



Neglecting the Merit System in The Recruitment of Employees in Village-Owned Enterprises

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ABSTRACT

Village-owned enterprises have an important role in local economic development and the welfare of rural communities. This research aims to analyze the implementation of meritocracy principles in the BUMDes workforce recruitment process in Sampang Regency. The method used is descriptive qualitative, with primary data collection through in-depth interviews and secondary data from related documents. The results showed that the neglect of the meritocracy system in the recruitment of village-owned enterprises, such as the practice of nepotism and lack of transparency, resulted in a decrease in the quality of human resources and organizational efficiency. In addition, unfairness in recruitment has the potential to cause urbanization of qualified young people, hindering their contribution to village development. The implementation of a fair and transparent meritocracy system is expected to improve the accountability and productivity of BUMDes, and support the sustainable development of local potential.

Keywords: Village-Owned Enterprises, Merit System, Workers.

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INTRODUCTION

Village-Owned Enterprises (BUMDes) in their development play an important role in developing the potential of villages to build villages independently and sustainably. Each village has its own characteristics that can be used to find the potential of the village by optimizing existing local resources.¹ BUMDes can take advantage of the local potential of villages such as agriculture, handicrafts, tourism, fisheries or other

¹ Putu Somiartha et al., "Determinants of Performance of Village-Owned Enterprises in Improving Village Development Performance," *International Journal of Professional Business Review* 9, no. 1 (2024): e04181, <https://doi.org/10.26668/businessreview/2024.v9i1.4181>.

sectors to make creative business innovations based on local wisdom. This effort aims to encourage economic growth at the village level through the creation of new jobs, so that it can ultimately improve the welfare of the community as a whole.² Through proper management such as exploring the potential of the village, BUMDes will increase the village's Original Income (PADes) and encourage economic equity in the village.³

BUMDes play an important role in the development of the local economy and the welfare of the village community.⁴ However, a recruitment system based on family relationships can hinder efficiency and accountability in the management of BUMDes. That situation does not represent the most innovative element in the development framework increasing government accountability, building trust in institutions, and maintaining peace.⁵ If recruitment only prioritizes personal closeness without considering skills and experience, then the performance of BUMDes will have an impact on hindering village development and progress.⁶ The Recruitment Process that is carried out carefully and with quality will produce adequate human resources and have a high commitment to BUMDes.⁷ Talking about the management of a BUMDes, of course, it must be based on good management in accordance with the applicable rules and has been mutually agreed.⁸ In the Recruitment Process, the parties involved must be able to act objectively and behave in accordance with work ethics.

Based on Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises, one of the principles that must be carried out by BUMDes is the principle of openness. Open means that data and information related to the management of BUMDes must be transparent and easy to access at all times. By providing clear information starting from the delivery of information about job vacancies, registration

² Evi Puspita, Rini Nurbayanti, and Dea Nurmastin Novianti, "Analysis Of Bumdes Management Success (Qualitative Descriptive Study Of Successful Analysis Of Bumdes Management In Indonesia Through Online News Sites)," *Jurnal Ilmu Sosial Politik Dan Humaniora* 5, no. 1 (2022): 35–50, <https://doi.org/10.36624/jisora.v5i1.62>.

³ Akhmad Priharjanto and Nina Andriana, "Do Innovation, Community Participation and Quality of Human Resources Influence the Performance of Village-Owned Enterprise," *Quantitative Economics and Management Studies* 4, no. 6 (2023): 1157–68, <https://doi.org/10.35877/454ri.qems2082>.

⁴ Muryanti Muryanti, "Towards Social Entrepreneurship in the Village through Village-Owned Enterprises," *Society* 8, no. 1 (2020): 163–74, <https://doi.org/10.33019/society.v8i1.161>.

⁵ Orin Gusta Andini et al., "Indonesia's Safeguarding of Human Rights to Achieve Development Goals: Insights from Australia's Experience The World Strives to Improve Lives and Realize Prosperity and Environmental and Disasters. Of Note, 2015 Saw the Adoption of Three Intercon," *Journal of Sustainable Development and Regulatory Issues (JSDERI)* 3, no. 1 (2025): 1–28, <https://doi.org/https://doi.org/10.53955/jsderi.v3i1.53> Journal.

