

Influence of Leadership and Information Technology on Employee Performance in Village Credit Institution (LPD) in Mengwi District, Badung Regency

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ABSTRACT :The purpose of this research is to find out and explain the influence of leadership and information technology on the performance of the Village Credit Institutions (LPD) employees in Mengwi District, Badung Regency. This research is a survey research using a questionnaire as the main research instrument to explain the interrelation of the variables studied. It also uses in-depth interviews with key informants to support or explore the findings of quantitative analysis. In this study the number of respondents used was 127 employees and the data analysis technique used in this study was descriptive analysis aimed to provide a description of the demographics of research respondents and a description of the research variables and inferential analysis techniques used to test empirical models and hypotheses using a variance-based structural equation model or known as Partial Least Square (PLS). The results of this study are leadership and information technology have a positive and significant influence on employee performance at the Village Credit Institution (LPD) in Mengwi District, Badung Regency.

Keywords -employee performance, leadership, information technology

I. INTRODUCTION

The development of financial institutions is undergoing rapid change. Changes that often occur are in the management of resources owned by these financial institutions. The resources in question can be physical or non-physical, adjusted to the wishes of stakeholders in obtaining maximum service. The existence of LPD (Village Credit Institutions) especially in Bali is an effort to ease the burden on the community in the economic field related to getting credit services both long term and short term. LPD is a financial institution owned by Desa Pakraman where its business is in the field of credit, collecting savings and channeling it through effective and targeted credit, in order to be able to help people in the middle to lower economic classes (Durma, 2013).

In addition, the Village Credit Institution is also a savings and loan business entity owned by a customary village that has the main function and purpose of collecting community funds and channeling loans in the form of productive activities (Article 7 of Local Regulation No. 8 of 2002 concerning business fields LPD). The development of LPD (Village Credit Institutions) has now followed the modern trend. Where LPD services in each Indigenous Village underwent changes that were adapted to the needs of the community in the 4.0 revolution era. So from this form of service development, not all LPDs are able to keep up with these changes. Changes that occur in existing LPDs in each Indigenous Village are influenced by internal and external factors. The linkages between these two factors greatly affect the overall performance of the organization. LPD (Village Credit Institutions) currently has a challenge in providing services to customers in line with the intense competition of other similar institutions. This is a problem that must be considered by the leadership of the LPD itself. The quality of services provided to external customers must be supported by the role of leaders in developing and empowering resources based on information technology in order to create effective employee performance in providing maximum service to customers.

II. MATERIAL AND METHODS

This research is a survey research using a questionnaire as the main research instrument to explain the interrelation of the variables studied. It also uses in-depth interviews with key informants to support or explore the findings of quantitative analysis. This research will be conducted at the Village Credit Institution (LPD) in Mengwi District. Thus, the population of this study is all employees recorded in the employee data who have

administrative duties totaling 127 employees. In this study, in addition to examining the direct and indirect effects between latent variables (leadership and information technology and employee performance) in the structural model, it also examines manifest variables in each latent variable (measurement model) simultaneously.

Data collection techniques used were questionnaires or questionnaires. To describe the respondents' assessments on each research instrument, the respondent's answer was classified into 5 (five) measurement scales through the interval range formulation. Furthermore, the questionnaire was distributed directly to all sample targets, namely all employees totaling 127 people and this study also used interview methods from several key informants at 38 Village Credit Institutions (LPD) in Mengwi District to support or clarify the discussion of research results. Each answer the questionnaire has a weight or score with a Likert scale (1-5), a score of 1 (strongly disagree), 2 (disagree), 3 (quite agree), 4 (agree), and 5 (strongly agree). The data analysis technique used in this research is descriptive analysis aimed to provide an overview of the research respondents' demographics and a description of the research variables and inferential analysis techniques used to test empirical models and hypotheses using a variance-based structural equation model or known as Partial Least Square (PLS) (Ghozali, 2018), as show in figure.

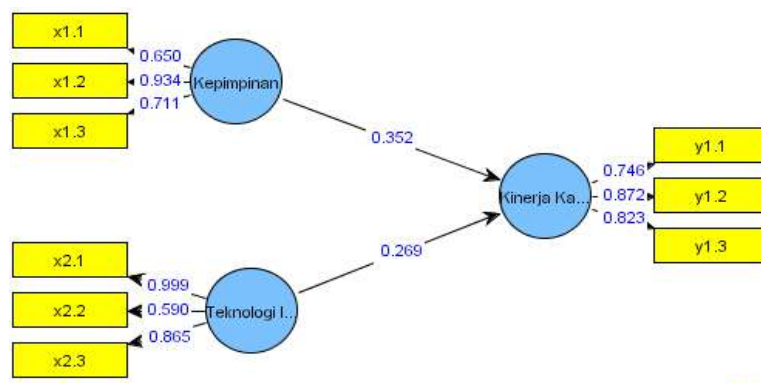
III. RESULT AND DISCUSSIONS

Based on the results of the above hypothesis it can be explained that there are 2 paths of analysis that link directly between research variables, where the results of the study show that 2 (two) paths of relationship between variables are significant. Related to the influence of leadership and information technology on employee performance at the Village Credit Institution (LPD) in Mengwi District.

The test results from hypothesis 1 can be seen that transformational leadership has a positive and significant effect on employee performance. This can be seen from the path coefficient that is equal to 0.352 and t-statistics $2.832 > 1.96$. This implies that the ability of leaders to emphasize the use of information technology and to have programs and plans in developing information technology in their policies is very effective in supporting completing the work of their employees. Thus the hypothesis that leadership has a positive and significant effect on employee performance can be accepted.

The results of testing of hypothesis 2 can be seen that information technology has a positive and significant effect on employee performance. This can be seen from the path coefficient that is equal to 0.269 and t-statistics $2.049 < 1.96$. This implies that the application and use of information technology provides the value of effectiveness and motivates employees in completing work more efficiently. Thus the hypothesis that information technology has a positive and significant effect on employee performance can be accepted.

IV. FIGURES AND TABLES



Picture OutPut PLS Result

Table Hypothesis Testing Results

Test the path between Variables	Path Coefficient	t- Statistics	Information
Leadership → Employee Performace	0.352	2.832	Sig
Information Technology → Employee Performance	0,269	2.049	Sig

V. CONCLUSION

Leadership has a positive and significant influence on employee performance at the Village Credit Institution (LPD) in Mengwi District, Badung Regency because the leaders of this institution are able to apply information technology in accordance with the program and planning in developing information technology made in a policy even though this institution is traditional in nature but the aim is to be able to compete with other financial institutions.

Information Technology has a positive and significant influence on employee performance at the Village Credit Institution (LPD) in Mengwi District, Badung Regency, this is because information technology is highly utilized by employees in assisting and completing work effectively and efficiently.

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