

VALUE BASED MANAGEMENT AT *KELOMPOK USAHA BERSAMA* (KUBE)

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Abstract

Joint Business Group/*Kelompok Usaha Bersama* (KUBE) is a business scheme launched in 2010 by the Ministry of Social Affairs for underprivileged families who received social assistance from the Family Hope Program (PKH), with the idea that they will no longer depend on social assistance. KUBE has not yet achieved its goals due to low business management capabilities, weak entrepreneurial culture which has resulted low economic empowerment and performance level. This reason as an urgent need for research and development to analyze phenomena and find solutions for better KUBE performance. The aim of the research is to describe and analyze the value based management at KUBE in Bandung City. This research resulted a new findings related to the stages of determining the assumptions and legal basis used, formulating concepts and proving them into the analytical implementation of KUBE. This implementation was supported by the West Java Provincial Social Service Board in the form of providing data, information on the implementation of KUBE and facilitating the presentation of research reports. The method used is a qualitative approach with TKT at level 3. The main research output is publication on Sinta 1 or Sinta 4 and the additional outputs is a book chapter.

Keywords: KUBE, Management, Values, Economic Empowerment

1. Introduction

The national development which has been carried out by the Indonesian government for well being people so far has brought general progress and provided social welfare for the community in several aspects of life. However, the achievement of this development has not been evenly distributed and has not yet attracted the attention of the majority of people, especially those who are still below the poverty line. Data on the decline in poverty levels towards pre-pandemic levels and the trend of a trade balance surplus is still in continuing process. The poverty rate continued its downward trend to 9.36 percent as of March 2023 from 9.57 percent in September 2022. The downward trend in the poverty rate after briefly reaching double digits due to the pandemic crisis showed that the resilience of the national economy continues to be maintained. The variety of poor human beings in March 2023 changed into 25.90 million people, down 0.46 million people from September 2022. Accumulatively, from March 2021 to March 2023, 1.6 million people had been recorded as having managed to get out of the poverty line. Spatially, the poverty rate as of March 2023 has reduced each in urban and rural regions (Larasati, 2023)

Data in the city of Bandung showed that the number of poor people (people with per capita expenditure per month below the Poverty Line) in March 2022 reached 109.82 thousand people (4.25 percent), a decrease of 2.68 thousand people compared to the poor population in March 2021 which amounted to 112.50 thousand people (4.37 percent). The poverty line in March 2022 is IDR 545,675 per capita per month and in March 2021 IDR 515,396. During the period March 2021 to March 2022 there was an increase of IDR 30,279 per capita per month or an increase of 5.87 percent. The Poverty Depth Index decreased from 0.78 in March 2021 to 0.70 in March 2022his indicates that the average expenditure gap for each poor resident towards the poverty line is approaching. The Poverty Severity Index decreased from 0.24 in March 2021 to 0.17 in March 2022, this indicates that the expenditure gap between the poor themselves is moving smaller. This high poverty rate

causes the social gap to widen between the rich and the poor in Indonesia. The government must equalize income so that social inequality does not occur in society (BPS Kota Bandung, 2023).

The government's efforts to alleviate poverty through the KUBE as an approach method and the whole procedure of the Social Welfare program within the context of strengthening the entrepreneurial spirit through participatory development, critical cognizance and independence of the community, specifically the poor may be evolved in order that they may be now not objects however subjects in overcoming efforts poverty. Joint business groups means groups of poor households which can be shaped, develop and expand based totally on their initiative in imposing effective economic corporations in form of productif economic empowerment or known as Usaha Ekonomi Produktif (UEP) to growth own family profits and social welfare. UEP are identity of KUBE to growth circle of member's income and their social welfare. In reality, people who own businesses still have low awareness of the importance of simple financial records (Murdhaningsih et al., 2022). Social welfare may be interpreted as a condition in which human beings can fulfill their needs and might relate well to their surroundings (Fahrudin, 2018).

The function of social welfare aims to eliminate or reduce pressure caused by socio-economic changes, avoid negative social consequences resulting from development and create conditions that able to encourage increased social welfare. Social welfare functions include: 1) Prevention, 2) Function (Preventive), 3) Healing Function (Curative), 4) Development Function (Development) and, 5) Supporting Functions (Supportive) (Friedlander & Apte, 1980 in Fahrudin, 2018). Preventive feature associated with that social welfare is geared toward strengthening individuals, families and communities to keep away from new social barriers. In transitional societies, prevention efforts are emphasized on activities to help create new patterns of social relations and new social establishments. recovery function (healing) explains that social welfare is aimed toward removing conditions of physical, emotional and social incapacity in order that those who experienced issues can function normally in society. This feature also consists of the feature of restoration (rehabilitation). improvement feature (development) refers to social welfare which functions to offer direct or oblique contributions to the development method or development of social order and sources in society. supporting features (supportive) indicates that feature includes activities to help achieve the goals of the arena or other regions of social welfare services.