⁶ Piers Andreas Noak, "Analysis Of the Existence of Political Dynasties in Village Head Elections in Indonesia," *International Journal of Religion* 5, no. 10 (2024): 1135–45, <https://doi.org/10.61707/4bnbga38>.

⁷ Novianti Zalukhu, Susi Hendriani, and Kurniawaty Fitri, "The Effect of Recruitment and Training on Commitment and Performance of Village Business Entity (Bumdes) Management in Kampar Regency Riau Province," *Indonesian Journal of Economics, Social, and Humanities* 2, no. 2 (2020): 135–46, <https://doi.org/10.31258/ijesh.2.2.135-146>.

⁸ Erwin Meri Yarni, Adeb Davega Prasna, Irwandi, Bustanuddin, "Penguatan Tata Kelola BUMDesa: Implementasi Peraturan Perundang-Undangan Untuk Meningkatkan Kesejahteraan Masyarakat Di Desa Delima, Kec. Tebing Tinggi, Tanjung Jabung Barat Meri," *Jurnal Pengabdian Masyarakat Bangsa* 2, no. 8 (2024): 3631–42.

procedures to the implementation time of the recruitment system, this will provide convenience and understanding of the selection process to prospective job seekers.⁹

One example is the recruitment of directors or chairmen who are required to have a minimum of high school level education or equivalent, as a benchmark for basic knowledge and communication skills needed to lead an organization.¹⁰ Furthermore, for positions such as *waiters*, it is recommended to come from a high school education background or equivalent. Work background is important for the preparation of a job desk, so that prospective workers are expected to be able to carry out their duties and responsibilities according to their job needs.

This research has been updated. First, Kaitlyn Sigrid's Third Research, Sandra Kaitlyn Sigrid's research (2024) entitled "*Optimizing The Performance Of Village-Owned Enterprises Through Human Resource Management*" states that selective recruitment in BUMDes is the key to improving performance.¹¹ Second, Godprit Haris Touwely, Sumardi, Nuraeni Kadir, and Wahda (2023) examined "*Employee Performance Improvement Based on Talent Management*" This study highlights the importance of talent management in managing employees by placing them in positions that are in accordance with their talents and potential.¹² Novianti Zalukhu, Susi Hendriani, and Kurniawaty Fitri (2020) related to *The Effect of Recruitment and Training on Commitment and Performance of Village Business Entity (BUMDes) Management in Kampar Regency Riau Province*, that recruitment contributes to increased commitment, because BUMDes have their own rules and regulations in choosing BUMDes administrators.¹³ However, in its implementation, the recruitment process in BUMDes is still not running optimally.

Previous studies were used as a reference to support the preparation of this research. Although relevant to the studies that have been conducted, this study specifically discusses the implementation of the merit system in the recruitment process of BUMDes workers as mandated in Presidential Regulation Number 57 of 2023, as a strategic step to improve the efficiency, accountability, and productivity of BUMDes management. The implementation of the merit system is expected to ensure fair recruitment according to worker competencies, as well as support the strategic role of BUMDes in optimizing the management of BUMDes that develop local potential, create jobs, and improve the welfare of village communities.

⁹ Wawan Taguh Suprastiyo and Primaadi Airlangga, "Penyebaran Informasi Lowongan Pekerjaan Berbasis Website (Studi Kasus Mahasiswa Dan Alumni Unwaha)," *Jurnal Teknik Informasi Dan Komputer (Tekinkom)* 4, no. 2 (2021): 280, <https://doi.org/10.37600/tekinkom.v4i2.399>.

¹⁰ Agni Grandita Permata Sari, "The Analysis of Village-Owned Enterprises (BUMDes) Management Using Interpretive Structural Modeling," *TRANSFORMASI: Jurnal Manajemen Pemerintahan* 13, no. 1 (2021): 16–35, <https://doi.org/10.33701/jtp.v13i1.1555>.

¹¹ Sandra Kaitlyn Sigrid, "Optimizing The Performance Of Village-Owned Enterprises Through Human Resource Management," no. 1 (2024): 1–4.

¹² Godprit Haris Touwely et al., *Employee Performance Improvement Based on Talent Management* (Atlantis Press International BV, 2023), https://doi.org/10.2991/978-94-6463-146-3_31.

