

SIPEDAL AS A SUSTAINABILITY STIMULUS ON LPD

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1. Introduction

The Village Credit Institution (LPD) is one of the micro credit institutions that is established in each traditional village in Bali. LPDs were first established in 1984 with a total of 8 LPDs, which then increased in number until in 2021 there were 1437 LPDs throughout Bali. LPDs have the potential to help the central government to distribute income through the provision of savings and loan services that are easily accessible to the public. On the other hand, the development of the number of LPDs is not supported by good management. This can be seen from the occurrence of various cases in the LPD, for example from 50 corruption cases that occurred in Bali 11 cases of which occurred in the LPD (www.radarbali.jawapos.com). The high number of cases that occur causes the need for policies from each LPD related to the internal control function to reduce the risk of corruption, abuse of authority, administrative errors and the occurrence of bad loans.

Village regulations and policies (*awig-awig* and *perarem desa*) have a strategic role in protecting LPDs from sustainability risks. Each type of business certainly has its own risks, where LPD has an inherent risk in the form of bad loans, but this inherent risk can be reduced by internal supervision and an ethical and obedient attitude to their leaders. LPD as a cultural entity remains within the scope of financial inclusion to reduce poverty, eradicate debt bondage, and provide access to capital for small businesses. This financial inclusion is directly or indirectly a buffer for Balinese customs and culture inspired by Hinduism, so that it is not an exaggeration for LPD in the future to become a Hindu economic sub-system of the Hindu economic and financial system holistically.

Internally, the LPD is supervised by the Supervisory Board, where the Head of the Supervisory Board is the Village Head in the village. The head of the supervisor is assisted by a member of the supervisor whose personnel are selected by the villagers (*krama*) of the village. The LPD supervisory body also has a function as an internal auditor for 2 LPDs whose job is to oversee the implementation of LPD policies and business management (Hermawan and Sudiartana, 2015). The role of the LPD supervisory body is very strategic, in addition to being an internal auditor, the supervisory body also acts as an effective partner for the progress of the LPD (Wedayani and Jati, 2012). Therefore, the performance of the LPD supervisory body must be considered, because it will affect the performance of the LPD. The importance of the role of the Supervisory Board in supervising LPDs is not matched by the competence and access to information needed to carry out maximum supervision. The supervisory body has limited access to information because the supervisory body is not involved in the operational activities of the LPD. According to Suartana (2009: 19) the role of the internal supervisory body is to actively oversee policies, operations and accounting and financial reporting practices and be a liaison between managers and external auditors when necessary.

This study develops an accounting information system to address the information gap between LPD managers and supervisory bodies. The developed accounting information system, SIPEDAL, aims to provide significant information that requires approval from the Supervisory Agency to prevent misuse and errors. The information received is in the form of unsecured credit applications, large loan applications, deposit disbursement, and daily

LPD transaction reports. Based on this explanation, the purpose of this study is to determine the extent to which the effectiveness of the Accounting Information System affects the performance and satisfaction of the supervisory agency, as well as the ability of job satisfaction to mediate the effect of AIS on the performance of the LPD supervisory body.

Literature Review

Agency Theory

Agency theory is the theoretical basis that underlies the company's business practices that have been used so far. The theory is rooted in the synergy of economic theory, decision theory, sociology, and organizational theory. This research on the audit committee and sharia supervisory board is based on agency theory. Agency theory is the basis used by companies to understand corporate governance. What is discussed in this theory is the relationship between owners and shareholders (principal) and management (agent). Jensen and Meckling, (1976) in this case state that the agency relationship is a contract between one or more people (principal) who employs another person (agent) to provide a service and then delegates decision-making authority to the agent.

The concept of agency theory according to Anthony and Govindarajan, (1995) is a relationship or contract between the principal and agent. The principal employs the agent to perform tasks for the benefit of the principal, including the delegation of decision-making authority from the principal to the agent. According to agency theory, the separation between ownership and management of the company can lead to conflict. The occurrence of a conflict called agency conflict is caused by the related parties, namely the principal (who gives the contract or shareholder) and the agent (who receives the contract and manages the principal's funds) have conflicting interests (Destika, 2011; 12) Agency theory assumes that all individuals act in their own interests. Shareholders as principals are assumed to be only interested in increasing financial results or their investment in the company. While the agents are assumed to receive satisfaction in the form of financial compensation and the conditions that accompany the relationship.