1.1. Joint Business Group (KUBE)

KUBE was formed in 2010 with the aid of Ministry of Social Affairs as as a enterprise unit for underprivileged households through *UEP* to growth their income and social welfare, which includes five to twenty heads of households who are covered in the integrated data for coping with the poor and disabled human beings (Kementerian Sosial, 2019). This program is one approach of empowering communities to overcome poverty which activities include providing stimulant assistance for *UEP*' development activities, assistance in starting and developing businesses and improving skills (Kementerian Sosial, 2019). However, an assessment needs to be carried out regarding the contribution of the individual as a member of the group, so these assessment aspects need to be carried out.

Presence of *KUBE* is a medium to growth the incentive of underprivileged residents to enhance economically and socially, growth interaction and cooperation within groups, make use of local socio-financial ability and sources, give a strengthening to entrepreneurial culture, expand marketplace access and establish socio-financial partnerships with diverse associated events as well as building economic independence. Through groups, each poor family can share experiences, communicate, get to know each other, and solve problems and needs they feel (Kementerian Sosial, 2019). The condition of *KUBE*'s social aspects are in the medium category. The social aspect indicators used include: (a) cooperation among members, (b) willingness to provide help, (c) ability to overcome problems, (d) level of member participation, (e) courage to face risks, (f) business planning, (g) resource utilization, and (h) innovations carried out. Most of *KUBE*'s economic aspects are in the very low category include: (a) development of business capital, (b) rollover carried out, (c) income, (d) member savings, (e) number of types of business being developed, (f) management of profits and (f) *JKS* management. (Tampubolon, Sugihen, Slamet, 2016 in Sariningsih & Sari, 2017). One of the causes of *KUBE* not being optimal as an ultra-micro business is weak business skills and management (Cunningham in Soeharsono, 2018).

The management aspect is a significant obstacle in business development, other research showed (1). Lack of creativity, innovation and low skills, (2) the level of capital capabilities and marketing capabilities of business results still need to be improved. (3) Low performance. (4) A better level of welfare has not been achieved. (5) There is a significant influence of creativity, innovation and skills on capital capabilities partially or simultaneously. (6) There is a significant influence of innovation, creativity and skills on marketing capabilities partially or simultaneously. (7) There is a significant influence of capital capability and marketing capability on performance partially or simultaneously. (8) There is a significant influence of performance on welfare (Saringsih & Sari, 2017). The growth and development of an entrepreneurial spirit generally begins with the desire to help oneself and from all the burdens of dependency and uncertainty in one's living conditions (Suharsono, 2018)

Development of an entrepreneurial culture can be carried out in stages through discussion points with the help of designed learning media and a business environment that is focused on displaying human economic business activities to meet their living needs. Multi-media learning is generally made in the form of series or episodes (Suharsono, 2018). Entrepreneurship is the person who perceives an opportunity and creates an organization to pursue it (Alma, 2007). An entrepreneur must have the courage to take risks, which is related to creativity and innovation (Meredith, 2005). The management process as an entrepreneur will include developing ideas and strategies, managing people and managing systems to ensure business growth (Meredith, 2005). The target for development of the basic principles of entrepreneurship is to increase economic empowerment and independence as well as social perception (Cunningham in Suharsono, 2018). Social perception is a factor that needs to be considered in generating entrepreneurial orientation for women in increasing entrepreneurial intentions (Anggadwita et al., 2021). Empowerment is the process of helping individuals, families, groups and communities to increase their personal, interpersonal, socioeconomic, and political strength and to develop influence toward improving their circumstances". Community empowerment has the dimension of increasing capacity in the following components: 1) Personal, 2) Interpersonal, 3) Socioeconomic, 4) Political, and 5) Decision making (Zastrow, 2015). Empowerment is an increasing the decision making discretion of individuals. In an empowered organizations, individuals are free to resolve problems as they arise, are encourage to approach doing their work the way they feel is best because they do have more detailed knowledge about it, and are encouraged to think for themselves rather than being told what to do. Coulter (2000: 152).

1.2. Value Based Management

Strong commitment influences employee actions and decisions in business development to marketing and delivery (Robbins & Coulter, 2007). Values-based management is an approach to management where managers establish and strengthen shared values in an organization (Robbins & Coulter, 2007). The values of an organization reflect what it stands for and shape the organization's culture and influence the way the organization operates and serves the various needs of its members. Value-based management is a form of management philosophy whose practice is directed at value creation practices (value creation) and value management (Philippe Haspeslagh, 2001). Value-based management (VBM) is a mind-set that perspectives an business enterprise's values as the number one measure of success. Successful value based management is based on extraordinarily effective strategic planning, supported with the aid of a overall performance control system that drives a values mind-set into the general organizational subculture. In a value-based management system, employee job components have to be recognized and connected to profitability, growth, and capital depth. actual overall performance have to be measured, evaluated, and rewarded when it comes to profitability, growth, and capital intensity goals. A number of latest years have seen many new management methods to enhance organizational overall performance particularly overall quality management, flat corporation, empowerment, non-stop development, reengineering, crew building, and so forth. Many have succeeded, however quite some have failed. Frequently the reason of failure is overall performance goals which are doubtful or no longer aligned with the ultimate goal of making value. while value based management is applied properly, it's going to deliver excellent advantages. It is like restructuring to acquire maximum value in a sustainable manner, be successful. This has a massive effect, which frequently interprets into

advanced economic overall performance. Value-based management isn't always without obstacles. this will be an exercise performed with the aid of staff and has no effect on frontline operational managers or the choices they make. (Kolle, 1994).