¹³ Zalukhu, Hendriani, and Fitri, "The Effect of Recruitment and Training on Commitment and Performance of Village Business Entity (Bumdes) Management in Kampar Regency Riau Province."

METHOD

This research method uses a Descriptive Qualitative Method, which aims to understand a phenomenon or event experienced by the research subject in depth.¹⁴ The approach used in this study is an empirical juridical (sociological) approach, which aims to understand how legal norms related to the merit system are applied in the recruitment practices of BUMDes. This approach was chosen because it is able to explain the interaction between normative provisions in laws and regulations and social realities that occur in the field.

The data used is in the form of Primary Data and Secondary Data, Primary data is obtained from informants, the Sampang Regency Regional Government, Sokobanah BUMDes, Taman BUMDes, the Sampang City Manpower, Transmigration and Energy Office (DISNAKER). Meanwhile, secondary data is obtained from literature materials consisting of primary legal materials, namely laws and regulations documents, research results, books, internet news, scientific journals, newspapers, pamphlets, and brochures.¹⁵ which was carefully collected through in-depth *interviews*¹⁶ And literature studies.

The collected data is analyzed qualitatively by describing and interpreting findings based on the themes that arise in the data collection process. The researcher uses content analysis and thematic analysis techniques to examine how legal norms regarding the merit system are implemented in labour recruitment practices in BUMDes. The results of the analysis are presented narratively and descriptively, by relating theories, regulations, and social realities found in the field.

DISCUSSION

The Concept of the Merit System as an Ideal Framework for Recruitment in BUMDes

The ever-evolving international legal framework prioritizes the enforcement and protection of human rights and global justice.¹⁷ The merit system is a basic principle in human resource management that places individual qualifications, competencies, and achievements as the main basis for the recruitment, promotion, and placement process. In the context of public organizations, this system plays an important role in ensuring that every individual who fills a strategic position is one who has the capacity and

¹⁴ Agung Minto Wahyu, "The Analysis of Putukrejo Village Government Readiness in Forming Bumdes As a Development Efforts of Rural Communities Based on Creative Economy," *International Journal of Economics, Business and Accounting Research (IJEBAR)* 3, no. 03 (2019): 270–82, <https://doi.org/10.29040/ijebar.v3i03.594>.

¹⁵ Mukti Fajar and Yulianto Achmad, *The Dualism of Normative and Empirical Law Research, Fifth Edition, Yogyakarta: Student Library* (Student Library, 2019).

¹⁶ Nur Azisa Tri Utami Putri, "IMPLEMENTATION OF VIRTUAL HEARINGS DURING THE COVID-19 PANDEMIC BY THE PUBLIC PROSECUTOR AT THE BARRU DISTRICT ATTORNEY'S OFFICE," *HERMENEUTIKA* 5, no. 2 (2021): 375–384.

¹⁷ Orin Gusta Andini et al., "Human Rights Protection for the Third-Party in Non- Conviction Based Asset Forfeiture : A Comparison of Indonesia and Australia" 6, no. 2 (2025): 240–59.

integrity to match the demands of the job. Meritocracy is not just an administrative procedure, but an ethical and professional framework that underlies fairness in labour management.

The term Meritocracy was first introduced by Michel Young in his book "Rise of the Meritocracy" published in 1958¹⁸. Meritocracy can work if there is a mechanism called a merit system.¹⁹ According to McCourt in Andhika (2019) argues that the definition of the *merit system* is "the appointment of the best person for any given job"²⁰, which means that any job or position must be occupied by people who have the ability and qualifications in accordance with the job position or position needed.

According to Grundman in the U.S. report. *Merit Systems Protection Board* (2016), there are nine main indicators in the implementation of the merit system, namely *a. recruitment, Selection, and Advancement; b. Equity; c. Compensation; d. Conduct; e. Utilization; f. Retention; g. Employee Training and Development; h. Neutrality; i. Public Interest*²¹ Merit System is a system in human resource management where the recruitment, promotion, and retention process is carried out based on qualifications, the abilities and achievements of each individual, not on subjective factors such as personal relationships, politics, or nepotism.²² One of the important elements in human resource management is the implementation of a merit system in recruitment that is carried out in a fair and transparent manner.²³

In the management of Village-Owned Enterprises (BUMDes), the implementation of the merit system is crucial because BUMDes is a village economic entity that has a strategic responsibility in improving community welfare. When the recruitment process is carried out without considering merit, such as through nepotism or closed selection, what happens is a decrease in the quality of village business management. This not only reduces the effectiveness of the organization, but can also reduce public trust in the BUMDes institution as a pillar of village development.

