, affirming that non-financial KPIs act as a mediating variable that positively impacts the performance of BUMDes personnel. These findings align with the study by Rakhmawati (2023), which reveals that the performance of BUMDes personnel should not only be measured by financial aspects but also through non-financial KPIs, which play a crucial role in achieving the organization's overall objectives. Non-financial KPIs include customer satisfaction, service quality, product innovation, and social impact. Good performance in non-financial KPIs directly contributes to the financial performance of BUMDes. BUMDes personnel can provide quality services and meet community expectations, which in turn increases customer satisfaction. Satisfied customers are likely to return for services and products, subsequently boosting revenue. Additionally, innovations in products and services developed by BUMDes personnel can attract more customers. In the digital age, BUMDes that can adapt and offer relevant solutions will be more competitive, helping to expand market share and enhance revenue potential (Rak Santoso & Junaidi, 2023).

6. CONCLUSION

The findings of this study indicate that personal performance in BUMDes significantly impacts financial KPIs, suggesting that enhancing personal performance can lead to improvements in these financial metrics. Additionally, it was found that personal

performance also significantly affects non-financial KPIs; as personal performance increases, so does the level of non-financial KPIs in BUMDes. Furthermore, non-financial KPIs have a significant impact on financial KPIs, demonstrating that effective management of non-financial KPIs can lead to better financial outcomes. Importantly, non-financial KPIs fully mediate the relationship between personal performance and financial KPIs, indicating that personal performance will be most effective in improving financial KPIs when non-financial KPIs are implemented well.

LIMITATION

This research was unable to directly visit all respondents for face-to-face communication, which would provide a comprehensive understanding of each BUMDes that serves as the unit of analysis, similar to using Focus Group Discussions (FGD). Measures the financial performance variables of Key Performance Indicators (KPI) using Gross Profit Margin (GPM), Net Profit Margin (NPM), and Current Ratio (CR). Samples from Level A BUMDes in the years 2021 and 2022, which means the findings do not fully represent the conditions of BUMDes at other levels in Bengkulu Province. This study is an explanatory research aimed at testing hypotheses through the use of questionnaires, which rely heavily on the responses of participants, thereby influencing the research outcomes. Future research could adopt a mixed-method approach, incorporating in-depth interviews or Focus Group Discussions (FGD) to validate the responses obtained from the questionnaires. Additionally, subsequent studies may consider employing different measurements for financial KPIs, such as Debt Equity Ratio (DER) and Return On Equity (ROE). Expanding the sample to include BUMDes at levels other than Level A across Bengkulu Province would also enhance the results. Furthermore, the Ministry of Village Government can improve the dissemination of regulations and provide motivation, control, and oversight regarding the management of BUMDes. Relevant local government agencies (OPD) should also enhance their support and facilitation efforts to help BUMDes improve their performance

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