

# Organizational Transformation at Desa Berdaya Foundation (Lokadesa) through a Social Entrepreneurship Approach to Foster Local Entrepreneurs within the Framework of Achieving SDGs 8.3

Alifya Ihya Muhamad<sup>1</sup>, Ratna Lindawati Lubis<sup>2</sup>

Telkom University, Indonesia

[alifyaihya@gmail.com](mailto:alifyaihya@gmail.com)



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## Abstract

**Purpose:** This study aims to explore the organizational transformation of the Desa Berdaya Foundation through a social entrepreneurship approach to foster local entrepreneurs contributing to the achievement of Sustainable Development Goals (SDGs) 8.3. The social entrepreneurship approach is deemed relevant to enhance the sustainability and social impact of the foundation in empowering village communities

**Research Methodology:** This study employs a qualitative method that utilizes data collection techniques such as in-depth interviews, participatory observation, and document analysis.

**Results:** The research findings indicate that organizational transformation at the Desa Berdaya Foundation involves four main stages: reframing, restructuring, revitalization, and renewal. In the reframing stage, the foundation adjusts its vision and mission to focus on the development of the food sector as key to economic empowerment in villages. The restructuring stage involves the reorganization of the organizational structure to be more efficient and effective in achieving new goals. Revitalization focuses on enhancing team competencies through intensive training and mentoring in the agricultural field. The renewal stage involves the adoption of an integrated farming system to improve productivity and resource efficiency. This transformation has proven to be successful in creating an environment that supports the growth of local entrepreneurs. The improvement in competencies and strategic adjustments of the foundation have increased economic independence in the villages, aligning with SDGs 8.3, which focuses on promoting inclusive and sustainable economic growth, full and productive employment, and decent work for all.

**Recommendation:** The research recommends ongoing evaluation of the implemented transformation strategies and strengthening partnerships with various stakeholders to achieve a broader social impact. This study contributes significantly to the literature on social entrepreneurship and non-profit organizational management in the context of village community empowerment.

**Keywords:** *Organizational Transformation, Social Entrepreneurship, Local Entrepreneurs, Village Empowerment, SDGs 8.3*

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## **1. Introduction**

The development of the business world has shown different trends compared with previous years. Various new phenomena have emerged, including Social Entrepreneurship, also known as social entrepreneurship (SE). Awareness of the importance of business roles in addressing social issues has been increasingly recognized (Dees, 1998; Marinescu, 2008; Noruzi, Westover, & Rahimi, 2010). With the advancement of technology and information, public perceptions of the contribution of Non-Governmental Organizations (NGOs) to development have also evolved. Many NGOs are no longer relying solely on financial aid, many NGOs are now seeking more sustainable and independent methods. For years, NGOs have depended on donations from corporate philanthropists and individuals for their operational funds. However, many of these funding sources have diminished (British Council 2023).

Social business (SE) represents a combination of business and NGO principles, as proposed by Leadbeater (1997) in London and Morfopoulos (2010). Social entrepreneurs operate businesses not to maximize profits but to solve social problems. Yayasan Desa Berdaya, now known as Lokadesa, is a facilitation organization for rural community empowerment, focusing on food issues with key activities in rural business incubation. Lokadesa was officially introduced in January 2023 as Yayasan Desa Berdaya's response to market conditions.

Yayasan Desa Berdaya offers community empowerment services to various NGOs and companies that embrace the concept of community empowerment. In mid-2020, COVID-19 was declared a pandemic that reached Indonesia. Throughout 2020, there were various policy changes in response to the pandemic, including half-work from home (HWFH), full-work from home (FWFH), and reductions in working days, which automatically led to reduced employee salaries. Finally, in 2023, Yayasan Desa Berdaya officially rebranded itself as Lokadesa, adopting a new business model, structure, vision, mission, and target market and differentiating it from its previous business processes.

## **2. Literature Review**

### **2.1 Entrepreneurship**

Entrepreneurship is a practical process and a series of decision-making activities aimed at creating breakthroughs that require actions from key actors in a dynamic process to establish new businesses (Nugroho 2017). However, the origin of the term can be traced back to 19th-century France with the word 'entreprendre,' which means to undertake, usually in relation to a task (Lubis, 2019).

### **2.2 Social Entrepreneurship**

Social Entrepreneurship is a combination of two words, derived from the French terms 'Social' and 'Entrepreneurship' (Kaswan, 2017). Casanovas and Bruno (2013) describe Social Entrepreneurship as a practice that targets social challenges with innovative and market-oriented solutions and social enterprises as organizations that primarily address social challenges through such solutions.