As an ideal framework, the merit system requires that every selection process begins with the determination of clear, objective, and measurable criteria based on the needs of the position to be filled. Then, vacancy information must be announced publicly

¹⁸ Agil Sabani et al., "The Importance of the Implementation of the Meritocratic System in Indonesian Government Agencies," *Activism: Indonesian Journal of Educational, Political and Social Sciences* 1, no. 3 (2024): 144–152.

¹⁹ Andhika Wiratama and Eko Prasajo, "Merit System in the Recruitment and Selection Mechanism of Police Officers," *Journal of Police Science* 13, no. 2 (2019): 12.

²⁰ Eko Prasajo, "Merit System in the Recruitment and Selection Mechanism of Police Officers."

²¹ Tang Abdullah Sofyan, Thahir Haning, "MERITOCRACY IN THE PROMOTION OF POSITIONS AND MUTATION OF STATE CIVIL SERVANTS," *Syntax Literate: Indonesian Scientific Journal* 7, no. 12 (2022): 356–363.

²² Erwin Darmawan, Andi Pangerang Moenta, and Achmad Ruslan, "Effectiveness of the Merit System in Office Administration within the Sinjai District Government," *Legal Brief* 12, no. 1 (2023): 57–66, <https://doi.org/10.35335/legal.v12i1.749>.

²³ Juwita Sandy Sary et al., "Enhancing Good Governance through the Implementation of the Merit System in the Placement of State Civil Apparatus," *Pakistan Journal of Life and Social Sciences* 22, no. 2 (2024): 5469–77, <https://doi.org/10.57239/PJLSS-2024-22.2.00407>.

so that every qualified villager can access the same opportunities. Selection is carried out through transparent and measurable methods, such as competency tests or interviews based on behavioural indicators. Finally, the results of the selection must be informed fairly and accountably to the public.

The implementation of the merit system in BUMDes has actually received legitimacy in various regulations, such as Law Number 13 of 2003 concerning Manpower and Presidential Regulation Number 57 of 2023 concerning Mandatory Job Vacancy Reports. These regulations not only affirm the importance of fair and transparent recruitment but also serve as a juridical basis in encouraging professional governance of BUMDes.

By making the merit system an ideal framework in recruitment, BUMDes can create human resources who are not only competent but also have a commitment to village development. In addition, the implementation of this system is a long-term strategy to build participatory, inclusive, and sustainable governance at the local level.

Table 1

Compilation of Laws and Regulations on the Implementation of the Merit System in BUMDes

No	Laws and Regulations	Related Articles	Article Reading
1.	Law No. 13 of 2003 concerning Manpower Statute Book of the Republic of Indonesia No. 39 of 2003 Supplement to Statute Book of the Republic of Indonesia No. 4279.	Article 5	Every workforce has an equal opportunity without discrimination to get a job.
		Article 6	Every worker/labourer has the right to receive the same treatment without discrimination from employers.
		Article 4 letter b and Explanation "Equal distribution of employment opportunities)	Realizing equal distribution of job opportunities and the provision of labour in accordance with national and regional development needs

			<p>Explanation: Equal distribution of employment opportunities throughout Indonesia needs to be pursued as a single job market, by providing equal opportunities for all workers according to their talents, demands, and abilities. In addition, equal distribution of labour must also be carried out to meet the needs in various sectors and regions.</p>
2.	<p>Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises Statute Book of the Republic of Indonesia Number 21 of 2021 Supplement to Statute Book of the Republic of Indonesia Number 6623</p>	Article 4 letter a	<p>The management of Village BUM / Village BUM together is carried out based on the spirit of kinship and mutual cooperation with the following principles:</p> <p>a. professional;</p> <p>What is meant by "professional" is governance that is carried out in accordance with existing rules and carried out by actors who have adequate abilities and competencies.</p>
3.	<p>Presidential Regulation Number 57 of 2023 concerning Mandatory Job Vacancies in the Statute Book of the Republic of Indonesia Year 2023 Number 120</p>	Article 5 letter d	<p>position information, including: age; gender; education; skills or</p>

