

UDC 332

**THE EFFECT OF ORGANIZATIONAL COMMITMENT ON THE PERFORMANCE  
OF PANUREKSA VILLAGE CREDIT INSTITUTIONS WITH SPIRITUAL INTELLIGENCE  
AS MODERATING VARIABLE**

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**ABSTRACT**

The purpose of this study is to obtain empirical evidence of the effect of organizational commitment and the ability of spiritual intelligence to moderate the effect of organizational commitment on the performance of the Panureksa of Village Credit Institutions in Badung Regency. This research was conducted at the Village Credit Institution in Badung Regency using primary data obtained from questionnaires. The method of determining the sample using the saturated method with respondents obtained as many as 366 Panureksa from 122 Village Credit Institutions in Badung Regency. The data analysis technique used is the moderated regression analysis (MRA) interaction test of moderating variables. The results of the analysis show that organizational commitment has a positive effect on the performance of the Village Credit Institution Panureksa, Spiritual intelligence strengthens the influence of organizational commitment on the performance of the Village Credit Institution Panureksa. The implications of this research include two things, namely theoretical implications and practical implications. Theoretical implications relate to the contribution of this research to goal setting theory, social network theory and contingency theory related to organizational commitment, spiritual intelligence and the performance of the Village Credit Institution Panureksa. Practical implications related to the contribution of research to the performance of the Panureksa of Village Credit Institutions in Badung Regency.

**KEY WORDS**

Organizational commitment, spiritual intelligence, Panureksa.

The Village Credit Institution (LPD) is a financial institution belonging to the Pekraman village located in the Pekraman village area whose existence is required to ensure the realisation of the welfare of the village community. The purpose of establishing a Village Credit Institution is to encourage the economic development of rural communities through savings and capital deposits, eradicating illegal pawning, creating equity and business opportunities for residents as well as increasing purchasing power and facilitating payments and money circulation in the village (Suartana, 2020). The phenomenon of cases regarding corruption that befell Indonesia does not only occur in big cities, corruption has also begun to enter the village as happened in Badung Regency, Mengwi District, Kapal Adat Village, which is contained in the Directory of Decisions of the Supreme Court of the Republic of Indonesia in the Denpasar District Court Decision. 16/PID.SUS-TPK/2019/PN DPS and Bali tribune, 2020 The Denpasar Corruption Court of Justice sentenced three former supervisors of the Vessel Badung Village Credit Institution to the period 2008-2016. They are AAGD (67) who also serves as Bendesa Adat Kapal, IBS (55) who is now the head of the Badung Regency LPLPD and INN (57). The three were found guilty of corruption together at the Village Credit Institution, KapalBadung Traditional Village. As revealed in the indictment, that the losses caused by the defendants AAGD, IBS, INN together with the head of the Village Credit Institution (LPD) Desa Adat Kapal, IML and the five collectors harmed the state economy in the amount of Rp 15,352,059,425. This is based on the Independent Accountant's report on the application of the agreed procedure Number: 73/LAK/KG/VIII/2017, dated 18 August 2017, regarding a special audit of the Financial Report of the Village Credit Institution (LPD) Desa Adat KapalKec. MengwiBadung Regency in 2013, 2014 and 2015.

Based on Article 1 point nine of Bali Governor Regulation Number 44 of 2017 concerning Implementing Regulations of the Bali Province Regional Regulation Number 3 of 2017 concerning Village Credit Institutions, the task of conducting inspections on the management of Village Credit Institutions is an internal supervisory body called Panureksa. Panureksa is an internal supervisory body for the Village Credit Institution chaired by the local customary village head. The supervisory body of the Village Credit Institution has the same role as the internal auditor (Suartana, 2020). In addition, the supervisory body in the Village Credit Institution is identical to the internal auditor in a company which is needed in supervising the operation of the Village Credit Institution. If Panureksa has a good performance in carrying out its duties, it will be able to provide optimal results and will create supervision that can ensure the utilization of existing resources in the Village Credit Institution has been used effectively and efficiently (Sudiartini and Mimba, 2018).