Effectiveness

Handoko (2003: 7) explains effectiveness is the ability to choose the right goals or the right equipment to achieve the goals that have been set, concerning how to do the right job. According to Tunggal (2004: 12), effectiveness is the determination of the company's goals that have been set have been achieved. Effectiveness is viewed in terms of quality or in terms of quantity of work results and the targeted time limit. According to Jackson (1995) in Sulistyowati (2004: 10), effectiveness is one of the performance indicators for the implementation of a performance, which informs how much is the achievement of the targets set. According to Komarudin (2001) in Megawati (2009: 30), effectiveness is a condition that shows management activities in achieving the goals set. Meanwhile, according to Yamit (1998) in Sari (2009: 52), effectiveness as a measure that provides an overview of how far the target can be achieved, both in quality and time, the orientation is on the output produced. Based on this understanding, it can be concluded that effectiveness is a condition that states success in carrying out an activity or effectiveness in order to achieve the goals that have been set.

Hypothesis Development

The use of accounting information systems initially used information technology which required all employees to carry out activities in accordance with predetermined goals. The results of Christianto, et al. (2007) show that the implementation of information systems has an impact on labor productivity. Darmini and Putra (2008) show that the use of information technology and trust in the new information system has a positive and significant effect on individual performance at BPR in Tabanan Regency. The effectiveness

of an accounting information system is a description of the extent to which the target is achieved from a set of resources that are arranged to collect, process, and store electronic data, then turn it into useful information and provide the required formal reports both in terms of quality and time (Damayanthi, 2012). Dewi and Dharmadiaksa (2017) found that the effectiveness of accounting information systems has a positive effect on performance.

Thompson et al. (1991) states that optimizing information technology can be done by improving the performance of its users, but it does not mean that every individual positively accepts the existence of the technology and can feel the benefits. Novita (2011) found that the more effective the accounting information system, the higher the individual's performance. Each characteristic of the information produced by a system is not always the same. User satisfaction is usually influenced by timely information, accurate information, information that meets needs, and relevant information and meets criteria related to the quality of information system output. The success of a company's information system depends on how the system is run, the ease of the system for its users, and utilization of the technology used (Goodhue, 1995). Myers, et. al. (1997) stated that service quality as well as system quality and information quality have an influence on user satisfaction. The measure of user satisfaction is also measured on a computer system which is reflected by the quality of the system owned by Guimaraes., et al (1992).

Based on the explanation above, the hypotheses proposed in this study are:

H1: The effectiveness of the SIPEDAL accountant information system has a positive effect on the performance of the LPD Supervisory Board.

H2: The effectiveness of the SIPEDAL accounting information system has a positive effect on job satisfaction of the LPD Supervisory Board

H3: Job Satisfaction has a positive effect on the performance of the supervisory body

H4: Job satisfaction mediates the effect of the effectiveness of the SIPEDAL accounting information system on the performance of the supervisory body.

2 Research Method

This research was conducted at Padang Luwih LPD located in Badung, Bali. This LPD was chosen because the Padang Luwih LPD is an LPD that has implemented the SIPEDAL accounting information system. The object of research is the effect of the effectiveness of the SIPEDAL accounting information system on the performance of the LPD Supervisory Board. The population in this study were all employees, managers, and supervisory bodies of LPD. This study used the entire population as a sample, as many as 31 people.

The variable effectiveness of the accounting information system was measured using questions adopted from Apriadi's research (2021). Job satisfaction variables were measured using a questionnaire adopted from Sari (2013) which was improved according to research needs. The performance variable of the LPD supervisory body is measured by a questionnaire adopted from the research of Kusuma and Werastuti (2020). The hypothesis in this study was tested using SEM-PLS.

3. Discussion

Table 1

Variable Relationship	T statistics	P Values	Results
SIA Effectiveness -> Job Satisfaction	3.583	0.000	Received
SIA Effectiveness -> Supervisory Body Performance	2,542	0.006	Received
Job Satisfaction -> Supervisory Body Performance	2,129	0.038	Received
SIA Effectiveness -> Job Satisfaction -> Supervisory Body Performance	2.426	0.004	Received

Source: Processed Data (2022)

The results of the analysis show that the effect of the effectiveness of AIS on job satisfaction has a t-statistic value of 3.583 with a significance value of 0.000, so it is stated that the effectiveness of AIS has a positive and significant effect on job satisfaction.

The results of the analysis show that the effect of the effectiveness of AIS on the performance of the supervisory agency has a t-statistic value of 2,542 with a significance value of 0.006, so it is stated that the effectiveness of the AIS has a positive and significant effect on the performance of the supervisory agency.

The results of the analysis show that the effect of job satisfaction on the performance of the supervisory body has a t-statistic value of 2.129 with a significance value of 0.038, so it is stated that job satisfaction has a positive and significant effect on the performance of the supervisory body.