The questioning in the back of value based management is simple in that the value of a corporation is decided through discounted future cash flows. Value is created most effectively while a corporation invests its capital at a rate of return that exceeds the fee of that capital. Value based management expands on those ideas by using focusing on how corporations use them everyday make day to day strategic and operational choices. while carried out efficaciously, it is a management technique that aligns a corporation's standard aspirations, analytical techniques, and management methods daily awareness management choice making on key drivers of cost. decision making may be significantly encouraged through the selection of performance metrics. Switching to a values mindset could make a massive difference, actual-lifestyles cases that show how a focal point on value can alternate decision making are defined within the sidebar "value based management in action". An crucial part of value based management is a deep knowledge of the overall performance variables on the way to genuinely create business value—the important thing value drivers. Such understanding is crucial due to the fact groups can not act immediately on values. A business enterprise need to act based totally on what it is able to have an effect on—customer satisfaction, costs, capital expenses, and so on. furthermore, it is through value drivers that senior management learns to apprehend the whole business enterprise and establishes a dialogue about what it hopes to achieve. A value driver is any variable that affects a organization's value. however, to be beneficial, value drivers need to be prepared in order that managers can become aware of which have the finest effect on value and assign responsibility for those value drivers to individuals who can assist the organization achieve its targets (Kolle, 1994).

Value drivers must be defined at a level of detail consistent with decision variables that are directly under the control of line management. General value drivers, such as sales growth, operating margin, and capital turnover, may apply to most business units, but they lack specificity and cannot be used well at the grassroots level. Value drivers can be useful at three levels: generic, where operating margin and invested capital are combined to calculate ROIC; business units, where variables such as customer mix are particularly relevant; and grassroots, where value drivers are precisely defined and linked to specific decisions that are under the control of front-line managers. Everyone is at least their own manager and is always faced with decision making every day, every hour and every second. This very essential activity should also be faced by using the management of KUBE, simply that the head should be able to make decisions regarding enterprise development which are accepted by way of the participants, of course this isn't always an easy issue.

A decision is a preference among or greater options (Robbins & Coulter, 2007). People in any respect stages and in all regions of an organization make decisions, which means that they ought to make a preference among two or more options. Center and lower level managers make choices about weekly or month-to-month manufacturing schedules, cope with issues that stand up, allocate wage increases and pick out or discipline personnel. Decision making isn't always easy however is a complete procedure, no longer simply the easy act of choosing from numerous options. The decision-making procedure is a chain of eight steps that encompass figuring out issues, choosing alternatives, and comparing the effectiveness of decisions which includes: 1) Identification of problems, 2) Identify decision criteria, 3) Allocation of weights to criteria, 4) Alternative arrangement, 5) Alternative analysis, 6) Selection of an alternative, 7) Application of alternatives, and 8) Evaluation of decision effectiveness (Robbins & Coulter, 2007).

Problem identification is a decision-making process that originates from the existence of a problem which is a gap between the real situation and the desired condition. This situation is often experienced by *KUBE* managers. Identification of decision criteria is very important. For example, in the case of computer purchases, managers must consider criteria such as price, product make and model, standard features, additional equipment, warranty service, repair records and after-sales service. Arranging alternatives is the next step which requires decision makers to make a list of a number of alternatives that can solve the problem. Opportunity analysis is wanted to determine which opportunity might be decided as a choice that has been analyzed significantly, specifically with the aid of comparing its strengths and weaknesses by way of evaluating them with predetermined standards.

Evaluation of the effectiveness of a decision includes assessing the results of the decision to see whether the marketing problem has been resolved and whether the desired results have been achieved. If there are still problems then the manager must estimate what went wrong, whether the problem has not been interpreted correctly, so that it becomes necessary to reconsider analyzing the stages. initial step. Decision making is very important, especially in work as a manager, in this case the KUBE chairman is the "manager", who must continue to learn in making business development decisions. Managerial decision making is rational, where managers decide on consistent choices and maximize value with certain constraints. Managers are expected to follow a rational process when making decisions, but due to the many obstacles managers decide with "limited rationality", namely based on simplified decision-making process parameters and limited by a person's ability to process information. Identification of problems from research on the relationship between simple financial recording skills and decision making in Joint Business Groups (*KUBE*) in Bandung City as follows:

1. How is *KUBE* management based on values in Bandung City?
2. What are the practical and theoretical implications of research results on the relationship between value-based management with decision making in Joint Business Groups in Bandung City?