The LPD PanureksaBintek has an important role in supporting the operational success of the LPD. The phenomenon of corruption cases contained in the Directory of Decisions of the Supreme Court of the Republic of Indonesia in the Denpasar District Court Decision 16/PID.SUS-TPK/2019/PN DPS and Bali Tribune, 2020 The Denpasar Corruption Court Judges sentenced 12 months in prison to three former supervisors of the Village Credit Institution (LPD) Desa Adat Ship Badung period 2008-2016. The three were found guilty of committing corruption together at the Village Credit Institution (LPD) of the KapalBadung Traditional Village. Good performance is needed by this profession because the profession of the supervisory body as an internal auditor has an important role in providing reliable financial information for management, creditors, debtors, employees and the public and other interested parties (Dana, 2020). Good performance is certainly not formed just like that, but is determined by many factors, especially in improving individual performance, basically it will be influenced by certain conditions, namely conditions originating from within the individual called individual factors and conditions originating from outside the individual called individual factors. with situational factors. (Sudiartini and Neem, 2018)

One of the important factors determining individual performance that comes from within a person is organizational commitment. The application of the principle of organizational commitment is intended so that the Village Credit Institution (LPD) is more trusted and seen as a professional organization based on custom, and has the strength of a good internal control system. if the trust from customers and the traditional village community is already owned by a village credit institution, then the performance of the village credit institution can certainly increase. the relationship between organizational commitment to panureksa performance, namely research conducted by (Melizawati, 2015), (Metin and Asli, 2018) and (Al-Fakeh et al, 2020) states that organizational commitment affects the performance of the supervisory body, while research conducted by Mekta and Siswanto (2017) stated that organizational commitment does not affect the performance of the supervisory body. In organizational commitment to achieve good performance, spiritual intelligence is needed that shapes one's character for the better and has a deep meaning, and can be used as a benchmark to assess that one's way of life or actions are more meaningful than the lives of others (Hartanto and Harnoto, 2007). 2017). Aspects of possible well-being and requirements for bringing spirituality into the workplace suggest teachers to incorporate spirituality positively into the institution (Kulshresta and Singhal, 2017). spiritual intelligence has an effect on job performance (Dordunu, et al, 2020), while Fadillah's research (2019) finds that spiritual intelligence does not have a positive effect on auditor performance.

From the results of previous studies that were inconsistent, the researcher suspected that there were contingency factors that influenced the relationship between organizational commitment to panureksa performance, namely research conducted by Melizawati (2015), Metin and Asli (2018), Al-Fakeh, et al (2020) stated that organizational commitment affects the performance of the supervisory body, while research conducted by Mekta and Siswanto (2017) and Ayura (2013) states that organizational commitment does not affect the performance of the supervisory body. This research refers to research conducted by Dana (2020). This research was conducted in different timing and moderating variables from previous studies, as well as different research objects, namely using Badung Regency,

because the number of assets owned, especially Badung Regency is the largest in Bali Province. The reason for using the spiritual intelligence variable as a moderating variable is because it is related to the goal setting theory (GST) which explains the relationship between the goals set and work performance (performance). The theory of goal setting theory (GST) also states that individual behavior is governed by one's ideas (thoughts) and intentions. Goals can be viewed as goals or levels of work to be achieved by individuals. If an individual is committed to achieving his goals, then this will affect his actions and affect the consequences of his performance. Through spiritual intelligence, the Panureksa (supervisory body) of the Village Credit Institution can interpret every work carried out, this will allow Panureksa to express all its potential so that it can show optimal performance. Based on this background, the formulation of the hypothesis and conceptual framework of this research:

H1: Organizational Commitment has a positive effect on the performance of the Village Credit Institution Panureksa;

H2: Spiritual Intelligence strengthens the influence of organizational commitment on the performance of the Village Credit Institution Panureksa.

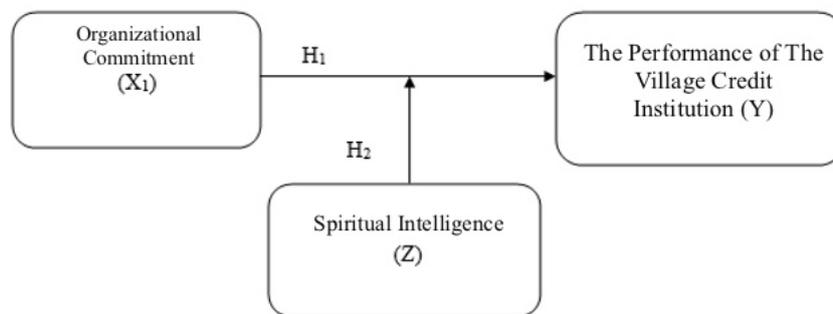


Figure 1 – Research Conceptual Framework

## METHODS OF RESEARCH

This research was conducted at the Village Credit Institution in Badung Regency using primary data obtained from questionnaires. The method of determining the sample using the saturated method with respondents obtained as many as 366 Panureksa from 122 Village Credit Institutions in Badung Regency. The data analysis technique used is the moderated regression analysis (MRA) interaction test of moderating variables. The results of the analysis show that organizational commitment has a positive effect on the performance of the Village Credit Institution Panureksa, Spiritual intelligence strengthens the influence of organizational commitment on the performance of the Village Credit Institution Panureksa.