			competencies; work experience; wages or salaries; domicile of the work area; and other information related to the required position.
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The implementation of the Merit System emphasizes that every prospective worker must be assessed based on qualifications, abilities, experience, and achievements that are relevant to the position needed.²⁴ By placing the appropriate workforce in the right position, it will be ensured that an organization can run effectively and efficiently as it should.²⁵ This is in line with Presidential Regulation Number 57 of 2023 concerning Mandatory Job Vacancy Reporting, which is the employer's obligation to report job vacancies openly by containing the qualifications of position information such as skills or competencies, work experience, education, work area domicile, age, gender, and other information related to qualifications relevant to the position needed.

On the other hand, Law Number 13 of 2003 concerning Manpower also affirms the importance of protection and fair employment opportunities for all workers. The Employment Law also supports the existence of a Merit System by encouraging objective recruitment without discrimination because everyone has the opportunity to get a job.

Studies show that state administrative institutions (LAN) implementing a meritocratic system tend to have a higher level of productivity, where the workers selected are those based on relevant competencies and abilities.²⁶ Thus, the application of the meritocracy system in fair and transparent recruitment not only produces competent and qualified individuals,²⁷ But also supports the creation of a more efficient, professional, and accountable organization. This Merit System approach emphasizes that the ability and professionalism of candidates to fill positions must be in accordance with the competencies needed for the position.²⁸

²⁴ Kurniawan Jabar Malik and Eko Prasajo, "Determinant Factors in the Implementation of Merit System: An Overview of Indonesian Case," *Asian Journal of Social and Humanities* 2, no. 03 (2023): 1942–52, <https://doi.org/10.59888/ajosh.v2i03.187>.

²⁵ Endah Setyowati, "Merit System in Administration and Supervising Staff Career Promotion in Universitas Brawijaya," *Wacana* 23, no. 1 (2020): 66–69.

²⁶ Adi Suryanto and Mariman Darto, "Penerapan Kebijakan Sistem Merit: Praktik Terbaik Di Lembaga Administrasi Negara," *Jurnal Borneo Administrator* 16, no. 3 (2020): 401–22, <https://doi.org/10.24258/jba.v16i3.744>.

²⁷ Tian Nirwana, "Analysis of Merit System in the Open Promotion of High Leadership Positions for Women in the Ministry of Home Affairs," *Journal of Governance and Public Policy* 8, no. 3 (2021): PROGRESS, <https://doi.org/10.18196/jgpp.v8i3.12208>.

²⁸ M Nazaruddin and M Abubakar, "Challenges in the Implementation of the Open Selection Program for Primary High Leadership Positions (JPT) in Lhokseumawe City," *Journal of Public Transparency (JTP)* 2, no. 2 (2022): 90–97,

The Merit system, which emphasizes recruitment based on competencies and skills, can only be realized if the mechanism is carried out openly and fairly.²⁹ In this context, Presidential Regulation Number 57 of 2023 concerning Mandatory Job Vacancy Reporting is an important instrument to ensure that every employer, including BUMDes, reports on labor needs transparently so that opportunities to obtain jobs can be accessed equally by prospective workers according to their qualifications.

Table 2
Data on the Number of BUMDes in Sampang Regency
Year 2024

Number of BUMDes/BUMDes Together in Sampang Regency	BUMDes / BUMDes Together with Legal Entities	BUMDes/ BUMDes with Non- Legal Entities
184	52	132

Source: bumdes.kemendesa.go.id, 2025

Sampang Regency has quite a lot of BUMDes that are classified as independent and play a strategic role in supporting local economic development in Sampang Regency. For example, BUMDes Astapah in Omben District which focuses on tourism management in the form of "Gubug Astapah", BUMDes Jatra Timur in Banyu Ates District which contributes to the development of businesses based on local wisdom, namely the production of handicrafts in the form of batik "Merras Parjhuga" which is currently an icon of the village. Furthermore, BUMDes Taman in Jrengik District also focuses on the development of village tourism, namely "Padi Padi Tourism" so that it becomes an attraction for visitors. Some of the examples of BUMDes above are witnesses that Sampang Regency has BUMDes that can find and manage the potential of their respective villages.