The results of the analysis show that the effectiveness of AIS has an effect on the performance of the supervisory body with job satisfaction as a mediating variable having a t-statistic value of 2,426 with a significance value of 0.004, where the mediating nature of job satisfaction is partial mediation. so that it is stated that job satisfaction is able to partially mediate the effect of the effectiveness of AIS on the performance of the supervisory body.

3.1 The Effect of SIA's Effectiveness on the Performance of the Supervisory Body

Based on the results of the analysis, the effectiveness of SIA has a positive effect on the performance of the LPD supervisory body. These results explain that when the application of the SIPEDAL accounting information system at LPD Padang Luwih is more effective, it will improve the performance of the LPD supervisory body. SIPEDAL is an information system that connects the operational activities of the LPD to the supervisory agency, where the supervisory body will receive information and confirmation related to transactions that occur in the LPD such as loans without collateral, large loans and withdrawals of deposits. The existence of an information system that provides information in real time to the supervisor will facilitate the supervision carried out, which will ultimately improve the performance of the supervisory body.

This study supports the research of Dewi and Dharmadiaksa (2017) which explains that the effectiveness of accounting information systems in companies is not only to increase efficiency, but also to support more effective performance processes. A similar opinion was also found by Utari (2012) and Suratni., et al (2015) who explained that the effectiveness of accounting information systems had a positive effect on performance.

3.2 The Effect of AIS Effectiveness on Job Satisfaction of the Supervisory Board

Based on the results of the analysis, the effectiveness of SIA has a positive effect on job satisfaction of the LPD supervisory body. This shows that when the accounting information system in the company can be implemented effectively, it will increase the job satisfaction of the Supervisory Board. The existence of SIPEDAL which is applied as an information system that can be accessed through the devices of each administrator and supervisor will be able to provide convenience to supervise LPD operational activities. The convenience obtained through the information system will increase the satisfaction of the supervisory body, because the supervisory body does not need to come directly to the LPD to check financial reports and operational activities. This is in accordance with Guimaraes., et al (1992) which stated that the job satisfaction of system users will depend on the quality and effectiveness of the system.

3.3 The Effect of Job Satisfaction on the Performance of the LPD Supervisory Board

Based on the results of the analysis, job satisfaction has a positive effect on the performance of the supervisory body. This explains that the higher the job satisfaction of

the LPD supervisory body, the higher the performance of the supervisory body. Job satisfaction is a feeling associated with employees related to their work and conditions. When the supervisory body is satisfied with the work environment and the facilities and infrastructure to support its work, it will help improve the performance of the supervisory body. The results of this study support the research by Steven and Prasetio (2020) which found that job satisfaction has a positive effect on employee performance.

3.4 Role of Job Satisfaction in Mediating the Effect of AIS Effectiveness on LPD Supervisory Body Performance

Based on the results of the analysis, job satisfaction mediates the effect of the effectiveness of the AIS on the performance of the LPD supervisory body. Job satisfaction is an affective or emotional response to various aspects or aspects of one's work so that job satisfaction is not a single concept. A person can be relatively satisfied with one aspect of the job and dissatisfied with one or more other aspects. Edison et al. (2016:216) argues that the factors that influence job satisfaction are the salary earned, the work itself, promotion opportunities, working conditions, co-workers and job security within the organization. In this study, job satisfaction can be caused by the availability of information systems that support the work of all LPD components. SIPEDAL as an accounting information system at LPD Padang Luwih provides convenience for the supervisory body in carrying out its work by obtaining information and reports related to LPD activities. This will make it easier for the supervisory body to communicate with LPD management and employees related to transactions that occur in the LPD, besides that the supervisory body will be able to make decisions quickly and precisely because it can be done from anywhere through the information provided in real time. So it can be concluded that the satisfaction caused by the effectiveness of the accounting information system will be able to improve the performance of the LPD supervisory body. This will make it easier for the supervisory body to communicate with LPD management and employees related to transactions that occur in the LPD, besides that the supervisory body will be able to make decisions quickly and precisely because it can be done from anywhere through the information provided in real time. So it can be concluded that the satisfaction caused by the effectiveness of the accounting information system will be able to improve the performance of the LPD supervisory body.

4. Conclusions

This study found that the effectiveness of AIS and job satisfaction have a positive effect on the performance of the regulatory body. In addition, this study found that job satisfaction mediates the effect of the effectiveness of AIS on the performance of the LPD supervisory body. This study has limitations because the information system has only been tested on one LPD, so the number of samples is limited. This provides an opportunity for researchers and future researchers to develop SIPEDAL in different LPDs and then test the consistency of the results. The implication given by this research is that the supervisory body is an integral part of the LPD, which must receive information that is balanced with the information held by the management and employees of the LPD.

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