## RESULTS AND DISCUSSION

Bali Provincial Regulation Number 3 of 2017 concerning Village Credit Institutions states that LPD is a financial institution belonging to Pakraman Village which is domiciled in the Wewidangan of Pakraman Village. The existence of the Village Credit Institution is needed to ensure the realization of the welfare of the customary law community which is the Krama DesaPakraman. The Village Credit Institution has provided economic, social, and cultural benefits to Krama Desa, its governance needs to be improved as a financial institution belonging to Pakraman Village. Respondents in this study were Panureksa Village Credit Institutions in Badung Regency, namely as an internal auditor it is expected to provide direction or behavioral guidelines for a supervisory body in the organization, where Panureksa as an internal auditor in the Village Credit Institution cannot at will but must adapt to who and where they are. Data was collected by distributing questionnaires to 122 Village Credit Institutions in Badung Regency. Each Village Credit Institution received 3 questionnaires addressed to the head of the supervisory body and members of the supervisory body, so the total number of questionnaires distributed was 366, of which these

questionnaires were sent directly to each Village Credit Institution.

As for the characteristics of the respondents, namely, there are 3 Supervisory Boards in each Village Credit Institution, 1 chairman of the Supervisory Board and 2 Supervisory Board members with a composition of 310 males (85%) and 56 females (15%). Age less than 50 years as many as 168 people (46%) and more than 50 years as many as 198 people (54%). The last education was SMK as many as 125 people (34%), S1 as many as 225 people (61%), S2 as many as 11 people (3%), S3 as many as 5 people (1%).

Table 1 – Descriptive statistics

n/n	N	Minimum	Maximum	Mean	Std. Deviation
Organizational Commitment (X1)	366	25.00	39.00	32.41	2.37
Spiritual Intelligence (Z)	366	20.00	33.00	27.46	2.43
Panureksa Performance	366	41.00	54.00	49.91	3.34

Source: Data processed, 2021.

Based on Table 1, it can be seen that each descriptive statistic is as follows.

1. *Organizational Commitment*. The organizational commitment variable has a minimum value of 25.00, a maximum value of 39.00, an average value of 32.41 and a standard deviation of 2.37. In the table, it can be seen that the average value is close to the maximum value of 39.00. This shows that the organizational commitment that exists at the Panureksa of Village Credit Institutions in Badung Regency has a fairly high commitment.
2. *Panureksa Performance*. Panureksa's performance variable has a minimum value of 41.00, a maximum value of 54.00, an average value of 49.91 and a standard deviation of 3.34. In the table, it can be seen that the average value is close to the maximum value of 33.00. This shows that the existing Panureksa performance at the Village Credit Institution Panureksa in Badung Regency has a high Panureksa performance.
3. *Spiritual Intelligence*. The spiritual intelligence variable has a minimum value of 20.00, a maximum value of 33.00, an average value of 27.46 and a standard deviation of 2.43. In the table, it can be seen that the average value is close to the minimum value of 33.00. This shows that the spiritual intelligence that exists at the Village Credit Institution Panureksa in Badung Regency has high spiritual intelligence

Table 2 – Moderation Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.289	11.038		-.026	.979
Organizational Commitment	.955	.343	.683	2.782	.006
Spiritual Intelligence	1.564	.396	1.140	3.947	.000
X1.Z	.027	.012	.946	2.181	.030

Source: Processed Data, 2021.

Based on Table 2, a moderating regression equation model can be made as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_3 X_1.Z + e \quad (1)$$

$$Y = -0,289 + 0,955 + 0,027 + e \quad (2)$$

Table 3 – Determination Test Results (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0	1	.597 <sup>a</sup>	.351	2.69242

Source: Processed Data, 2021.

The test results give the results where the magnitude of R Square (R2) (coefficient of determination that has been adjusted) in Table 5.10 is 0.356. This means that the variation of

Panureksa performance can be significantly influenced by the variables of organizational commitment (X1), spiritual intelligence (Z) and X1.Z interaction by 35.6 percent, while the remaining 64.4 percent is explained by other factors not explained in this study. Research Model.