The success of BUMDes in Sampang Regency in managing villages can strengthen the role of the community in managing and developing innovative and progressive local potential. Therefore, BUMDes is present not only to build village businesses but also as an important pillar in realizing a prosperous village community.³⁰ Based on observations made by researchers in Sampang Regency, the implementation of mandatory job

<https://ojs.unimal.ac.id/jtp/article/view/8697%0Ahttps://ojs.unimal.ac.id/jtp/article/download/8697/4237>.

²⁹ Muhammad Eko Atmojo and Vindhi Putri Pratiwi, "The Implementation of a Merit System in the Selection of Village Officers in the Indonesian Region of Yogyakarta," *JPPUMA Journal of Government and Socio-Political Sciences, University of Medan Area* 8, no. 2 (2020): 134–141.

³⁰ Moh Said, Erlita Cahyasari, and Suhartono Winoto, "Capacity Building of Village-Owned Enterprises in Strengthening Village Economy," *Proceedings of the 3rd Annual International Conference on Public and Business Administration (AICoBPA 2020)* 191, no. AICoBPA 2020 (2021): 578–83, <https://doi.org/10.2991/aebmr.k.210928.111>.

vacancy reporting as stipulated in Presidential Regulation Number 57 of 2023 is still not optimal.

Table 3

Data on the Number of BUMDes Reporting Job Vacancies at the Sampang Manpower Office

Year	Number of BUMDes/BUMDes Together in Sampang Regency	Who Reports	Who Didn't Report
2024	184	0	184

Source: Sampang Disnaker, 2025

Based on the table above, it can be explained that the implementation of mandatory reporting of job vacancies in Sampang Regency is not going well. This can be seen in the absence of job vacancy reports received by the Manpower Office from a total of 184 BUMDes/BUMDes Bersama. Every Employer, in this case an employer, an individual, a legal entity and/or other bodies is obliged to report in advance for the job vacancies needed so that the job seeker will get the opportunity to find a job with the qualifications he has. But in fact, it is still very difficult even almost all BUMDes in Sampang Regency have not complied with the rule.

This is also evidenced by real examples that occurred in several BUMDes in Sampang Regency, where the worker recruitment process was carried out without prioritizing a merit and transparency system. One of them is the Taman Jaya Taman BUMDes in Jrengik District, which recruits workers without going through an open and objective selection procedure. BUMDes Taman Jaya Taman recruited a cashier position filled by the Village Head's sister-in-law, who was chosen not because of her competence, but because of her close family relationship. A similar condition also occurs in BUMDes Bintang Karya Astapah, where the strategic position as the manager of BUMDes is held by the wife of the village head. The existence of BUMDes has become less felt by residents because most of the work is family members of the village head, so the contribution of BUMDes in increasing Village Original Income (PADes) is also not optimal, so the benefits do not reach the community.

The non-compliance of BUMDes in Sampang with these obligations shows that there is a neglect of the merit system. Without transparent job vacancy reports, the recruitment process for BUMDes workers, which tends to be carried out behind closed doors, will have the potential to prioritize personal or family relationships over competence. The existence of this phenomenon will not only hinder the access of job seekers who meet the criteria, but also have the potential to reduce the quality of resources in BUMDes. Therefore, the implementation of the merit system through compliance with Presidential Regulation 57/2023 and strengthening the workforce is the main solution to create a fair, professional, and quality recruitment process for BUMDes.