Based on previous research studies that financial recording can improve the performance of micro businesses, this can also be applied to the implementation of *KUBE*. If the areas of poor poverty empowerment in the Riau province can not run the four factors, namely communication, resources, disposition and bureaucratic structure, there will be obstacles that can trigger the failure of implementing the *KUBE* program (Tami Astari Zulkarnain, Meyzi Heriyanto, Febri Yuliani, 2020). Coaching and evaluation was carried out by the Social Protection Sub-coordinator from the Wonogiri Regency Social Service to increase the insight of *KUBE* members regarding bookkeeping, financial recording, making accountability reports and evaluating their *KUBE* productivity (Widati, 16 Febr 23).

2. Method

This study use a qualitative method, is a type of research that explores and provides deeper insights into real-world problems, instead of collecting numerical data points or intervening or introducing treatments just like in quantitative research, it helps generate hypothenar to further investigate and understand (Creswell, 2010). Informants serve a unique role in qualitative research. Informants are people who provide detailed insights and information regarding the situation at hands. Interviewing informants is a valuable way to gain inside information. Typically researchers try to develop personal relationships with informants. The informant cariteria are: 1) Member of *KUBE* and 2) Do not serve as chairman/secretary/treasurer.

The kind of data referred to the concept of strong commitment which influences employee actions and decisions in business development to marketing and delivery (Robbins & Coulter, 2007). Values-based management is a leadership approach in which leaders establish, promote and practice the organization's shared values. Goals, common values, the same values shared by members of an organization have at least the main goal (Kurniawan, 2016). The values of an organization reflect what it stands for and shape the enterprise's lifestyle and influence the way the organization operates and serves the various needs of its members. The data collection techniques are: 1) Documentation by accumulating and studying documents, whether written, pictures or electronic and focuses more on concrete evidence, and 2) In depth interview, is a data records collection method via asking questions immediately with the aid of the interviewer (statistics collector) to the respondent, and the respondent's answers are noted or recorded. The advantage of using interview techniques is that if the respondent does not understand the question, the interviewer can immediately explain it, and the interviewer can check the correctness of the respondent's answer by asking guiding questions, or by looking at the respondent's face and movements (Soehartono, 1995).

The data analysis technique used coding and categories, so that various findings are obtained as a result of the research. Triangulation refers to the use of multiple methods or data sources in qualitative research to develop a comprehensive understanding of phenomena (Patton, 1999). Triangulation also has been viewed as a qualitative research strategy to test validity through the convergence of information from different sources.

3. Result and Discussion

KUBE consist of 5 – 10 persons with the simple organizational structure (Fig 1), and has been formed based on the results of discussion and full participation among group members, so it is hoped that a strong commitment will emerge to carry out business together. In this context there is a process of establishing value to run a joint business and then should be strengthened. The formation of KUBE was facilitated by the City Government and KUBE's mentor, The membership ends if: 1) died, 2) resign, 3) permanently inactive, 4) move to another village/sub-district/district, 5) not obeying the rules in the group, 6) there is a desire to dissolve KUBE, 7) There is no commitment to maintain and develop the business, 8) permanent pain; and/or 9) commit a criminal act based on a court decision legally binding. The process of replacing and/or dismissing members is carried out by deliberation as stated in an official report which is known to the Village Head and submitted to the Board of Social Service through the KUBE' members who leave their membership do not have any rights to the Social Assistance provided, either from the value of the assistance or from the results of KUBE's efforts.

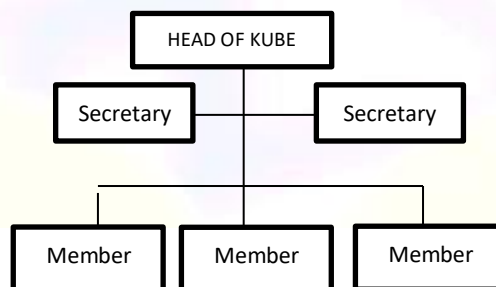


Fig1. Organizational Structure of KUBE

All of kind of KUBE's business in this research is *warung* or small shop, it is a type of small family-owned business, small retail, eatery or café in Indonesia (<https://en.wikipedia.org/wiki/Warung>, 2024). *Warung* is an essential part of daily life in Indonesia. Over time, the term *warung* has shifted somewhat especially among foreign, visitor, expatriates and people abroad to refer more specifically to a modest Indonesian eatery or a place that sells Indonesian retail items (mostly groceries or foodstuff), but for the majority of Indonesians, it still refers to a small, neighborhood convenience shop, often a front room or booth in a family's home. There are tourist-serving establishments on the island of Bali and elsewhere that attach the term *warung* to their business to indicate their Indonesian nature. Traditionally, *warung* is indeed a family-owned business, run by the family members, mostly by women. Traditional *warungs* usually are made from wood, bamboo or woven thatch. More permanent *warungs* are stalls made from brick and concrete, which are often family-owned businesses attached to their homes. Some smaller portable *warungs* are made from tin, zinc or molded fiberglass in some modern versions. *Warung tenda* is a portable tent-based *warung*, covered with canvas, fabric, tarp or plastic sheet tent for roofing.

