

The Interpretive Paradigm of Non-financial Aspects in Business Development Analysis (Case Study of Babussalam Al Barokah Dairy Cattle Farm, Bogor Regency)

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Abstract

In the analysis of business development, there are financial and non-financial aspects. Non-financial aspects in the interpretive paradigm can be used to reveal other things that can be concluded from the data found in the analysis. This article seeks to reveal how the role of non-financial aspects can be used as an interpretive paradigm in economics research and other interdisciplinary research. This study uses philosophical research methods with data sources obtained from research by Ginny et al. regarding the potential for developing the Babussalam Al Barokah dairy farming business in Bogor Regency. The result of this research is that the interpretive paradigm can be used to explore the data found in non-financial aspects of business development analysis.

Keywords

non-financial aspects;
interpretive paradigms; business
development analysis; business
feasibility studies



I. Introduction

Dairy Farming is one of the industries that is quite important because it has raw materials with quite a lot of product diversification. Cow's milk is the raw material for processed products ranging from whole milk, ice cream, and yogurt. It is a pity if this industry is not very popular in Indonesia. Based on Ginny's research (2021) quoted from data from the Directorate General of KPH of the Indonesian Ministry of Agriculture, as of 2017, there was an increase in the consumption of cow's milk. However, business actors only recorded 27 dairy farming businesses; seven were dairy cattle businesses. This figure is insufficient to meet the needs of national milk consumption, so the rest must be met from imports of cow's milk. On the other hand, the dairy industry is different from the milk processing industry, and the reality experienced by dairy and cow's milk industry players is that there is a high dependence on the milk processing industry, so dairy farms experience a low bargaining position (Ginny et al., 2021).

In Ginny's research (2021), the Babussalam Al Barokah dairy farm has many potentials that can be maximized to increase cow's milk production. The approach used by Ginny is the analysis of financial and non-financial aspects. The financial aspect of this research is to simulate scenarios to see the feasibility of the business based on the calculation results of the Profitability Index (PI). Meanwhile, the non-financial aspect analyzes business potential based on multidimensional aspects, such as legal, market & marketing, technical & technology, management & HR, economic & social aspects, and environmental aspects (Ginny et al., 2021). In Ginny's research, the financial and non-financial aspects have their respective conclusions. Therefore, the authors consider that using the non-financial aspect as the basis for the interpretive paradigm can be carried out separately from the financial aspect without reducing the meaning and conclusions of the study.

The economic condition of the population is a condition that describes human life that has economic score (Shah et al, 2020). The philosophical study of economics not only examines the theoretical aspects of economic problems but also tries to construct an interpretive paradigm based on non-financial aspects of the analysis of potential business development. The primary purpose of interpreting the non-financial aspects in this article is to reveal the socio-economic relations found in cattle farming. The interpretive paradigm is used to define the research model in social science studies. However, in philosophical studies, the interpretive paradigm reveals the metaphysical-ontological to ethical dimensions of a social-humanities phenomenon. The urgency and purpose of this paper are to try to apply non-financial aspects as an interpretive paradigm in business development. So that the meaning of the data obtained is not solely a basis for determining decisions in business development, but it can also reveal the meaning of the reality in it.

Problems

Based on the above background, the formulation of the problem in this study is:

1. What are potential non-financial aspects found in the Babussalam Al Barokah dairy farm, Bogor Regency?
2. What is an interpretive paradigm?
3. How can non-financial aspects become an interpretive paradigm in business development analysis?

II. Review of Literature

Ginny (2021) explains in her research that there are at least five non-financial aspects in determining business potential, namely:

- a. Legal Aspects, to examine the validity, perfection, and authenticity of documents owned by entrepreneurs or business people
- b. Market and Marketing Aspects: There are several stages in analyzing this aspect: segmentation, targeting, positioning, and marketing mix.
- c. Technical and Technological Aspects are aspects of the technical business development process, through technology and its operation after the business is completed.
- d. Management and HR aspects that assessed are business managers and existing organizational structures.
- e. Economic and Social Aspects, see how much influence it will have on the community if the business is run.
- f. Environmental aspects, because every business established will impact the environment, both in terms of benefits or losses. The environment can be an opportunity, but it can also threaten any business (Ginny et al., 2021).

