Optimization of Business Management in Improving the Welfare of Palm Farmers

Nanda Ameliany *, Sufi, Nursakinah Ritonga, Lisa Iryani, Richa Meliza, Erni Rosida

Universitas Malikussaleh Blang Pulo, Kec. Muara Satu, Kota Lhokseumawe, Aceh, Indonesia

Article Info

Article history:

Received July 31, 2024 Revised August 18, 2024 Accepted December 6, 2024

Keywords:

Increased Income Management Strategy Palm Oil Farmers

ABSTRACT

This research aims to determine the management strategies implemented by Alue Luehop village and the obstacles experienced by Alue Leuhop village. research focus: 1) What are the management strategies at benchmarks 1 to 4. (2) Obstacles to business management strategies in increasing income at benchmarks 1 to 4. This research uses qualitative methods. There were 14 informants for this research, 12 purposive and 2 accidental. The data analysis technique used in this research uses data reduction, data presentation and drawing conclusions. Based on the results of the research and discussions that have been studied, the researcher concludes that the management strategy in Alue Leuhop village is a lack of understanding in carrying out management strategies which can result in a lack of fertilization, cleaning will cause the palm fruit to die or the palm fruit to decrease. Obstacles that occur in the management strategy include the track fruit which every year experiences track fruit for 3-4 months during the track fruit period, pests and also animals which can cause the palm fruit to die or wilt.

This is an open access article under the CC BY-SA license.



Corresponding Author:

Nanda Ameliany Universitas Malikussaleh

Email: nanda.ameliany@unimal.ac.id

INTRODUCTION

In general, according to Young (2015), strategy is the art of using the skills and resources of an organization to achieve its targets through effective relationships with the environment in favorable conditions. Strategy is also a plan of action that guides top management decisions and a lot of company resources and can be realized and besides that, strategy is also important in influencing the smooth running of a business in the long term, at least for five years. Therefore, the nature of strategy is oriented toward the future. Strategy has multi-functional or multi-divisional consequences and its formulation also takes into account internal and external factors facing the company.

The establishment of this oil palm plantation in Alue Leuhop Village is to make it easier for the people to process and harvest the oil palm so that they can fulfill their daily lives. The people in Alue Leuhop Village who own this oil palm plantation can get results for the next five years or even more with this too. it will not harm the people who have planted oil palm because even if the price of palm oil goes up and down, the people will not lose. According to Umar (2018), strategy is defined

as a process of determining plans by top leaders that focus on the long-term goals of the organization, accompanied by the preparation of a method or effort on how to achieve these goals.

The importance of implementing strategy in a company is because strategy is a planned process to achieve company goals over a long period of time. When the strategy has been implemented, it will be known whether the company failed or succeeded. And the next step that needs to be taken into account in running a business is managing it. The company must take action that directs the management of the company to a higher level or a higher level for the running of the business being run. Management comes from the word management which has the prefix "peng" and the suffix "an" so that it becomes management which means management, care, supervision and regulation (Mraiyana, 2010). Management is a process of forming or processing something in order to change its form, element, or thing that has clear goals and results. Management refers to a series of steps or stages carried out on a raw material with the aim of producing a final product that has added value.

In order to obtain increased income and also higher profits for the community in the oil palm business, it is necessary to pay attention to how to increase the number of sales of palm oil and also the high quality of palm fruit, for this reason it is very important to have capital to open an oil palm farming business for farmers and also to buy good quality palm oil seeds with perfect growth.

The phenomenon that occurs among oil palm plantation farmers in Alue Leuhop village is the impact of 1. environmental analysis where the village often floods and wild elephants often wander around, causing damage to oil palm plantations, 2. Implementation of the mission and objectives can be carried out within the next 5 years. The future goal is that by opening this palm oil business, you can get a more guaranteed income for your daily needs, 3. Formulating a strategy that looks at seeds and fertilizer for palm oil so that it can produce good fruit and also in harvesting many Alue Leuhop village residents in harvesting fruit. This oil palm does not throw away its fronds, it only takes the fruit, which causes the palm oil to decrease. If the palm oil is harvested incorrectly, throwing away the fronds will cause the death of the tree and can also result in the oil palm fruit not growing.

LITERATURE REVIEW

Based on management strategy theory, in management strategy problems there are 5 management strategy steps. According to Thomar L W heelen and J. David Hunger (2018), strategic management is a series of managerial decisions and actions that determine the long-term performance of the company.