The term *warung* simply denotes a wide category of small businesses, either a small retail shop or an eatery. It is widely used in Java and most of Indonesia. In certain parts of Sumatra and the Malay Peninsula, the word *kedai* is sometimes used as well. In Javanese culture areas, such as in Yogyakarta, Semarang and Surakarta, its counterpart term *wedhangan* or *angkringan* is more commonly found. On the other hand, the term *toko* is used for a larger and more established shop. The term can be used to loosely refer to many other types of shops, including the *wartel* (short for *warung telepon*, essentially a manned phoned and *warnet* (short for *warung internet or internet café*). There are many kinds of *warung*, some take the form of a small shop that sells cold bottled drinks, candy, cigarettes, snacks, *krupuk* (is a crakckers made from starch or animal skin and other ingredients that serve as flavouring. Most *krupuk* are deep fried, while some others are grilled or hot

sand fried), and other daily necessities, while the larger ones are small restaurant establishments. A *warung* that sells food typically sells easily-prepared local foods; pisang goreng (in Indonesia, banana fritters are commonly known as *pisang goreng*, and they are often sold by street vendor. In Indonesia *pisang goreng* are deep fried in ample of cooking oil; they might be coated with batter or not.) and many kinds of gorengan (in Indonesia, fritters come under the category of *gorengan* (Indonesia: *fritters*, from *goreng* "to fry"), and many varieties are sold on travelling carts or by street vendors throughout Indonesia), *nasi goreng* (fried rice), and *mie goreng* (fried noodles). Some types of *warung* are:

- *Warung rokok* or common *warung* is a very small street-side shop, constructed from wood, bamboo, or tin. Most of them measure not more than 2 x 1 meters (6.56 x 3.28 feet). They sell *rokok* (cigarettes), cold bottled drinks, snacks and candies, *krupuk*, soap, toothpaste, and other daily necessities, essentially a miniaturized convenience. This is the most commonly distributed *warung*, sprung in residential areas, slums, street sides, and tucked between high-rise business areas.
- *Warkop* or *warung kopi* is a small cafe or coffee shop that sells coffee and snacks, such as roasted peanuts, *rempeyek* (is a deep fried savoury Indonesian-Javanese) cracker made from flour, usually rice flour with other ingredients, bound or coated by crispy flour batter), *krupuk*, *pisang goreng*, and bread. At a time in Indonesia, the Malaysian and Singaporean counterpart kopi tiam, gained popularity instead of the humble local *warung kopi*. Traditionally, *warung kopi* served a social function as a gathering place for men of the village to socialize and trade news. As time passed, specialty cafes flourished spurred by the surge of the local's interest in quality coffee. As a result, various cafes were growing, from humble *warung kopi* to fancy coffee shop selling artisan and premium specialty coffee.
- *Warung nasi* is a humble small restaurant that sells *nasi* (rice) with other Indonesian dishes. Instead of separate tables and chairs, a long communal bar and bench are usually provided for customers to dine at.
- *Warteg* or *warung tegal* is a more specific *warung nasi*, established by Javanese people from the town of Tegal in Central Java. They sell favourite Javanese dishes and rice. A wide array of pre-cooked dishes is arranged in glass-windowed cupboards. They are well known for selling modestly-priced meals, popular among the working class such as low-skilled labourers in the cities.
- *Warung padang* is a small scaled Padang restaurant. It usually provides a bar and bench instead of tables and chairs for seating and, sometimes, a choice of fewer dishes. Larger scale more established Padang eateries are referred to as *rumah makan padang* or Padang restaurant instead.
- *Warung jamu* specifically sells *jamu* traditional herbal medicine.
- *Warnet* or *warung internet* is an internet café.
- *Wartel* or *warung telepon* is a manned phone booth.
- *Pedagang Kaki Lima (PKL)* are vendors operating a pull cart. Their name (literally "Five-footed merchant") refers to the two legs of the vendor, the two cartwheels, and a monopod stand for operations. A *warung* might be based on a PKL's cart, which represents one of the most humble *warungs* of all.

Most of the time, *warung* are named after the main dishes they sell. For example, *warung bubur kacang ijo* or *warung burjo* sells bubur kacang hijau (abbreviated *burjo*, is a Southeast Asian sweet porridge (*bubur*) made from mung beans (*kacang hijau*), coconut milk, and palm sugar or cane sugar. The beans are boiled till soft, and sugar and coconut milk are added), *warung roti bakar* sells grilled bread, *warung pecel lele* sells pecel lele or fried catfish with sambal or traditional sauce, while *warung indomie* sells cooked instant noodles, although the brand might not always be Indomie.