### **2.3 Transformation**

According to the Indonesian Dictionary (KBBI), transformation is a significant change in form, nature, or function. Ashurst and Hodges (2010) stated that an organization's ability to adapt and undergo transformation is key to success. In the context of Yayasan Desa Berdaya, this transformation involves changes in the organizational structure and approaches to community empowerment.

Buckley and Perkins (2019) assess organizational transformation as a transition from the current state to a future state. They also present transformative changes within a seven-stage transition cycle for individuals and organizations. This transition cycle consists of several stages, including the unconscious, awakening, reordering, translation, commitment, embodiment, and integration.

#### **2.4 Sustainable Development Goals (SDGs)**

The Sustainable Development Goals (SDGs) consist of 17 goals established by the United Nations in 2015 that aim for a more sustainable and fair world by 2030. These goals address a broad spectrum of global issues such as poverty, hunger, health, education, climate change, and inequality. They have also focused on environmental protection and tackling climate change. Importantly, the SDGs recognize the crucial role of non-governmental actors, which is particularly relevant in Indonesia, a country where civil society, the private sector, philanthropy, and academic institutions are actively engaged in supporting these global objectives (Lubis, 2019).

### **3. Research Methodology**

In qualitative research (Creswell & Poth, 2016), a case study approach is employed to conduct an in-depth investigation of a particular phenomenon within a real-world context. The aim of this case study is to gain a comprehensive and detailed understanding of the phenomenon or event in question, and to explore in-depth information about the case being studied. Qualitative research seeks to understand the phenomena experienced by research subjects in a holistic and descriptive manner and is conducted within a natural context using naturalistic methods (Anggito & Setiawan, 2018).

This qualitative research used an exploratory research method with a pragmatic paradigm. The process undertaken by the researcher involved conducting interviews for data collection, which assumed that each individual had the opportunity to express their opinions. Information was obtained through interviews by asking informant questions.

In qualitative research, operational variables refer to the descriptions provided for the concepts that are the focus of the study (Creswell, 2019) with the aim of ensuring that these concepts can be measured and observed concretely within the research context. The variables used in this study were Organizational Transformation and Social Entrepreneurship.

### **4. Result and Discussion**

#### **4.1 Fundamental Objectives of the Transformation of Yayasan Desa Berdaya**

The researcher validated from both internal and external sources that there has indeed been a reduction in donor support or a decrease in the extent of partnerships, which persists to this day. On the other hand, Yayasan Desa Berdaya's transformation was driven by issues related to food security. In this context, the focus of Yayasan Desa Berdaya has been on farmer empowerment.

#### **4.2 Transformation of Yayasan Desa Berdaya in the Approach of Social Entrepreneurship**

Casasnovas and Bruno (2013) describe social Entrepreneurship as a practice that addresses social challenges through innovative and market-oriented solutions, with social enterprises being organizations that primarily target social challenges through such solutions. Thus, there are three domains within the concept of Social Entrepreneurship: Social Mission, Innovation, and Market Reorientation.

An organization's mission is its purpose or reason for existence. A well-crafted mission statement defines the fundamental and unique purpose that differentiates an organization from others in

the same industry, and identifies the scope or domain of the organization's operations in terms of the products (including services) offered and the markets served. Within the concept of Social Entrepreneurship, the mission is to address social problems.

It can be concluded that there are two social missions that Yayasan Desa Berdaya aims to alleviate poverty or improve community welfare through empowerment programs and to become an accelerator in the issue of national food security.

In 2023, Yayasan Desa Berdaya collaborated with several NGOs and successfully helped 200 beneficiaries rise above the poverty line through economic interventions, such as entrepreneurship assistance and mentoring, as well as providing the necessary facilities and infrastructure to improve community welfare.

Since 2022, Yayasan Desa Berdaya has begun to focus on empowerment in the food sector, engaging in collaborations with the agricultural and food sectors (Agrocomplex). One of the most impactful initiatives is empowerment of livestock farmers. During the Qurban period, these farmers experienced a significant increase in income, enabling most to escape poverty.

Following the Social Mission, social innovation is the next domain of social entrepreneurship. From 2018 to 2020, Yayasan Desa Berdaya's portfolio was filled with village empowerment programs across various aspects, such as the economy, education, health, and environment. In 2021 and 2022, Yayasan Desa Berdaya's vision included the key phrase "Becoming a Center of Excellence," which implies becoming a reference point for empowerment concepts across various aspects. They possessed a portfolio that covered all aspects, which gave them confidence to become a center of excellence and a reference for empowerment concepts, both quantitatively and qualitatively.