### **The Effect of Organizational Commitment on the Performance of Panureksa Village Credit Institutions**

Hypothesis 1 (H1) states that organizational commitment has a positive effect on the performance of the Village Credit Institution Panureksa. The results of the analysis show that organizational commitment has a positive effect on the performance of the Village Credit Institution Panureksa accepted. The results of this study indicate that the higher the performance it has, and vice versa. This is because if someone has a high organizational commitment, then he will make employees give their best to the organization. The relationship of organizational commitment to the performance of the Village Credit Institution Panureksa is based on the theory of goal setting, the theory of goal setting shows that there is a relationship between organizational commitment to the performance of the Village Credit Institution Panureksa. Organizational commitment can be viewed as a goal or level of performance to be achieved by individuals. Workers who have a high commitment will be more work-oriented, will tend to be happy to help and be able to work together. The application of the principle of organizational commitment is very necessary in running a business, because organizational commitment is a form of loyalty to the organization, and a sense of belonging to the organization so that self-involvement in making various decisions will be in accordance with organizational goals, especially at the Village Credit Institution. The results of this study are consistent with research conducted by Melizawati (2015), Metin and Asli (2018), Al-Fakeh, et al (2020) stating that organizational commitment greatly influences employee performance, especially good performance so that it can maintain the company to can achieve their business targets. Based on the results of this study, it can be recommended to the leadership of the Village Credit Institution (LPD) to always maintain a sense of organizational commitment from each of his subordinates, especially the supervisory body (BintekPanureksa). The application of the principle of organizational commitment is very necessary in running a business, because organizational commitment is a form of one's loyalty to the organization, and a sense of belonging to the organization so that self-involvement in making various decisions will be in accordance with organizational goals, especially at the Village Credit Institution (LPD).

### **Spiritual Intelligence in Moderating the Effect of Organizational Commitment on the Performance of Panureksa Village Credit Institutions**

Hypothesis 2 (H2) states that spiritual intelligence strengthens the effect of organizational commitment on the performance of the Village Credit Institution Panureksa. These results indicate that spiritual intelligence strengthens the effect of organizational commitment on the performance of panureksa accepted. This means that organizational commitment related to loyalty or feelings of love for the organization if supported by spiritual intelligence will certainly affect someone in the organization to improve the performance of the Village Credit Institution Panureksa. The relationship of spiritual intelligence moderates the effect of organizational commitment on panureksa performance based on social network theory. This theory shows the relationship between organizational commitment to the performance of the Village Credit Institution Panureksa, because the social network is a special type of network, where the "ties" that connect one point to another in the network are social relationships. Based on this type of bond, then directly or indirectly who are members of a social network are humans (person). A social network does not only consist of one individual, but can also be a group of people who represent dots as stated earlier, if not one point must represent one person, for example an organization. Organizational commitment related to loyalty or feelings of love for the organization if supported by spiritual intelligence will certainly affect someone in the organization to improve the performance of the Village Credit Institution. Spiritual intelligence is intelligence that shapes one's character for the

better and has a deep meaning, and can be used as a benchmark to judge that one's way of life or actions are more meaningful than the lives of others. Organizational commitment is a strong and close feeling from a person towards the goals and values of an organization in relation to their role in efforts to achieve goals or improve the performance of the Village Credit Institution Panureksa.

### Implication

The implications of this research include two things, namely theoretical implications and practical implications. Theoretical implications relate to the contribution of this research to goal setting theory, social network theory and contingency theory related to organizational commitment, spiritual intelligence and the performance of the Village Credit Institution Panureksa. Practical implications related to the contribution of research to the performance of the Panureksa of Village Credit Institutions in Badung Regency

### CONCLUSION

Based on the discussion that has been described, the conclusion of this study is that organizational commitment has a positive effect on the performance of the Village Credit Institution Panureksa. This means that the higher Panureksa's organizational commitment, the better Panureksa's performance will be. Spiritual intelligence strengthens the influence of organizational commitment on the performance of the Village Credit Institution Panureksa. This means that high spiritual intelligence will be able to strengthen organizational commitment carried out by the Village Credit Institution Panureksa, so that the Panureksa performance will be better.

Suggestions that can be given are based on the results of this study to contribute to the Village Credit Institution because the results of the tabulation of research data show the respondents' answers are very high, there are indicators of quality of life on the spiritual intelligence variable whose respondents' answers must be considered again by the Village Credit Institution Panureksa, namely having a principle to be a guide in his life so that Panureska's performance gets better. For further researchers, other independent variables can be used which are indicated to affect panureska performance, such as the menyamabraya culture.

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