There are two subject of this research namely *warung*, why *warung*? It is an essential part of daily life, easier to build but difficult to managed, *warung* property is made from brick and concrete, usually the place owned by head of KUBE. *Warung "Berkah"* (Fig 2.) is still well managed, however, *warung "Suka Damai"* (Fig 4.) is no longer operating. Initially, both of *warung* are a type of small group-owned business, small retail and eatery.. *Warung Berkah* sells cold bottled drinks, snacks and candies, *krupuk*, soap, toothpaste, and other daily necessities and also sells *mie goreng* (fried noodles) and meat ball. This is the most commonly distributed *warung*, sprung in

residential areas, slums, street sides, and tucked between high-rise business areas. The location is in river side.



Fig. 2. Warung "Berkah"



Fig 3. a very small river-side warung

The Warung "Suka Damai" (Fig. 4) closed because 1) the members' commitment was weak in building the business, 2) When the aid funds were disbursed, KUBE was not involved in business capital expenditures such as buying basic food ingredients, crackers and so on by the sub-district business mentor, and unclear division of tasks. This should be a concern of the KUBE mentor at sub district level together with business mentor at village level which has the main tasks: 1) To help the poor in in every business process of carrying out smoothly, effectively and efficiently, 2) Accompanying KUBE in every process of organizing activities from start to finish of activities and achieving business goals. The mentor has a certain criteria: 1) Indonesian citizens, 2) Can read, write and speak Indonesian and regional languages local, 3) Minimum age 25 years, maximum 50 years, 4) Physically and mentally healthy, 5) Domiciled or serving in a regency, sub-district and/or sub-district/village location of the activity, 6) Have a fighting spirit, social solidarity and caring social, 7) Have the will and ability to carry out business social welfare, 8) Determined by the Head of the Provincial Social Service based on the recommendation of the Social Service Regency/City and/or implementing team.

Mentor business should write an evaluation report on the development of KUBE addressed to the Head of the West Java Province Social Service every certain period. From the criteria above, none of them mentioned that mentors need to have a strong entrepreneurial spirit or even have a small business that they manage to serve as an example of business success.



Fig. 4. Warung "Sukadamai"

The mechanism for applying for social assistance for KUBE are: 1) KUBE included in the APBD explanation for the current fiscal year and carried out socialization, identification and

technical guidance activities, then submit a proposal for a request for KUBE disbursement, 2) KUBE Disbursement Request Proposal (a. Request Letter for Disbursement of KUBE Expenditures addressed to the Governor of West Java through the West Java Provincial Social Service Board, signed by the Head of KUBE and affixed with the KUBE stamp, b) Attach details of the business plan for using social assistance expenditures signed by the head and the Treasurer, c) a photocopy of the identity card of the head and treasurer, d) a photocopy of the *Bank Jabar Banten (BJB)* as bank savings account, e) a signed Domicile Certificate by the Village Head where the KUBE program takes place, f) a Statement of Responsibility Letter (SPTJB) Application for using of Social Assistance Expenditures signed on a stamp by the head of KUBE and affixed with the KUBE stamp.) 3) Term and conditions for using Social Assistance Expenditures include a) The expenditure must be used for business capital, b) Social Assistance spending is not used for purposes rental and purchase of premises, business land and buildings, c) The allocation of feed expenditure for livestock is adjusted to quantity of livestock, d) Spending on vitamin intake for livestock is a maximum of 5% of Amount of Social Assistance.

3.2 Building Business Values

The value creation of *KUBE* consists of shared values and common values referred to the criterias: 1) Have the potential, willingness and ability to develop a joint business; 2) Have a potential type of business and live in the village/sub-district area in the same sub-district; and 3) Limited access to markets, capital and business (Dinas Sosial Jawa Barat, 2023). The informant stated about potential, willingness and ability to develop a joint business, the answered as followed:

"In this area, a potential business is a warung because many small children and mothers need daily products around this area like to buy snack and cooking spices, everyone as member agreed to start a business (Informant 1).

"Sub-district business mentor suggested to operate warung at one of member's house located along side of the river where the place is comfortable, clean and suitable for enjoying the snacks that are sold (Informant 2).

"The location of warung is strategic because no one operate business there and buyers can gather to just chat while enjoying snacks (Informant 3).

This statement implies that the *warung* is the most favourable chosen by the member of the group. Setting up a market stall business can be a fun, low-cost way of running your own retail business, could have endless opportunities to set up own successful *warung*. The KUBE which consists of beneficiary families or *Keluarga Penerima Manfaat (KPM)* are target families who receive social assistant of KUBE. In implementing the program, *KPM* have rights and obligations include: 1) Get capital assistance to develop the *UEP* business, 2) Getting business mentoring in developing businesses, 3) Getting technical skills capacity and business management, 4) Enjoy the results of implementing productive economic efforts by sharing proportional, transparent and agreed benefits together. The obligations include 1) Willing to be active and fully participate in all management activities, 3) Fully used social assistance funds, 3) Comply with mutually agreed regulations, 4) Utilize income generating to improve welfare member, 5) Carry out records of KUBE's productive economic business activities accordingly with existing provisions. The informant responded the next question regarding the potential of their business.