Burrell and Morgan in Parmitasari (2018) explain that an interpretive paradigm is a subjective approach to seeing problems implicitly rather than explicitly. This paradigm seeks to understand and explain the social world from the perspective of researchers who are directly involved in social processes. This paradigm is contrary to the positivism paradigm, which emphasizes the objectivity of the data perceived in a phenomenon to be revealed. According to Burrell and Morgan in Parmitasari, the interpretive paradigm comes from the idealism tradition of Immanuel Kant, which holds that the reality of the universe lies in the soul or the idea of sense perception. According to the author personally, Kant's conception of idealism is the foundation stone of many modern thoughts, such as

hermeneutics, semiotics (especially structuralism), post-modernism, and phenomenology (Parmitasari, 2018).

Neuman in Parmitasari (2018) also explains that Dilthey divides two types of science that are fundamentally different, namely *Naturwissenschaften* (natural sciences) and *Geisteswissenschaften* (human/social sciences). This division is not without reason. Parmitasari, citing Burrell and Morgan, states that the positivism paradigm is unsatisfactory and has two problems: first, human values are contained in the natural science research process, which proves that human values are contained in the natural science research process natural science can no longer be considered value-free. Second, humans as actors cannot be studied through natural science methods. Humans as active subjects cannot be seen as objects simultaneously. Free will and human autonomy make the results of research on it dynamic and cannot be quantified (Parmitasari, 2018).

One of the interpretive approaches often used in the social sciences is phenomenology which is based on the thought of Edmund Husserl. Parmitasari explained that according to Noeng Muhadjir, qualitative research methodologies influenced by phenomenology consisted of two types, namely grounded models and metaphysical realism. Meanwhile, Parmitasari also explained that Burrell and Morgan divide phenomenology into transcendental and existential phenomenology (Parmitasari, 2018). Parmitasari does not try to emphasize only one type of phenomenological approach. All approaches are left to the research that needs to be used. Transcendental approach if the problem to be uncovered is semantics, history, interpretation of history, etc. If the problem is to be uncovered, the existential approach is a real-time, predictive, and ready-to-change problem, such as studying culture, religion, politics, etc.

While Shonhadji (2021) said that the interpretive paradigm in accounting research could provide more original information than facts, this paradigm emphasizes the meaning of an accountant's interpretation of an event or transaction experienced directly. Furthermore, Shonhadji (2021) explains that this paradigm does not want to generalize the findings in research but rather to reveal unique and in-depth findings by combining elements of local wisdom in interaction with the social environment (Shonhadji, 2021).

Sukoharsono (2006) also has a similar view to Parmitasari and Shonhadji, that the interpretive process is part of qualitative research. Although qualitative research will produce different answers for each researcher, ideally, qualitative research requires a solid commitment to studying an issue and demands time and resources. Sukoharsono's view implies that qualitative research is not a research model commonly taken in economics, especially accounting, because it involves a lot of time and resources with uncertain results. However, qualitative research deserves to be used for breakthrough research, multidisciplinary research, and the like (Sukoharsono, 2006).

III. Research Method

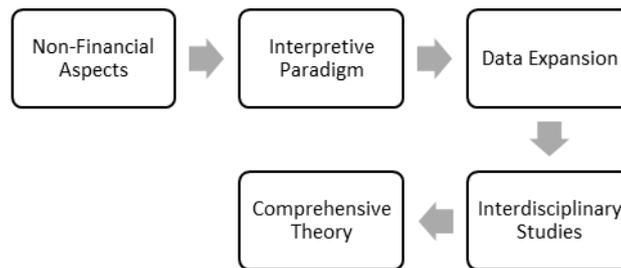
Hardono Hadi (2011), in the book *Methodology of Philosophical Research*, proposes research steps in the Humanities and Philosophy fields that are different from research in other fields. The methodological steps proposed by Hadi are:

- a. Conducting research to observe through direct experience or existing opinions.
- b. Expanding the range of use of the results of these observations.
- c. Testing the concepts that have been systematized for application (Hadi, 2011).