There are 5 steps in the management strategy, namely as follows:

- 1. Environmental analysis
- 2. Setting the fund's mission objectives
- 3. Strategy formulation
- 4. Choice and implementation of strategy
- 5. Strategy evaluation and control

RESEARCH METHOD

The research location is in Alue Leuhop Village, Kec. Cot Girek This research aims to get a clearer and more complete picture and information, so that this research is easier to carry out observations. This research was carried out in Alue Luehop village which has the largest oil palm plantation in the district. Cot Girek Apart from that, this location also attracts attention for research because Alue Leuhop village is the only one that has an independent oil palm plantation, whereas in other villages the community has oil palm plantations through PT, therefore researchers are interested in researching Alue Leuhop village in more depth. This research uses a qualitative method which can be understood as a research method that uses descriptive data in the form of written or spoken language from people and actors who can be observed and people who we have asked or interviewed.

In this research, the descriptive qualitative method aims to find out how business processing strategies increase the income of oil palm farmers. The researcher chose informants consisting of 12

ISSN: 2654-8127

purposive and 2 accidental researchers chose each stake. 2 informants were selected from the highest land area to the lowest. If the researcher took all the informants in each stake, the researcher would need a very long time, therefore the researcher took 2 informants for each stake. due to time constraints.

The data collected in this study consists of primary data and secondary data, primary data, primary data, namely data sources that directly provide data for data collection. Primary data sources are the main sources obtained through words (interviews) and actions from observation sources (seeing, hearing and asking). Meanwhile, secondary data is obtained from reading articles, journals, theses, books and the internet which are references for the population, then the author collects and studies the data.

RESULTS AND DISCUSSION

Alue Leuhop Village was originally called Village Unit I Cot Girek where previously Village Unit I Cot Girek started during the clearing of the wilderness, not far or even close to the PNP 16 Cot Girek sugar factory. Then on July 9 1976 placements began in Village Unit I Cot Girek which is now called Gampong Alue Leuhop or ex-transmigration village in Cot Girek sub-district, Kab. North Aceh. Gampong Alue Leuhop is located at the southeastern tip of the district. Cot Girek is one of the ex-trans gampongs in the Special Region of Aceh province, 6 km from the sub-district capital.

The community in Alue Leuhop Village is 100% Muslim. Based on existing population data in Alue Leuhop Village, Kec. Cot Girek, Kab. North Aceh. Climate in Alue Leuhop Village, District. Cot Girek, Kab. North Aceh has a dry, rainy climate and greatly influences the pattern of corn, peanuts, jengkol, petai and others 3 times a year. And a place like this is very suitable for planting oil palm. Palm oil farming is the main livelihood of the people in Alue Leuhop Village apart from jengkol, petai, corn and so on. According to research results, the population in Alue Leuhop Village is 800, consisting of 450 men and 350 women.

4.2 Business Management Strategy to Increase Palm Oil Farmers' Income in Alue Leuhop Village

4.2.1 Environmental Analysis

Environmental analysis is a strategic technique used to identify all internal and external factors that can influence a company's success. A process that strategic planners use to monitor the environmental sector in determining opportunities or threats to the company. Where it can be seen from the environment in shell 1 to stake 4. The researcher also interviewed Mrs. Parsih as the owner of the palm oil plantation in stake 1, here are the results of the researcher's interview with Mrs. Parsih:

"What often happens is flooding, and if the environment is too bushy it can cause a lack of palm oil"

Based on the results of interviews and observations of stake 1 and Mrs. Parsih, the researcher can conclude that stake one is very good for processing oil palm plantations, but in the environmental analysis that researchers found, stake 1 is very bad, but in the environment of stake one it is very good and also in processing. The palm oil is very good and neat too

4.2.2 Implementation of Mission and Goals

In a mission, something is achieved so that activities achieve something desired, the goal is to generate income to meet daily needs. The researcher also interviewed Mr. Husin as the owner of the oil palm plantation at stake 2. The following are the results of the interview with Mr. Husin:

"Yes, your goal is to earn income from opening a palm oil plantation. Even though it's not a lot, it's enough for you to survive for the next 5 years. Opening an oil palm plantation is more guaranteed,"

"Yes, your goal is to earn income from opening an oil palm plantation."

"This is a lot of profit, even though it's not a lot, it's enough for the father, so he can survive for the next 5 years by continuing to open a palm oil plantation, which is more guaranteed."

Based on the results of the interview with Mr. Husinn, the researcher, it can be concluded that many people in Peg 2 are enthusiastic about opening this oil palm plantation business because by opening this oil palm plantation, the community's income is clearer even though the price of palm oil fluctuates, but the community gets a profit, although not much, but can meet their needs. everyday society.