"The members stay nearby here in Sukapada sub district, so will easier for them to operate business" (Informant 1)

"The business potential related to member location where they lived is easier to coordinate and communicate all the business developing problem" (Informant 3)

This declaration implies that KUBE's member come from the same location, the data which supported the potential of KUBE to be developed are 1) the head of the own family and/fundamental breadwinner within the own family, 2) permanently domiciled and having personal identification (residential card and circle of relatives card) in a neighborhood village/sub-district, 3) within the effective age range of 18 (eighteen) years to 58 (fifty eight) years and married, 4) have

potential, understanding, competencies and are willing to work difficult; and 5) registered in one of the included data for handling poverty in Indonesia (Dinas Sosial Jawa Barat, 2023). The respond of the informant when asked about limited access to markets, capital and business, the informant answered as follows:

"KUBE's member are registered as KPM and no one of the members have a job" (Informant 1)

"The sub-district social welfare worker suggested us to build a warung" (Informant 2)

"I really want to open warung by my own, but unfortunately I don't have the money to start a business. Because I was registered as a KPM, so the sub-district social welfare worker (TKSK) recommended me to join KUBE " (Informant 3)

This statement implies that *KPM* are the target families who received social assistance, in implementing the program, *KPM* as the target object of the program have business targeted include.

3.2 Strengthening Business Values

KUBE was formed based on the members commitment to run joint business within group according to business planning. At the beginning of the formation of *KUBE*, technical guidance was carried out to form the initial commitment of *KUBE* members. One of the things discussed in the technical guidance is business planning and financial management of *KUBE*. Financial governance is a management activity including planning, organizing, directing and controlling financial activities in utilizing business funds. The informant stated regarding *KUBE's* business planning and financial management as followed:

"There is no such simple financial accounting, sub-district business mentor of KUBE not transparent to us about our KUBE finances" (Informant 1)

"We have a simple financial accounting, the sub-district social welfare officer helped us in the process of making a simple financial accounting" (Informant 2)

"There is no such a business planning analysis because sub-district business mentor of KUBE were directly gave a basic necessities, so we only need to sell what is already provided by him, so we do not have a simple financial accounting" (Informant 3)

This statement implies that not all *KUBE* have a good business planning and financial governance. This is not in line with the idea of business which should have a simple financial accounting, actually this is a part of business mentor duties and function, where in complete are: 1) Carry out mentoring, coaching and monitoring and evaluation, 2) To coordinate with the Regency/City Social Service and Village/Subdistrict Facilitator, 3) Accompany the process of nominating potential recipients, 5) Accompany the Provincial Social Service Board and Regency/City Social Service in carrying out *KPM KUBE* Technical Guidance activities, 6) Prepare business mentor reports at the subdistrict level and compile accompanying reports, 7) Compile Accountability Reports for Aid Spending *KUBE* Social, 8) Accompanying the Provincial Social Service and Regency/City Social Service in carrying out *KUBE* Monitoring and Evaluation activities. When the informant was asked about the commitment to fellow members in the operations of *KUBE*, the informant respond:

"Yes, we do have a commitment, but the sub-district business mentordo not fully support t" (Informant 1)

"There was a commitment at the beginning during the technical guidance" (Informant 2)

"Since the beginning of KUBE group formation, we have a commitment" (Informant 3)

This statement implies that all *KUBE* have had a commitment from the start according to the program purpose, they believed will grow and develop based on their initiative in implementing *UEP* to increase family income and social welfare. Unfortunately, this commitment was not strong enough when facing many business problems, which made members resign one by one and no longer

be active at all. Mentoring activities can reveal various business problems, this is related to the task of evaluating the performance and effectiveness of business mentors.

3.3 Practical and theoretical implications of value-based management towards the development of Joint Business Groups in Bandung City?

Practically, KUBE should be able to increase KPM's ability and purchasing power for various basic daily needs, but there has been no significant increase in fulfilling these basic needs. Based on the findings of this research, practical implications are obtained that the implementation of KUBE still needs to be improved in various aspects, especially strengthening commitment as the most important value in groups that manage businesses. When the informant was asked about his ability to buy rice, *informant 1 answered: "I can only afford 12 kg of rice/month", informant 2 answered: "the rice can afford for 1 month is 15 kg/month", informant 3 answered: "usually buy 15 kg of rice /month".* The monthly purchasing power of rice as a staple is still low, this showed that KUBE's member are not economically empowered. When the informant was asked whether the informant experienced difficulties in meeting rice needs, *informant 1 answered: "it can still be fulfilled even though it is barely enough", informant 2 answered: "thank god my family's rice need still can be fulfilled", informant 3 answered "so far the need for rice is fulfilled, there is no financial problem so far "*. Some business managers can buy rice because they also work as laborers or domestic servants