The three steps clearly show a typical path in philosophical research, wherein data is not discriminated against into empirical data as primary data and previous research as secondary data but is treated equally and equally. A philosophical researcher must be able to sort out opinions and facts from a theory so that the data obtained from previous research can be used as the basis for current research without containing the subjective bias of previous researchers. Furthermore, by expanding the range of use, a researcher in philosophy can see the slices and gaps from observations of different situations and conditions. After being systematized, the last stage of philosophical research is implementing the concept while remaining critical of the results of applying the concept.

Based on Hadi's view, the research method used in this study is divided into several steps, namely:

1. Observing the overall findings of the non-financial aspects of Ginny's research and summarizing them into a data set
2. Expanding the range of use of the non-financial aspect of data into an interpretive paradigm
3. Formulating the concept of an interpretive paradigm in business feasibility study research through non-financial aspects
4. Applying the interpretive paradigm to be used as a proposal as part of the analysis of business development through non-financial aspects



IV. Results and Discussion

In her research, Ginny explained that the data on non-financial aspects of the Babussalam Al Barokah cattle farm was obtained from field observations. The observation activities were divided into direct observation and interviews with cattle ranchers. The following are the results of the non-financial analysis that Ginny has carried out in her research:

4.1 Legal Aspect

The basis for establishing a Dairy Cattle Area in Bogor Regency is regulated in Presidential Decree No. 064/B/1994 concerning Banpres loan funds; and Presidential Decree No. 069/B/1194 concerning pilot dairy farming for the people. Ginny also quoted Presidential Decree No. 4654/BH,1176-9 of 1970 concerning protecting legal entities for dairy cooperatives. Then the business license from Babussalam Al Barokah Dairy Cattle Farm is 474.2/2012/IX/2014, issued by the Head of Situ Udik Village, Cibungbulang District Bogor Regency (Ginny et al., 2021).

Interpretation of legal data: based on the regulations described by Ginny, it can be said that the area for dairy cattle in Bogor Regency has existed for a long time. Based on Tabloid Sinartani.com (2016), Situ Udik Village is one of the centers for dairy farming,

apart from Tapos. In addition, Tabloid Sinartani.com also added that the Dairy Cattle Livestock Business Area (KUNAK), located in Pamijahan and Cibungbulang sub-districts, has a total area of 181 hectares ("Desa Situ Udik, Sentra Sapi Perah Di Kota Hujan," 2016). So it can be concluded that the existence of the Babussalam Al Barokah Dairy Farm is one part of the Bogor Regency dairy cattle area and is a legal entity protected by the state. This is important, considering that legality is about responsibility to the state and clarity of status and protection of the rights to the business itself.

4.2 Market and Marketing Aspects

Fresh milk produced by the Babussalam Al Barokah Farm is only sold to the Bogor Dairy Production Cooperative (KPS), which functions as a container for collecting fresh milk production for sale to the Cattle Processing Industry (IPS) in collaboration with the KPS, such as Cimory, Indomilk, and Frisian Flag. KPS also conducts a quality test that will determine the selling price of fresh milk, with a price range of 5000-6000 per kilogram of milk. This farm also produces calves or calves that can be sold or exchanged for dairy cows to the surrounding community—calf marketing through Word of Mouth (WoM) (Ginny et al., 2021).

Marketing is a process of planning and execution, starting from the conception stage, pricing, promotion, to the distribution of goods, ideas and services, to make exchanges that satisfy the individual and his institutions (Dianto in Asmuni et al, 2020). According to Tjiptono in Marlizar (2020) marketing performance is a function that has the greatest contact with the external environment, even though the company only has limited control over the company's environment. In the world of marketing, consumers are assets that must be maintained and maintained their existence in order to remain consistent with the products we produce (Romdonny and Rosmadi, 2019).

