

Development of Innovative Business Models in Village-Owned Enterprises (BUMDes) to Improve Financial Performance and Sustainability through the Moderating Role of Good BUMDes Governance in Indonesia

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Abstract

This study aims to develop a business model innovation model for Village-Owned Enterprises (BUMDes) to improve financial performance and sustainability, with good governance serving as a moderating factor. Explicitly, this study also analyzes the influence of director exposure, entrepreneurial mindset, and transformational leadership as antecedents of business model innovation, as well as their impact on the resilience, financial health, and sustainability performance of Village-Owned Enterprises (BUMDes), moderated by good governance comprising accountability, participation, and transparency. This research employs a survey approach involving BUMDes management as respondents specifically directors, secretaries, and village heads who play key roles in decision-making and policy implementation. Data were collected via questionnaires and analyzed using Partial Least Squares (PLS) to test the relationships among variables in the research model. The expected outcomes of this study are a deeper understanding of the factors influencing business model innovation in BUMDes and how such innovation can contribute to enhancing the resilience, financial performance, and sustainability of BUMDes, with good governance serving as a moderator. This study is expected to provide useful recommendations for the development of BUMDes policies and strategies aimed at improving resilience, financial performance, and the future sustainability related with Sustainable Development Goals (SDGs) purpose in the villages.

Index Terms

Business Model Innovation, Director Exposure, Sustainability Performance, Financial Performance, Governance