Coconut oil is an important need for families and respond of informant regarding how many liters of cooking oil they could provide for her family. *Informant 1 answered: "about 4 liters in a month", informant 2 answered: "I usually use 2 packs contained each 1000 ml of cooking oil per month ", informant 3 answered: "because I rarely cook at home, so I only use about 2 liters of cooking oil in a month".* When the informant was asked if they had any difficulties in fulfilling their family's protein needs, and what meat they usually bought, *informant 1 respond: with "so far, I can still fulfilled my family's protein needs, but now the price of chicken meat is getting more expensive, then I usually buy fish instead", informant 2 answered "Alhamdulillah, I still can afford chicken meat, when it comes to beef, I rarely buy it ", informant 3 answered "Alhamdulillah there's no difficulty in buying protein needs, especially chicken and fish".*

Liquefied petroleum gas or often called LPG is a flammable mixture consisting of hydrocarbon gases, most often propane, butane and propylene. By increasing the pressure and decreasing the temperature, the gas turns into a liquid. The components are dominated by propane and butane. When the informant was asked about what type of LPG used at home, how often they change the in one month, and what is the price range they usually purchased, *informant 1 answered: "at home, I use 3kg gas, in a month I can buy gas 4 times. In the area where I live the price range of gas is 21 thousand rupiah, but it is said that now it has increased to 22 thousand rupiah", informant 2 answered "We use 3kg gas at home, usually I change the gas 4x in a month, so once a week, the price here is around 25 thousand rupiah", informant 3 answered "I use 3kg gas at home, in a month and change it about two to three times in a month, because I rarely cook at home".*

Health insurance is a type of insurance product that specifically covers the health or care costs of insurance members if they fall ill or have an accident. *Badan Penyelenggara Jaminan Sosial (BPJS) Health* is a health insurance product from the *JKN (National Health Insurance)* program. With relatively cheap contribution costs, the benefits provided by BPJS Health are quite numerous. BPJS Health *Penerima Bantuan Iuran (PBI)* recipients (Contribution Assistance Recipients) are health insurance participants for the poor and underprivileged. For residents who cannot afford it, the Government facilitates BPJS Health participation and is included in the category of BPJS Health participants who receive contribution assistance. When the informant was asked whether she had BPJS, if she had, whether it was included in the *PBI* or non-*PBI* category, *informant 1 answered: "I have just made it during the pandemic in 2021, my health insurance (BPJS) is funded by the government", informant 2 answered: "My whole family have a health insurance (BPJS) my family's registered as PBI.", informant 3 answered: "I have a health insurance (BPJS), my health insurance (BPJS) is funded by the government "*.

Free education is a basic education financing scheme handled by local governments to free or reduce students' education costs. When the informant was asked whether she still spent money on her children's education, *informant 1 responded: "I have two children, the older child is 27 years*

old, the younger one is 22 years old, so they have already graduated from school", informant 2 responded: "My youngest child is still in the 2nd grade of high school, but I don't have to pay his school fees, because it is free from the government, the costs incurred for school are mostly just for uniforms and pocket money," informant 3 answered: "all my children are grown up and already have jobs."

Currently, electricity has become society's primary need. Almost all community activities require electrical energy. When the informant was asked how much it costs for electricity in a month, informant 1 answered: "because there are three families in my house, so the electricity cost are shared, usually for three days cost around 150 thousand rupiah", informant 2 answered: "usually I pay around 100-120 thousand rupiah for electricity in a month", informant 3 answered: "the money that I spend to pay for electricity is around 120 thousand a month." State Electricity Company or commonly abbreviated as PLN, is an Indonesian state-owned company which operates in the electricity sector. PLN's efforts to achieve a healthy financial and operational performance position continue to be carried out, among other things, by increasing opinions and making efficiency efforts in various sectors.

4. Conclusion

The conclusions obtained from the results of the research entitled Value-based Management of Joint Business Groups (KUBE) that have been carried out in Padasuka and Sukapada sub-districts in three KUBE groups are as follows :

1. All group members had an initial commitment at the time of KUBE formation, but as time passed, a few members chose to leave the KUBE because their believed that KUBE was not promising, as well as a lack of responsibility from the sub-district KUBE facilitator.
2. All members have limited access to markets, capital and businesses, as all members are members of Beneficiary Families (KPM).
3. All KUBE members, both those who succeeded and those who failed, were still able to fulfill their daily needs, although only enough to live simply.
4. All KUBE groups have never made a business plan, due to the lack of responsibility of the sub-district facilitators who do not guide KUBE members to be more independent, instead, the sub-district facilitators directly provide goods in the form of basic necessities to each KUBE group to sell, so that KUBE groups are unable to make business plans according to what they want.
5. Two of the three KUBE groups had simple financial accounting with the assistance of the sub-district facilitator, while one KUBE group did not have simple financial accounting and decided to quit.

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