Interpretation of market and marketing data: Babussalam Al Barokah Dairy Farm does not diversify its products, so operating income is highly dependent on the sale of fresh milk and calves sold. According to the data in this aspect, the production chain of raw materials for cow's milk is Dairy Farming, Dairy Production Cooperatives Dairy Processing Industry. IPS has a significant role in cow's milk products, although KPS can develop into IPS if it is encouraged to diversify its products.

4.3 Technical and Production Aspect

Ginny explained that this farm is located in the highlands and close to a river used by farmers to water, bathe, and clean livestock manure in the pens. The farm area is about 2500 m², which consists of the owner's and workers' houses, dairy cow pens, and beef cattle. The position of the pens is made to face each other with adequate feeding, milking, and waste disposal facilities in each cowshed. This farm's type of dairy cattle is Fries Holland with black and white fur, totalling 35 heads, including calves. The average fresh milk produced every day is 250 kg (150 kg in the morning and 100 kg in the afternoon) from 18 productive dairy cows. The other 17 cows have not been able to produce milk because they are pregnant or still small. Milk production sometimes increases to 300 kg (180 kg in the morning, 120 kg in the afternoon), depending on the number of productive dairy cows. The cattle feed provided was elephant grass, field grass, concentrate, tofu dregs, and wheat dregs, with straw as additional feed. Health checks are carried out every six months by Bogor KPS officers and veterinarians from final year students from the Bogor Agricultural Institute (IPB). Marriage is done by Artificial Insemination, which is provided free of charge by the government. Artificial Insemination is vital because fresh milk is produced from cows lactating after giving birth.

A week before cow's milk appears, cows produce colostrum to feed their calves. Cow's milk is produced from cows that give birth, 70 percent of which is given to KPS and 30 percent to the calf. Constraints in production experienced by these farms occur when the rainy season changes or once a year; the cows experience confusion and lose their appetite, which results in reduced milk production. Another obstacle is that the raw material for tofu dregs is often late due to unstable soybean prices and the problem of workers with non-permanent status, so they often experience turnover (Ginny et al., 2021). Interpretation of Technical and Production data: In several incidents in foreign dairy farms, when cow's milk after giving birth is exploited on a large scale while cattle or calves are thrown away, dairy cattle management in the Bogor KPS environment is quite interesting. Especially the 70:30 fresh milk distribution. The fact that calves are not disposed of but managed shows that dairy farming maximizes its potential while still treating livestock as they should naturally.

4.4 Management and HR Aspects

This farm is still managed simply. All business units are managed by the owner of the farm, and there are two permanent workers who specialize in dealing with dairy cows. Workers get a wage of IDR 1,800,000 per month (Ginny et al., 2021).

Interpretation of data Management and HR: managing traditional farms does not require complex management, but it is possible that if the business grows, the need will arise by itself. If we look at the interaction between livestock and PPP in the previous aspect, it can be said that most of the managerial tasks have been handled by the PPP itself.

4.5 Social and Economic Aspects

According to Ginny, this farm influences the surrounding community, such as the absorption of workers who have a low level of education and the emergence of other jobs such as selling hay, weeding services, and giving birth to cows. Another influence is the improvement in infrastructure in the village, such as asphalt roads, bridges, drainage, clean water, electricity, and places of worship such as prayer rooms (Ginny et al., 2021).

Interpretation of Social and Economic data: as in general business areas, positive and negative impacts on the welfare of the surrounding community are a logical consequence. The business area manager only needs to ensure that the negative impacts, which are often related to the waste and emissions produced by a business area, can be adequately handled. Another way to overcome negative influences is to provide material and immaterial compensation, which is usually done in Corporate Social Responsibility (CSR). Regarding waste and emissions, Ginny explained it in environmental aspects. However, it is quite clear to the author that the Babussalam Al Barokah dairy farm has a positive impact on the welfare of the surrounding community, either directly or indirectly.

4.6 Environmental Aspect

Management of cow dung from these farms is still minimal and has the potential to cause environmental pollution because it is carried out by draining it into grass fields and rivers. One of the potential uses of cow dung waste is natural fertilizer in surrounding plantations. The utilization of cow dung waste is also carried out by biogas entrepreneurs interested in using cow dung on this farm (Ginny et al., 2021).