4.2.3 Strategy Formulation

This strategy formulation is the development of a long-term plan to effectively manage the opportunities and threats that exist in the external environment and also focuses on the company's internal strengths and weaknesses. And also the process of synthesizing steps for the company's future, in order to formulate the company's vision and mission, determine strategic goals and design strategies to achieve these goals, to create the best value from consumers.

4.2.4 Choice And Application Of Strategy

Researchers interviewed Mr. Nurdin as the owner of the stake 3 oil palm plantation, the following are the results of the interview with Mr. Nurdin:

"You first choose good seeds, and in the past you only went to small agents, but thank God, you can sell to big agents, and you used to only sell fruit. Now you can also sell palm oil seeds too."

Based on the results of the interview with Mr. Nurdin, the researcher can conclude that in choosing and implementing this strategy, it is very necessary to pay attention to managing palm oil, not just harvesting, but also when we open a palm oil plantation business, we can also open up new innovations so that the business we create can grow. develop and can also further develop the business created.

4.2.5 Strategy Evaluation or Control

Researcher interviewed Mrs. Parsih as the owner of the stake 1 oil palm plantation, here are the results of the interview with Mrs. Parsih:

"If you do, keep the seeds watered frequently so that they don't die during harvest. You also have to pay attention during harvest so that the palms don't die or this can cause a lack of fruit. Yes, we choose good fertilizer."

Based on the results of the interview with Mrs. Parsih, the researcher can conclude that we really need to pay attention to this control strategy because if we do it wrong it will cause the palm to lack fruit or the seedlings may die, therefore we really need to pay attention to the control strategy. In Alue Leuhop Village, it is also very different from other villages. This village has a different characteristic, where in this village they manage their palm oil business independently, not through a company in Cot Girek, but the village manages it independently. In the Business Processing Strategy for Increasing the Income of Palm Oil Farmers in Alue Leuhop Village, the theory of Tomar I W heelen and J. This lack of fruit can result in flooding of oil palm plantations and is also not good for oil palm plantations. 2. Implementation of the mission and objectives by opening oil palm land for Alue Leuhop village can produce guaranteed income and can also last for the next 5 years. from seeds, fertilizer and in harvesting palm oil, the quality of the seeds must be seen in order to produce good quality, 4. Choice and implementation of important strategies in opening land for oil palm plantations, choosing good seeds so that they can produce quality palm fruit, 5. Evaluation and control strategy. The previous research used was Rahmanta Ginting, the researcher used a qualitative method where this research focused more on the income of oil palm farmers in Leuser sub-district and this research used internal factors which only wanted to explore oil palm plantations and discuss more about the culture in the village. The latest thing that wants to be researched is regarding management strategies and also income in opening a palm oil plantation business where in this management strategy there are obstacles in the management strategy, namely track fruit, pests and animals, as for the income of oil palm farmers who experience fluctuating palm oil prices which can be detrimental to the business. There is a lack of understanding in palm oil management strategies in running palm oil businesses.

The contribution that can be made is that based on the results of the researcher's interview, it can be concluded that there is a lack of understanding in management strategies in Alue Leuhop village. From the five strategies in benchmarks 1 to 4, not all benchmarks are good at using management strategies, oil palm farmers who harvest twice a year every year Every year there is an increase and there is also a decrease at the time of palm harvest, in carrying out management strategies there is a lack of cleaning and a lack of fertilization, so that the management of palm oil has experienced a decline in oil palm plantations. Therefore, oil palm farmers will experience a slight decrease in oil palm farmers due to a lack of understanding in the management strategies of oil palm farmers. One aspect that needs special attention in supporting the oil palm area management program is the provision of seeds that are healthy, have superior potential and are timely. Seed factors play an important role in determining the success of oil palm planting. The health of plants during the nursery period influences growth and subsequent high production, after being planted in the field.

4.3 Increasing the Income of Palm Oil Farmers in Alue Leuhop Village

It can be seen that the increase in income of oil palm farmers in Alue Leuhop village has experienced ups and downs in income over the last 3 years.