Neglect of the Merit System in the Recruitment of BUMDes Workers

According to Stahl (1962), the principles of merit are as follows:³¹

1. Adequate publicity, this principle requires that job vacancy information be widely conveyed so that all interested individuals can know it easily and openly. Presidential Regulation 57/2023 requires employers, including BUMDes, to report job vacancies transparently. However, data shows that none of the 184 BUMDes in Sampang Regency reported their job vacancies to the Manpower Office. This indicates a violation of the principle of adequate publicity because prospective workers do not get access to the necessary information.
2. The opportunity to apply, this principle ensures that every individual has the same right to apply for available positions. However, the nepotism practices found, such as the recruitment of the village head's sister-in-law at BUMDes Taman Jaya and the village head's wife at BUMDes Bintang Karya, reflect that this closed recruitment process violates the principle of equal opportunity in recruiting workers.
3. A Realistic standard, this principle emphasizes the importance of job-relevant qualifications that apply fairly to all candidates. Meanwhile, BUMDes in Sampang City Regency do not apply objective qualification standards. Recruitment is carried out based on personal relationships, not ability or compatibility with the position.
4. No Discrimination, this principle affirms that selection in recruitment should focus on the candidate's abilities without paying attention to other irrelevant factors. The existence of the practice of nepotism and discrimination based on family relations shows a neglect of this principle. Candidates for other competent workers are not given the opportunity because the recruitment selection focuses more on personal proximity.
5. Ranking Based on Ability, this principle requires that the selection process be carried out based on the evaluation of the candidate's ability and suitability relatively speaking. However, there is no competency-based selection process reported in the recruitment of BUMDes in Sampang Regency. In the facts in the field, recruitment is more subjective and does not reflect a merit-based assessment.
6. Knowledge of the Results, the public must have access to understand how the selection process takes place. This principle ensures that the selection process must be transparent and allow for review in the event of injustice. However, the subjective selection proves that there is a lack of transparency

³¹ M Salim Alimuddin, S Sangkala, and B Ahmad, "Merit System in Promotion of Primary High Leadership Positions in Majene Regency," *Mantik Journal* 7, no. 4 (2024), <http://www.iocscience.org/ejournal/index.php/mantik/article/view/4455><https://www.iocscience.org/ejournal/index.php/mantik/article/download/4455/3199>.

in the recruitment process for BUMDes, so that without job vacancy reports and a clear selection mechanism, the public does not have access to know or review the process carried out.

The non-compliance of BUMDes in Sampang Regency with Presidential Regulation 57/2023 reflects a neglect of merit principles according to Stahl (1962), which has an impact on the non-optimal labour recruitment process. Neglect of the merit system not only harms competent individuals, but also undermines the effectiveness and professionalism of BUMDes management. The neglect of the merit system is a crucial problem that can have a direct impact on the effectiveness and professionalism of BUMDes management. However, in practice in the field, it shows that BUMDes, especially in Sampang Regency, still practice nepotism, ranging from personal closeness to family relationships in choosing workers. Of course, this causes injustice for potential and competent prospective workers so it has a negative impact on the overall performance of BUMDes.

The form of neglect that harms the Merit System in the recruitment of BUMDes workers in Indonesia can be seen from several aspects that reflect the challenges and obstacles faced in its implementation, the forms of neglect include:

- a. Inequality or discrimination against gender, age, or background, both economic and group that overrides the abilities, skills, and achievements of prospective workers.
- b. Nepotism that prioritizes friends, relatives, or political connections, with an approach that refers to the hiring of specific people who assist in achieving the "desired goal" without regard to equality or justice.
- c. Lack of transparency in recruitment causes the recruitment process to be unclear and unstructured, which can cause potential fraud and can reduce public trust in the existing system.³²

The lack of understanding and awareness of the importance of the merit system, especially among BUMDes, is the main cause of the unstructured recruitment of BUMDes. Although the rules related to the mandatory reporting of job vacancies have been regulated, the implementation of it by the Manpower Office in Sampang Regency has encountered obstacles. Some of them are:

1. The weak enforcement of the law and sanctions in Presidential Regulation Number 57 of 2023 is still not enough to provide pressure or punishment to parties who do not comply with these obligations. This results in low compliance among BUMDes and other employers.
2. Limited funds for socialization are one of the main obstacles in carrying out effective socialization regarding reporting obligations. Currently, the

³² Syafruddin Pohan Putri Munawwarah, "Analysis of Communication and Public Services in Implementing Transparency of Job Vacancies Information on Instagram @ Pjkusu Journal of Communication and Social Media Science (JKOMDIS)," *Journal of Communication and Social Media Science (JKOMDIS)* 3, no. 3 (2023): 806–810.

Manpower Office only relies on informal communication methods, such as the use of WhatsApp Groups or oral information delivery, so it cannot reach all parties optimally. Therefore, it is necessary to increase the allocation of funds for socialization activities so that information can be conveyed more effectively and comprehensively.