Environmental data interpretation: Ginny assessed that the need for cow dung waste to be used as fertilizer or biogas is a new business opportunity that can support business operations. The management of cow dung waste cannot be underestimated. Environmental severe impacts, from unpleasant odours to methane gas produced from cow dung, are often

considered the cause of global warming. Therefore, the utilization of cow dung waste is not only encouraged to open up other business opportunities, but it is also good for the sustainable environment.

Based on the discussion above, it can be said that the non-financial aspect as an interpretive paradigm has high flexibility in multidisciplinary analysis. Each aspect can be expanded into other fields of study while still paying attention to the clarity of analysis of each field of study involved. This is done while still considering the purpose of this analysis, namely for business development.

The interpretive paradigm comes from the hermeneutic and phenomenological traditions. The primary purpose of hermeneutics is to interpret a text or object based on a specific and different set of interpretations in each character who develops it. For instance, hermeneutic figures involve the author, and hermeneutic figures do not involve the author and consider the text to be an objective work. While phenomenology is a philosophical theory popularized by Edmund Husserl, human knowledge cannot reach objective truth without phenomenological reduction. The essence of interpretation, then, is that data cannot "speak for itself" about the reality, knowledge, and values contained in the data. So humans as active subjects can assemble these data into three classifications of problems: what reality applies in the data? What is the basis of truth and knowledge from how the data is collected, processed, and concluded? Moreover, what is the basis of value and quality contained in the data?

Based on the data in the non-financial aspect, the direction of a comprehensive theory that can complement the factual findings in the data is related to strengthening cooperative, ecological and sustainable dairy farming industrial areas. The fact that the management of cattle farming is still simple with owner-centred, but marketing, care, and artificial Insemination are carried out by KPS shows that cattle farming is not an autonomous and individual industry but is part of a series of organic industries that lead to PPP management. It is safe to say that PPP is not a monopoly but a significant entity in the industry. If dairy farms make managerial improvements by doing it themselves, the position of KPS will not be significantly reduced because the need for KPS lies not only in product sales, maintenance, and production but as a communication platform for dairy farmers in the area. This can be used as an object of new research focusing on comparing the management of the cooperative model with the individual-capital model. This also reveals why only a handful of the private-capital industries in Indonesia have succeeded in implementing it, and even over the years, the top ten richest people in Indonesia have always come from business actors who are not much different. The capital industry thrives in placing individuals at the peak of wealth, but that is not what most business actors in Indonesia choose because most of the business actors in Indonesia have chosen prosperity and prosperity together or cooperatively.

V. Conclusion

Based on the discussion above, it can be concluded that the non-financial aspects in the analysis of business development by applying an interpretive paradigm in it can be developed into a basis for multidisciplinary studies if each of these non-financial aspects is cross-referenced with theories, similar research, or other fields related. If an interpretive paradigm strengthens the non-financial aspects of business development analysis, then the results of the analysis can open up very wide possibilities, depending on how the researcher will explore the data he has to expand the goals he wants to achieve. For example, if the analysis of business development is to be driven by the discovery of new business opportunities, then opportunities can be created from the data gaps found and those that have not been resolved.

Consider Parmeswari's view of the interpretive paradigm influenced by several approaches in the social sciences, which are also heavily influenced by philosophical theories. So the application of the interpretive paradigm in a business feasibility study, which is a study in economics, must go through a multidisciplinary study. Where in it there are economics and other social sciences, such as sociology, cultural studies, anthropology, to philosophy. The interpretive paradigm can be a bridge for multidisciplinary studies that may be able to reveal a more comprehensive phenomenon.

Suggestion

For academics who will research economic issues through qualitative research, to encourage a multidisciplinary approach through an interpretive paradigm. Given the importance of a multidisciplinary approach in economics, especially in the macro context, which is influenced by various external factors, such as political, social, cultural, ideological, etc.

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