In 2023, however, Yayasan Desa Berdaya revised its vision by adding a new focus on food security. This issue has become the focus of innovation aimed at expanding and enhancing the impact of empowerment. Social innovation is the response to existing social problems. With the social mission outlined above, social innovation becomes an extension or derivative of the implementation of that mission.

The next domain in Social Entrepreneurship is Market Orientation. Market Orientation contributes to a company's competitive advantage through its relationship with financial performance and innovation. In relation to the transformation process, Yayasan Desa Berdaya must respond to market needs and preferences. Based on the researcher's findings, Yayasan Desa Berdaya expanded its market segment.

First, the target partners for fundraising and regular empowerment programs are NGOs and zakat management organizations. The focus of these first partners is to raise social funds to support economic empowerment of farmers and provide charitable food aid. Second, consumers who focus on agriculture are divided into retail and corporate segments, which require food commodities. The focus of these second partners is to target markets that can generate profits for Yayasan Desa Berdaya.

#### ***4.3 Transformation Towards SDG 8.3 Entrepreneurship***

Out of the 17 goals presented in the SDGs agenda, there is one goal that aligns with the mission of Yayasan Desa Berdaya, which is SDG 8: "Decent Work and Economic Growth: Promote inclusive and

sustainable economic growth, employment, and decent work for all." There are 10 sub-goals under the SDG 8.

SDG 8.3, which states, "Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small-, and medium-sized enterprises, including through access to financial services," is the most relevant point to the mission of Yayasan Desa Berdaya, which aims to "Grow Local Enterprises based on Social Entrepreneurship (Christiane, Indrabudiman, & Handayani, 2022)."

Although none of the informants explicitly mentioned "SDG 8.3," all the explanations pointed to the key points of its implementation. Prior to its transformation, Yayasan Desa Berdaya was an NGO that focused solely on general empowerment. They engaged in empowerment activities and built portfolios across all aspects, with human development and economic aspects as their pillars.

Yayasan Desa Berdaya did not discard its empowerment values; instead, it shifted from being a generalist to a specialist, focusing from various aspects of empowerment to empowerment that contributes to food security. Both SDG 2 and SDG 8 were clearly implemented in Yayasan Desa Berdaya's programs. These goals are not in conflict but rather support one another.

## **5. Conclusion and Suggestion**

### **5.1 Conclusion**

The findings of this study indicate that Yayasan Desa Berdaya is addressing its social mission by transitioning from a charity-oriented organization to a social business (social entrepreneurship). The transformation of Yayasan Desa Berdaya is driven by several conditions. Notably, in 2020, the NGO partners of Yayasan Desa Berdaya reduced their funding for empowerment programs, as donors were shifting their contributions towards health programs due to prevailing trends. Since then, funding for empowerment programs has diminished and has not returned to the levels seen before 2020.

Yayasan Desa Berdaya is undergoing transformation through a Social Entrepreneurship approach, where the organization has a defined social mission to achieve, possesses market orientation as part of its business development strategy, and employs innovation as a competitive advantage.

Yayasan Desa Berdaya also aligns its empowerment activities with Sustainable Development Goals (SDGs) No. 2, which focuses on food security, and No. 8, which relates to economic improvement. These goals are both technically interconnected and inseparable. In its focus on food security, Yayasan Desa Berdaya also emphasizes improving the livelihoods of farmers who are central to food security efforts.

### **5.2 Suggestion**

Yayasan Desa Berdaya should consider incorporating SDG 8.3 on entrepreneurship as part of its social mission communicated to the public, as the core activities of SDG 8.3—fostering entrepreneurship—are inherently aligned with community empowerment.

The organization should reassess the challenges it faces in transforming with a Social Entrepreneurship approach to ensure that the transformation is successful.

Yayasan Desa Berdaya is encouraged to re-evaluate its focus, market segments, and revisit its Business Model Canvas, including its Value Proposition and Unique Selling Point, to refine the products and services offered, thereby creating a competitive advantage over competitors.

Finally, Yayasan Desa Berdaya integrated SDGs 2 and 8 into a unified narrative. Beyond this, it is essential to develop and communicate a roadmap or medium- to long-term plan that includes the goals of sustainable development (Sustainable Development Goals) Nos. 2 and 8.

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