3. Dominance of Small Companies in Sampang Regency, In Sampang Regency, Most of the companies are small-scale, which results in reporting job vacancies becoming rare. Capacity and resource limitations in these small companies often prevent them from meeting reporting obligations, reducing transparency and employment opportunities for the community.

More than that, there are several BUMDes managers who were visited by the researcher and also stated that they are not aware of any rules regarding Mandatory Job Vacancy Reports. However, legal fiction theory posits that every citizen is considered to have known and understood the applicable law without exception.³³ Thus, every BUMDes is considered to be aware of the rules regarding Mandatory Job Vacancy Reporting and is required to carry out the orders in the regulation. These factors as a whole create a major obstacle to the implementation of a transparent and professional merit system in the management of BUMDes.

The implementation of the merit system aims to create a transparent and fair recruitment environment, where each individual has an equal opportunity to obtain a position according to his or her competencies and qualifications. The implementation of the merit system is expected to be able to reduce the level of corruption and nepotism practices that occur during the selection process, so that it can increase public trust in BUMDes.³⁴

However, if the merit system is not implemented properly, especially in the context of BUMDes labour recruitment, it will give rise to the following problems:³⁵

1. The decline in the efficiency and quality of human resources in BUMDes, as well as the selection of workers who are not in accordance with existing capabilities, will have an impact on the decline in the quality of human resources in BUMDes. Decreased performance of BUMDes and incompetent workers can lead to inefficient work processes, so that BUMDes will experience difficulties in achieving the goals that have been set, which risks hindering business growth and development.
2. A selection process that is not transparent and subjective will result in a decrease in public trust in BUMDes and create a negative stigma due to injustice in

³³ Fathul Hamdani et al., "Legal Fiction: Ideality, Reality, and Its Problems in Society," *Primagraha Law Review* 1, no. 2 (2023): 71–83.

³⁴ T A Maulitya, Y Novitrisani, and ..., "Literature Review: The Application of the Merit System in the Police Recruitment and Selection Process," *Indonesian Legal Media ...* 2, no. 2 (2024): 633–638, <https://ojs.daarulhuda.or.id/index.php/MHI/article/view/585%0Ahttps://ojs.daarulhuda.or.id/index.php/MHI/article/download/585/607>.

³⁵ Agil Sabani et al., "The Importance of the Implementation of the Meritocracy System in Indonesian Government Agencies."

recruitment. This is due to the fact that BUMDes do not carry out their mandate in accordance with applicable regulations.

3. The loss of support from the Central and Regional Governments has led to difficulties in accessing the necessary assistance, for example, difficulties in obtaining special financial assistance for the capital of BUMDes.
4. The decline of the village economy due to injustice in recruitment has resulted in the loss of the potential of the quality young generation. This has led to increased urbanization, where many young generations choose to leave the village in search of better opportunities in the city. As a result, their contribution to village development became ineffective, thus worsening economic and social conditions in the region.

Therefore, it is very important for BUMDes to comply with the obligation to report job vacancies in order to carry out their functions optimally. Compliance with this regulation will not only improve the quality and operational efficiency of BUMDes but will also make a significant contribution to the overall economic development of the village. By implementing a fair recruitment system, BUMDes have the opportunity to attract a qualified workforce. This, in turn, will strengthen the position of BUMDes as the main driver of the economy and help reduce the unemployment rate in the village.

CONCLUSION

The implementation of a merit system in the BUMDes recruitment process is very important to ensure that the qualifications, abilities, and experience of prospective workers are a top priority in the selection of workers. To realize this, BUMDes must develop clear and objective criteria for each position needed. In addition, transparency in the recruitment process must also be improved with a mechanism for announcing job vacancies that is open and easily accessible to the public, as required in Presidential Regulation 57/2023. Local governments and the Manpower Office need to play an active role in increasing the understanding of BUMDes managers through socialization, education, training, and workshops on the importance of the merit system and compliance with applicable rules which is crucial. In addition, strict law enforcement against violations in the recruitment process is needed to create accountability and compliance from BUMDes managers. Finally, the empowerment of village communities is an important key so that they understand their rights and can actively participate, as well as obtain equal opportunities in the labour recruitment process. With these steps, it is hoped that BUMDes can operate more effectively and contribute to the sustainable development of the village economy.

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