No	Bro's name	Monthly	Income
1	Danila (Chartan)	harvest/year	15 000 000
1.	Parsih (6 hectare)	April 2022	15.000.000
		August 2022	18.000.000
2.	Sumiati(1 hectare)	February 2021	900.000
	,	•	
		August2021	1.000.000
		February 2022	900.000
		Juny 2022	300.000
		January 2023	1.000.000
		Mey 2023	600.000
3.	Husin (4 hectare)	February	3.000.000
		2021	2 500 000
		Auguty 2021	3.500.000
		February 2022	2.000.000
		Juny 2022	1.500.000
		January 2023	5.000.000
		Mey 2023	3.000.000
4.	Darti (Setengah	February 2021	200.000
		August 2021	300.000
		February 2022	150.000
		June 2022	100.000
		January 2023	1.000.000
		Mey 2023	400.000
5.	Nurdin (3 hectare)	February 2021	3.000.000

-	August 2021	3.500.000
	August 2021	3.300.000
	February 2022	
	Juny 2022	
	January 2023	
	Mey 2023	

From the data above, the Alue Leuhop village has experienced ups and downs in income earned over the last 3 years due to palm oil prices going up and down, therefore the Alue Leuhop village experiences unstable income every month and every year.

CONCLUSION

- 1. environmental analysis where many people still experience the same thing as flooding, however, the community continues to try to cultivate this oil palm plantation, implementing the mission and goals of the community in opening this oil palm plantation, the community's income is sufficient for daily needs even with prices going up and down and also long term, strategy formulation that with this formulation many can see from the seeds so that they can produce good quality and also by developing existing businesses. Choice and implementation of strategies that can be seen from oil palm seeds. Seen from the seeds so that they can produce good quality palm fruit. Evaluation or control of this strategy also ensures that care can be taken from watering the seeds to harvesting the palm so that it can produce good and high quality seeds.
- 2. The increase in income of oil palm farmers in Alue Leuhop village experiences unstable fluctuations in palm oil prices and also in increasing community income, palm oil prices experience ups and downs every month and every year.

Suggestion

- 1. Researchers hope that Alue Leuhop village can continue to improve in running businesses and further develop businesses in using the business processing strategies currently used, the more successful the businesses run by Alue Leuhop village will be.
- 2. The researcher hopes that the next research can carry out more in-depth research regarding business processing strategies that do not only focus on income but on other areas so that knowledge about business processing strategies can be known more widely.

REFERENCES

- [1] AlexanderThian, M. (2022). Sharia Accounting. Yokyakarta.
- [2] Ashilah. (2022). Analysis of the Use of Rubber Plantation Management Strategies to Increase Farmers' Income in an Islamic Economic Perspective. Bandar Lampung.
- [3] Andi, (2019) efforts to increase people's income in the coffee business. Jakarta
- [4] Artaman (2015), business, old business and entrepreneurship, income and welfare. Jakarta
- [5] Batubara (2018), analysis of palm oil business in good plantations in Indonesia. West Java
- [6] Farzan, G. (2022). Getting to know vegetable plant pests in the home garden. Jakarta. Keller, k. (2020). Strategy and marketing management. Makassar.
- [7] Hardjanto (2015), Business law in the construction services business sector. South Jakarta
- [8] Harahap, S. R. (2017). strategies for business development of oil palm farmers. Labuhan Batu Selatan.
- [9] J. David Hunger, T. I. (2018). Management Strategy. Jakarta.
- [10] Lestari, S. (2021). Analysis of Income Distribution for Coffee Plantation Management According to an Islamic Economic Perspective0. Banda Aceh.
- [11] Lestarna, S. (2022). Analysis of Palm Oil Farmers' Income in Improving Family Economic Welfare According to an Islamic Economic Perspective. Subussalam
- [12] Nainggolan, H. L. (2021). Strategy for Managing People's Palm Oil Farming During the Covid-19 Pandemic. Sumatra.
- [13] Miraiyana (2010), Learning Environment Management, Jakarta
- [14] Setiawan (2017), business and business in increasing farming results during covid 19. South Jakarta
- [15] Soetriono (2018), introduction to agricultural economics. Jakarta

31 ISSN: 2654-8127

- [16] Sugiono (2018), Quantitative, Qualitative and R&D Research Methods
- [17] Syahda, W. (2020). Income Analysis and Management Strategy for People's Palm Oil Farming During the Covid19 Pandemic. North Sumatra.
- [18] Terry George, R. (2018). Theoretical and Practical Learning Processing.
- [19] Yogyakarta.
- [20] Umar Husein (2018), strategy analysis in palm oil processing. Jakarta
- [21] Terry, (2018) processing analysis and improvement analysis in processing palm oil. Bandung
- [22] Winardi (2020, Financial theory of financial income and capital user investment. Sulawesi